

Proposed Rules

Federal Register

Vol. 58, No. 169

Thursday, September 2, 1993

This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

DEPARTMENT OF AGRICULTURE

Animal and Plant Health Inspection Service

9 CFR Part 82

[Docket 91-016-2]

Chicken Disease Caused by *Salmonella enteritidis*; Public Hearing

AGENCY: Animal and Plant Health Inspection Service, USDA.

ACTION: Notice of public hearing.

SUMMARY: We are advising the public that the Animal and Plant Health Inspection Service is hosting a public hearing on the proposed rule on chicken disease caused by *Salmonella enteritidis* that we published in the Federal Register on August 2, 1993. The public hearing will be held in Washington, DC, on September 7, 1993.

DATES: The public hearing will be held on Tuesday, September 7, 1993, from 11 a.m. until 3 p.m.

ADDRESSES: The public hearing will be held in room 3501, South Building, United States Department of Agriculture, 14th Street and Independence Avenue SW., Washington, DC.

FOR FURTHER INFORMATION CONTACT: Dr. John Mason, Director, Salmonella Enteritidis Control Program, VS, APHIS, USDA, room 205, Presidential Building, 6525 Belcrest Road, Hyattsville, MD 20782, (301) 436-4363.

SUPPLEMENTARY INFORMATION: This public hearing is being held on the proposed rule on chicken disease caused by *Salmonella enteritidis* (Docket No. 91-016-1, 58 FR 41048-41061), published August 2, 1993. The comment period on the proposed rule ends October 1, 1993. The rule proposes to make the following major changes to the current *Salmonella enteritidis* (SE) regulations: (1) Exempting certain flocks from the testing requirements of the regulations, if the flocks are participating in certain voluntary *Salmonella* testing programs; (2)

removing requirements for testing blood and internal organ samples from Test Flocks; (3) adding requirements to test Study Flocks for SE by testing egg samples; (4) adding requirements to trap and test rodents; (5) substituting the terms SE-positive status (Environment) and SE-positive status (Eggs) for the terms Test status and Infected status, and (6) allowing SE-Positive houses and flocks to be released from regulation only through depopulation, cleaning, and disinfection, not through negative testing.

The public hearing will be held on Tuesday, September 7, 1993, in room 3501, South Building, United States Department of Agriculture, 14th Street and Independence Avenue SW., Washington, DC.

A representative of the Animal and Plant Health Inspection Service (APHIS) will preside at the public hearing. Any interested person may appear and be heard in person, by attorney, or by other representative. Persons who wish to speak at the public hearing will be asked to sign in with their name and organization, to establish a record for the hearing.

The public hearing will begin at 11 a.m. and is scheduled to end at 3 p.m. local time. However, the hearing may be terminated at any time after it begins if all persons desiring to speak have been heard. We ask that anyone who reads a statement provide two copies to the presiding officer at the hearing.

If the number of speakers at the hearing warrants it, the presiding officer may limit the time for each presentation so that everyone wishing to speak has the opportunity.

The purpose of the hearing is to give interested persons an opportunity for oral presentation of data, views, and arguments. Questions about the content of the proposed rule may be part of the commenters' oral presentations. However, neither the presiding officer nor any other representative of APHIS will respond to comments at the hearing, except to clarify or explain provisions of the proposed rule.

Done in Washington, DC, this 31st day of August 1993.

Eugene Branstool,

Assistant Secretary, Marketing and Inspection Services.

[FR Doc. 93-21586 Filed 9-1-93; 8:45 am]

BILLING CODE 3410-34-P

FEDERAL HOUSING FINANCE BOARD

12 CFR Part 936

[No. 93-66]

Community Support Requirements for Insurance Company and Credit Union Members of the Federal Home Loan Bank System

AGENCY: Federal Housing Finance Board.

ACTION: Advance notice of proposed rulemaking.

SUMMARY: The Federal Housing Finance Board (Finance Board) is requesting public comment to assist it in amending the regulation creating its Community Support Program (CSP). The CSP implements section 710(c) of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), which requires all members of the Federal Home Loan Bank System (FHLBank System) to meet standards of community investment or service in order to maintain continued access to long-term FHLBank System advances. To date, the Finance Board has reviewed for Community Support purposes only members covered by the Community Reinvestment Act of 1977 (CRA) because the existing regulation contains minimal guidance as to reviewing members not covered by CRA. The Finance Board intends to amend the regulation to specify procedures to review members not covered by CRA, specifically, insurance company and credit union members, and is requesting public comment to assist in developing those procedures.

DATES: Comments must be received on or before November 1, 1993.

ADDRESSES: Comments should be sent to: Elaine L. Baker, Associate Director and Executive Secretary, Federal Housing Finance Board, 1777 F Street NW., Washington, DC 20006. Comments will be available for public inspection at this address.

FOR FURTHER INFORMATION CONTACT: Kathleen S. Brueger, Associate Director, Housing Finance Directorate, (202) 408-2821, or Sylvia Martinez, Director, Housing Finance Directorate, Federal Housing Finance Board, 1777 F Street NW., Washington, DC 20006.

SUPPLEMENTARY INFORMATION:

I. General

FIRREA, Public Law No. 101-73, 103 Stat. 183, established the Finance Board as an independent agency in the executive branch of the federal government. It is the successor agency to the Federal Home Loan Bank Board with respect to oversight of the FHLBanks.

Virtually all savings associations supervised by the Office of Thrift Supervision are members of the FHLBank System, as are many state chartered savings banks supervised by the Federal Deposit Insurance Corporation. The membership also includes insurance companies, which have been eligible for membership since the creation of the FHLBank System in 1932. With the passage of FIRREA, membership was opened as well to commercial banks and credit unions that make long-term home mortgage loans, subject to financial soundness and home financing qualifications.

Section 710 (c) of FIRREA added a new section 10(g) to the Federal Home Loan Bank Act of 1932 (Bank Act), 12 U.S.C. 1430(g), as follows:

(g) Community Support Requirements—

(1) In General.—Before the end of the 2-year period beginning on the date of enactment of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, the Board shall adopt regulations establishing standards of community investment or service for members of Banks to maintain continued access to long-term advances.

(2) Factors To Be Included.—The regulations promulgated pursuant to paragraph (1) shall take into account factors such as a member's performance under the Community Reinvestment Act of 1977 and the member's record of lending to first-time homebuyers.

To implement this section, the Finance Board issued a regulation on November 21, 1991 (56 FR 58639), preceded by both an advance notice of proposed rulemaking (56 FR 387) and a proposed rule (56 FR 26346), which established a Community Support Program for the FHLBank System (12 CFR part 936).

The regulation defines "Community Support" in § 936.1 as follows:

(1) Extensions of credit for purchase, construction, or rehabilitation of owner-occupied and rental housing for households whose incomes do not exceed 115 percent of the median income for the area, with demonstrable efforts to finance housing for households whose incomes do not exceed 80 percent of the area median income and for households whose

incomes do not exceed 50 percent of the area median income;

(2) Extensions of credit to finance commercial and economic development activities that benefit very low-, low- or moderate-income neighborhoods, including very low-, low-, and moderate-income minority neighborhoods and rural communities;

(3) Development and extension of other loan products, financial services and programs to address community credit needs, including those described in Comprehensive Housing Affordability Strategy Plans, 24 CFR part 91, or as identified by FHLBank Advisory Councils;

(4) Marketing plans and related outreach activities targeted to households in minority, very low-, low- or moderate-income, or rural communities, including first-time homebuyers;

(5) Active participation in loan consortia, regional lending activities, and similar efforts that benefit very low-income and low- or moderate-income households or which further the activities described in paragraphs (i) (1) through (4) of this section, both within and outside a member's usual market areas and communities;

(6) Any additional loan products, financial services programs or activities that further the items described in paragraphs (i) (1) through (5) of this section; and

(7) In the case of institutions not covered by CRA, such as credit unions, loan products, financial services, programs or activities that further the items described in paragraphs (i) (1) through (5) of this section.

12 CFR 936.1.

Under the requirements of the Program, all members of the FHLBank System are to be revised by the Finance Board for their record of Community Support approximately every two years. If a member is found not to have met the Community Support standard, the Finance Board asks the member to create, with the help of its FHLBank, a one-year Community Support Action Plan (Action Plan) to improve its performance under the standard. As indicated in § 936.7 of the regulation, members that refuse to participate in the Community Support review or, if requested, to create an Action Plan the Finance Board can approve, or that fail to substantially meet the goals of an Action Plan they have implemented may lose access to long-term FHLBank System advances.

12 CFR 936.7.

II. Review Under the Community Support Program

Members selected for Community Support review are requested to provide the Finance Board with a Community Support Statement (Statement). Completing the Statement involves filling out a one-page form and attaching the following four items: (1) The public disclosure portion of the member's most recent evaluation under the Community Reinvestment Act of 1977 (CRA), 12 U.S.C. 2901 (CRA evaluation); (2) a description of how the member assists first-time homebuyers; (3) if applicable, a summary of any final administrative or judicial rulings within the preceding two years for fair lending, including fair housing, violations; and (4) any additional information the member wishes to include that relates to its Community Support performance.

The CRA evaluation portion of the Community Support Statement is a critical component of the Community Support review. Through the CRA evaluation, the Finance Board is able to rely on an expert, objective on-site assessment of performance that covers significant aspects of Community Support. In the preamble to the Community Support regulation, the Finance Board indicated that it would place primary emphasis on a member's CRA evaluation and would focus in particular on the assessment factors within the CRA evaluation that most directly relate to Community Support.

The Finance Board began reviewing members of the FHLBank System pursuant to the Community Support requirements in February 1992. To date, the Finance Board has reviewed over 1,800 FHLBank System members. Only members covered by the CRA have been reviewed for Community Support thus far, because the existing review procedures rely on members' ability to supply CRA evaluations. Therefore, only savings associations, savings bank and commercial bank members of the FHLBank System have been reviewed. No credit union or insurance company FHLBank System members have been reviewed because they are not subject to or examined for CRA.

III. Treatment of Members Not Covered by CRA Under the Existing Regulatory Provisions

The existing Community Support regulatory provisions offer minimal guidance with regard to Community Support review procedures for members not covered by the CRA. Specifically, the regulation indicates that a Community Support Statement shall include,

(3) In the case of credit unions and other members who are not subject to the Community Reinvestment Act, a detailed description of the member's Community Support activities.

12 CFR 936.3(b).

The preamble to the regulation explains this paragraph by stating that,

(t)he small group of members not covered by CRA, such as credit unions, will be required to submit a written statement explaining how they identify the credit needs of their members and how their loan products and services meet Community Support standards. The Board recognizes the unique circumstances of insurance companies and will work with these members on a case-by-case basis to fulfill the basic purpose of this Part as to these members.

56 FR 58639.

The regulation's only other reference to members not covered by CRA is in the definition of "Community Support":

(7) In the case of institutions not covered by CRA, such as credit unions, loan products, financial services, programs or activities that further the items described in paragraphs (i) (1) through (5) of this section.

12 CFR 936.1(i)(7).

The Finance Board recognizes that the minimal guidance in the regulation with regard to Community Support compliance by members not covered by CRA has created ambiguity on the part of both current and potential FHLBank System members not covered by CRA. Therefore, the Finance Board proposes to amend the regulation to specify the Community Support requirements for such members.

IV. Issues for Consideration

In preparing to promulgate a proposed rule on Community Support requirements for members not covered by CRA, the Finance Board seeks the broadest possible public comment on all aspects of the various relevant issues. All interested parties, including insurance companies, credit unions, community groups, FHLBanks and their Advisory Councils, lenders, public interest groups, current and prospective FHLBank System members, trade associations, federal financial regulators, state and local government agencies, other financial service providers, and private citizens are encouraged to comment.

The questions presented below (numbered consecutively 1 through 31 for ease of reference) are intended to elicit comments on all significant issues. However, the list is not intended to be exclusive. The Finance Board seeks comments on any and all relevant issues.

A. Definition of "Community Support" for Members Not Covered by CRA

The Finance Board defined the term "Community Support" (§ 936.1) to encompass and encourage a wide variety of efforts to benefit communities, particularly very low-, low- and moderate-income, minority and rural households. The existing definition includes: The design and offering of loan products; actual extensions of credit; and, marketing and outreach efforts. Participation in consortia is highlighted as well in order to give credit for Community Support activities by a member both within and outside its CRA-delineated community.

The definition of "Community Support" for members not covered by CRA, specifically, "loan products, financial services, programs or activities" that further the items described in the definition of "Community Support" (12 CFR 936.1 (i)(7)), provides little guidance, given its general nature. Therefore, the Finance Board seeks comment on what specifically should constitute "Community Support" for these members.

The answer to the first question below is central to the amendment process and directly affects the remainder of the questions regarding how "Community Support" should be defined for members not covered by CRA. While various approaches to the Community Support review for members not covered by CRA may be attractive from a policy perspective, the Finance Board must ensure that members will be able to comply. Therefore, the Finance Board must caution that all the approaches discussed below may not turn out to be equally available once all impediments to compliance by insurance company and credit union members are known.

1. Are there statutory or regulatory limitations or restrictions that would impede the Finance Board from applying existing Community Support lending and other requirements to insurance company and/or credit union members (for example, credit union charter restrictions on lending only to members, or state law limitations on investments by insurance companies)?

2. Should there be a different definition of Community Support for insurance company and credit union members than for all other FHLBank System members? Should there be different definitions for insurance company versus credit union members?

3. How should "Community Support" be defined for FHLBank System members not covered by CRA, specifically, insurance company and

credit union members? What activities should serve to meet the Community Support standard for these members?

B. Form of Compliance

The Bank Act section which creates the Community Support requirement lists CRA performance as one of two factors which the Finance Board is to take into account in its implementing regulations for Community Support. 12 U.S.C. 1430(g). In keeping with the statutory emphasis, the Finance Board relies heavily on the CRA evaluation in conducting a member's Community Support review.

Besides furnishing an objective third-party assessment of community lending efforts based on an on-site examination, using the CRA also ensures that a member's financial condition, size, any legal impediments and local conditions are all taken into account in evaluating the member's efforts. Using the CRA evaluation also minimizes the paperwork burden for the member in complying with the review procedures.

Since insurance company and credit union members are not covered by CRA, the Finance Board will not be able to rely on any CRA evaluation in conducting a Community Support review of one of these members.

Approaches for dealing with the absence of a CRA evaluation for insurance company and credit union members could include the Finance Board's requiring that these members nevertheless comply with CRA criteria or the Finance Board's establishing a parallel CRA requirement adapted to the institutional differences of these members. One issue the Finance Board would need to address involves the CRA concept of a delineated community. While meeting the credit needs of a delineated community is central to the CRA requirements, the Community Support regulation focuses not on meeting the needs of a particular community, but rather on meeting the needs of underserved households, specifically, very low-, low- and moderate-income, minority and rural households. Insurance company and credit union members are not likely to have a designated geographic community comparable to the CRA concept of "community" (with the exception of credit unions with geographic common bonds), and both may operate on a national scale. At the same time, credit unions operate within lending limitations related to their fields of membership.

4. Since the statute creating the Community Support Program requires the Finance Board to take into account CRA, should the Finance Board require

insurance company and credit union members to comply with CRA or some equivalent of CRA? How would compliance be assessed?

5. Should the Finance Board require members that are not covered by CRA to define a community for Community Support purposes? Is that a workable concept for these members? Are there Community Support policy reasons to do so?

6. Would requiring the members that are not covered by CRA to delineate a community and then focus their Community Support efforts on meeting that community's needs create unnecessary work for the members, result in artificial "communities", and needlessly dilute investments with regard to Community Support's targeted households?

Another approach for dealing with the absence of a CRA evaluation for insurance company and credit union members would be to apply entirely separate criteria, making no attempt to subject these members to CRA or CRA-like criteria. Such an approach might be structured so that the absence of a third-party on-site examination is minimized.

7. Should the Finance Board designate certain activities as appropriate standards for evaluating those members not covered by CRA, with evidence of participation in such activities substituting for the CRA portion of the Community Support Statement provided by CRA-covered members?

A national community reinvestment fund approach as described in questions 8 through 13 below might capitalize on the fact that insurance company and credit union members are not covered by CRA. Specifically, because insurance company and credit union members are not required under CRA to focus on the credit needs of a particular community, investments could be directed through the fund to underserved households and communities or to support, for example, new Department of Housing and Urban Development initiatives, without regard to location within or outside the members' communities.

8. Should the Finance Board, the FHLBank System, or some other organization create some form of national community reinvestment fund in which members not subject to CRA could invest, with evidence of such investment substituting for the CRA portion of the Community Support Statement?

9. What should be considered approved uses for such a fund?

10. How could the fund coordinate its activities with proposed community development and economic

empowerment legislation, such as the Community Development Banking and Financial Institutions Act of 1993, assuming this legislation is enacted?

11. Who should administer such a fund? (For example, should the Finance Board or the FHLBanks administer such a fund, or should the Finance Board consider the feasibility of using experienced non-profit intermediaries to do so?)

12. Instead of creating a new fund, should the Finance Board encourage participation by insurance company and credit union members in similar ventures managed by experienced non-profit intermediaries if all uses of invested funds would meet Community Support standards?

13. How should the appropriate level of investment in a fund by the insurance company or credit union member be determined? For example, should minimum percentages based on asset size be established?

14. Depending on the Community Support approach taken, what information should be required to be reported by members not covered by CRA?

Besides supplying a CRA evaluation, members reviewed for Community Support are required to provide information as to their efforts to assist first-time homebuyers, and to indicate whether there have been any final judgments of a fair lending nature against them within the previous two years.

15. Is there any reason why members not covered by CRA should not be subject to the other Statement information requirements applicable to CRA-covered members, specifically, providing information on assistance to first-time homebuyers and reporting any final judgments in the last two years related to fair lending violations? If not, why? If separate standards are deemed appropriate, how should such separate standards be defined?

C. Measure of Degree of Commitment of Resources

CRA evaluations take into account the examined institution's financial condition, size, any legal impediments, and local economic conditions in assessing the institution's record of meeting its community's credit needs. In so doing, the CRA evaluation provides a context in which to evaluate the individual institution's performance.

In utilizing the CRA evaluation as a substantial part of the Community Support review, the Finance Board incorporates these factors into its assessment as well. Since insurance

company and credit union members are not required to undergo CRA examination, the Finance Board has no similar assessment on which to rely in reviewing these members.

16. How should the Finance Board establish a context for assessing insurance company and credit union members' efforts, given that the Finance Board does not have a CRA evaluation on which to rely for this perspective?

17. Are there reports currently prepared by these members which would provide such a context?

18. Should the Finance Board require insurance company and credit union members to report information regarding their financial condition and size, any legal impediments, and local economic conditions so that the Finance Board may assess the degree of commitment by the member in the context of its resources and capabilities?

19. If such information is solicited, how should the information be verified?

20. Should the Finance Board consider requiring that a specific percentage of insurance company and/or credit union members' assets be directed to community investment/Community Support-related activities (or some similar requirement)? If so, what would be an appropriate threshold? A specified percentage approach would make Community Support a far less flexible standard with regard to members not covered by CRA, but would at the same time provide a more predictable outcome. Could this result in a less or more rigorous standard than that required of members covered by CRA?

D. Fair Lending Issues

One of the requirements for members completing a Community Support Statement is to provide information on any final administrative or judicial ruling against the member of a fair lending or fair housing nature within the previous two years. In the preamble to the Community Support regulation, the Finance Board indicated that this information was being required because it would bear directly upon the member's Community Support performance and may have occurred since the CRA examination was conducted (and thus would not be reflected in the CRA evaluation).

If no final rulings have been issued, the member need provide no further information. However, members covered by CRA are reviewed for any practices of a discriminatory nature in the course of their CRA evaluation, and the Finance Board includes this assessment in its review for Community Support purposes.

21. Since insurance company and credit union members are not reviewed for fair lending performance in the course of a CRA examination, should the Finance Board require these non-CRA covered members to report their fair lending, including fair housing, efforts as part of their Community Support review (in addition to reporting information on final judgments)?

22. FIRREA amended the Home Mortgage Disclosure Act of 1975 (HMDA) 12 U.S.C. 2803, to require financial institutions to report the race, sex, and income of credit applicants. The Finance Board incorporates analysis of CRA-covered members' HMDA data into its Community Support review by virtue of the federal financial regulator's inclusion of HMDA data analysis in the CRA evaluation. Credit unions are subject to the reporting requirements of HMDA, but are not subject to CRA. For consistency, should the Finance Board require credit union members to report their HMDA information to the Finance Board as part of the Community Support requirements?

23. Congress is considering legislation to address discriminatory (redlining) practices by insurance companies in making their insurance products available. As part of the Community Support review, should the Finance Board require information from insurance company members regarding their respective efforts to sell their home insurance products without regard to race, color, religion, national origin, sex, and all the other prohibited bases included in the federal fair lending laws?

E. Public Comment Process

Participation by the public in the Community Support review process has assisted the Finance Board in assessing community needs and the effectiveness of member efforts. The Community Support regulation (§ 936.8) requires each of the FHLBanks to maintain a mailing list for Community Support review notice purposes. These lists include all Advisory Council members, public interest and community organizations in their respective districts, and any other organizations or individuals that have requested to be advised when members have been selected for review.

24. How can the Finance Board ensure that public comments will be provided with regard to insurance company and credit union members selected for Community Support review?

F. Timing of the Community Support Review

The Community Support regulation (§ 936.4) requires that members be reviewed for their Community Support performance approximately every two years. As described in the preamble to the regulation, the Finance Board selects one-eighth of the FHLBank System membership in each district for review each calendar quarter of the two-year review cycle. Members are selected to the extent possible based on chronological sequence of their most recent CRA evaluation, with new members not reviewed until after one year of membership.

Insurance company and credit union members, not being subject to the community investment requirements of CRA, cannot be presumed to have a record to review for Community Support purposes at the time of their initial Community Support reviews.

25. Should the Finance Board consider requiring insurance company and credit union members to submit a Community Support Action Plan in lieu of being reviewed for their Community Support performance to date? The Action Plan could then serve as a baseline for subsequent reviews, and would provide a safe harbor in the event of this being the member's first involvement in community investment activities.

26. Should the Finance Board consider making Community Support a threshold requirement for new insurance company and credit union members?

27. Should insurance companies and credit unions that are already members of the FHLBank System be treated differently from prospective insurance company and credit union members?

G. Residential Lending Commitment

In the regulation (§ 936.7(c)), the Finance Board indicated that it may restrict a member's access to long-term advances if its Community Support Statement "does not adequately establish a reasonable commitment to residential lending and Community Support", and the member fails to address deficiencies by implementing an Action Plan. Similarly, the statute and the regulation require the Finance Board to take into account a member's record of lending to first-time homebuyers as a condition for access to long-term advances.

28. In the case of insurance company and credit union members, should the purchase of loans and securities alone be deemed satisfactory evidence of a commitment to residential lending and

Community Support? How should these loans and securities be evaluated by the Finance Board to assure that they meet Community Support standards?

29. How should the Finance Board evaluate an insurance company or credit union member's record of lending to first-time homebuyers? Should the purchase of loans and securities satisfy this requirement? How should the Finance Board evaluate whether a security interest in a loan satisfactorily meets this standard?

30. Should the Finance Board require some measure of loan origination by insurance company and credit union members as a part of the Community Support standard?

H. Regulatory Burden

In promulgating the Community Support regulation, the Finance Board stated that it intended to strike a balance between the policy goals of FIRREA and enhancing the FHLBank System's role as a community lending partner, and at the same time not impairing the System's attractiveness to new members. The Finance Board hoped to achieve such a balance in part by relying on existing CRA documentation to minimize paperwork for members and to avoid any costly new level of examination.

31. How can the Finance Board structure the Community Support requirements to encourage and ensure Community Support activities by members not covered by CRA and still keep any paperwork burden minimized?

After analyzing the comments and suggestions received in response to this advance notice, the Finance Board will publish a proposed rule for comment prior to a regulation. The Finance Board will welcome comments from all interested persons at each stage of the rulemaking process.

Dated: August 25, 1993.

By the Federal Housing Finance Board.

Daniel F. Evans, Jr.,
Chairman.

[FR Doc. 93-21366 Filed 9-1-93; 8:45 am]

BILLING CODE 6720-01-M

SMALL BUSINESS ADMINISTRATION

13 CFR Part 121

Small Business Size Standards; Fixed Size Standard Levels

AGENCY: Small Business Administration.
ACTION: Proposed rule.

SUMMARY: The Small Business Administration (SBA) is re-proposing a rule designed to streamline its size

standards by reducing the number of fixed size standard levels to nine. This will be achieved by retaining the five existing employee-based levels and establishing four new receipts-based levels. The four new receipts-based levels reflect an inflationary adjustment applied to SBA's current and most common receipts-based size standards. SBA believes that the current system of thirty size standard levels has led to confusion and has created a needless complication of the size standards. SBA believes that adopting a limited number of fixed size standard levels, each representing significantly different firm sizes, would make it easier for a business to know which size standard applies to it. Furthermore, as a part of this proposed change, an adjustment for inflation has been applied to the streamlined receipts-based size standards which will, in effect, restore eligibility to firms that have lost their status over time solely because of inflation. This proposal to streamline the size standards is essentially the same as was proposed on December 31, 1992.

DATE: Comments must be submitted on or before November 1, 1993.

ADDRESSES: Send comments to: Gary M. Jackson, Director, Size Standards Staff, 409 3rd Street, SW—suite 8150, U.S. Small Business Administration, Washington, DC 20416.

FOR FURTHER INFORMATION CONTACT: Ajay K. Sinha, Size Standards Staff, (202) 205-6618.

SUPPLEMENTARY INFORMATION: On December 31, 1992, the SBA published a proposed rule (57 FR 62515) proposing to streamline its size standards by reducing the number of fixed size standards levels to nine. Furthermore, as a part of SBA's simplification of the numerical size standards, adjustments had been made to the receipts-based size standard levels proposed at that time to account for the effects of inflation since March 12, 1984, the time of the last general inflationary adjustment to receipts-based size standards (49 FR 5024). However, the incoming Administration directed that all recently published but not finalized rules were to be thoroughly reviewed, and all Government Agencies were to determine their implications. (Office of Management and Budget Memorandum on Regulatory Review, dated January 22, 1993, to Heads and Acting Heads of Federal Agencies.) The SBA withdrew the proposed rule on February 19, 1993 (58 FR 9131) so it could further evaluate the implications of such a standard.

The newly appointed SBA Administration has completed its review of the previously published rule, and believes the SBA's simplification of size standards has continued merit and deserves consideration by SBA and the public. Hence, SBA is re-proposing to streamline its size standards by reducing the number of fixed size standard levels to nine. This will be achieved by retaining the five existing employee-based levels and establishing four new receipts-based levels. SBA believes that the current system of thirty size standard levels has led to confusion and has created a needless complication of the size standards. SBA believes that adopting a limited number of fixed size standard levels, each representing significantly different firm sizes, would make it easier for a business to know which size standard applies to it. The nine fixed size standard levels are as follows:

Nine Fixed Size Standard Levels

Proposed New Standards

\$5.0 million in annual receipts
\$10.0 million in annual receipts
\$18.0 million in annual receipts
\$25.0 million in annual receipts

Existing Standards To Be Retained

100 employees
500 employees
750 employees
1000 employees
1500 employees

As part of SBA's simplification of the numerical size standards, adjustments have been made to the receipts-based size standard levels proposed at this time to account for the effects of inflation since March 12, 1984, the time of the last general inflationary adjustment to receipts-based size standards (see 49 FR 5024).

In determining the rate of inflation, SBA has utilized the Gross Domestic Product (GDP) Implicit Price Deflator calculated and published by the U.S. Department of Commerce, which is the broadest single measure of inflation. It measures price changes in the total national output of goods and services in terms of the expenditures by which those goods and services were acquired. These expenditures cover personal consumption, business investment, and government purchases.

The methodology utilized in determining the appropriate inflation adjustment is essentially the same as was used for inflation adjustments in 1975 and 1984, and is as follows:

1. Determine the base period used to establish the current size standard, and
2. Determine the GDP deflator from the end of that base period to the most

recent point in time for which the GDP deflator has been published.

This inflation adjustment is based on the last index value used for the 1984 inflation adjustment and the latest available index value. The 1984 adjustment accounted for inflation up to the 3rd quarter of 1982, the latest available index at the time of the proposed adjustment. For purposes of this rule, the 3rd quarter of 1982 is therefore the base period for which SBA calculated the amount of inflation that has occurred since the last adjustment. The U.S. Department of Commerce's latest data show index values of 84.3 for the 3rd quarter of 1982 and 122.9 for the 1st quarter of 1993. This change records inflation of 45.8 percent for the time between these two periods.

The inflation adjustment percentage is then applied to SBA's most common receipts-based size standards—\$3.5 million, \$7.0 million, \$12.5 million and \$17.0 million. After application of the adjustment percentage and rounding off, these four receipts-based size standards would become the four receipts-based size standard levels of \$5.0 million, \$10.0 million, \$18.0 million and \$25.0 million. [Note: The December 31, 1992 proposed rule listed one fixed level at \$24.0 million. Because of the availability of more current data on inflation, this proposed rule adjusts that level to \$25.0 million. The three other fixed receipts-based standards do not change despite the more current data.]

In order to achieve the twin goals of adjusting for inflation and streamlining the SBA size standards, the inflation adjustment would then be calculated for each of the existing receipts-based size standards, except where legally prohibited from doing so as described below. This preliminary standard would then be adjusted to the closest size standard among the four receipts-based size standards. As a result, forty-seven size standards would receive an inflation adjustment that is either larger or smaller than the 45.8 percent inflator. Furthermore, in most of these cases, there would be a moderate difference between the proposed receipt-based size standard level and a fully adjusted size standard. Also, in no industry would a firm currently defined as small business lose its status as an eligible small business for SBA programs as a result of this proposal.

The industries receiving other than a full 45.8 percent inflation adjustment, listed by Standard Industrial Classification (SIC) code (see attached table for industry title), are as follows:

More Than Full Adjustment—SIC codes 0211, 0912, 0913, 0919, 0921, 0971, 4724, 4961, 5271, 5331, 5521,

5812 (part), 5983, 6515 (part), 6531, 7216, 7217, 7381, 7382.

Less Than Full Adjustment—SIC codes 4841, 4899, 5311, 5411, 5511, 5541, 5611, 5621, 5651, 5661, 5722, 5731, 5734, 7349, 7812, 7819, 7822, 7371, 7372, 7373, 7374, 7375, 7376, 7377, 7378, 7379, 8744 (part), 8721.

Also, in keeping in line with SBA's twin objectives of adjusting for inflation and streamlining its size standards, four footnotes (8, 12, 15, and 16) are being adjusted similar to the industry size standards. Size standards for Offshore Marine Services (part of SIC Major Groups 44 and 45), Retail Sale of Aircraft (part of SIC code 5599), Leasing of Building Space to the Federal Government by Owners (part of SIC Major Group 65) and industries without a specific size standard listed in SIC Division I—Services, are being established at \$18.0 million, \$10.0 million, \$18.0 million and \$5.0 million, respectively.

Finally, it must be noted that the size standards for certain industries have been either established by statute or prohibited by statute from change until after September 30, 1996. The size standards for these industries will remain at their current levels. Title VII of Public Law 100-656 established the "Small Business Competitiveness Demonstration Program" to test the competitiveness of small business on Federal procurements. That program prohibits a change in size standards before September 30, 1996 for the Construction industries (SIC codes 1521-1799); the Engineering, Architecture, Surveying and Mapping industries (SIC codes 8711, 8712, 8713, and part of SIC code 7389); and the Refuse Systems and Related Services industries (SIC code 4953 and part of SIC code 4212). Also, Public Law 99-272 established the size standard for both Agricultural Production—Crops, (SIC codes 0111-0191); and Livestock and Animal Specialties, (SIC codes 0212-0291, except SIC codes 0211 and 0252) at \$500,000.

SBA specifically invites comment on the appropriateness of these fixed size standards levels or on alternative size standards (either higher or lower). SBA is willing to consider industry data and other information prior to making a final decision on a size standard. Comments on the proposed standards or suggestions on other standards should address the questions of:

- The interaction of these size standards with SBA's programs;
- The relative levels of participation at different size standards;
- The effect of these proposed size standards or other alternative size

standards on business firms within these industries;

- The prospect of significant new entrants into these industries in response to this program; and
- The impact of higher size standards on smaller-sized businesses.

Compliance with Regulatory Flexibility Act, Executive Orders 12291, 12612, and 12778, and the Paperwork Reduction Act

General

SBA considers that this proposed rule will have a significant economic impact on a substantial number of small entities for purposes of the Regulatory Flexibility Act (5 U.S.C. 601, *et seq.*). In addition, this proposed rule constitutes a major rule for the purpose of Executive Order 12291. Immediately below SBA has set forth a summary regulatory impact analysis and an initial regulatory flexibility analysis of this proposed rule.

(1) Description of Entities to Which the Rule Applies

SBA estimates that an additional 22,000 firms will be considered small if this rule were to become final. These firms would become eligible to seek assistance offered by SBA's programs, provided they meet other program requirements. Many of these concerns probably had small business status in 1984, when the last comprehensive revision of size standards was issued by SBA, but since have lost eligibility because of general price increases. The current changes, in fact, operate roughly as adjustments for price changes (inflation) since that date but also streamline the size standards table. Over 11,000 of the firms gaining eligibility operate in retail trade while approximately 9,000 operate in the services industries (Divisions G and I, respectively, of the SIC system of classifying industries). Other firms affected by this rule include service firms within the agricultural or mining sectors, or firms in those transportation industries with receipt-based size standards. Firms which would become eligible for SBA assistance if this rule were to become final cumulatively generate \$95 billion in annual sales. This figure is less than 5 percent of the total sales in those industries with higher size standards. The new size standards would not impose a regulatory burden because they do not regulate or control business behavior.

(2) Description of Potential Benefits of the Rule

Under this proposed rule for SBA's procurement programs, there are no

easily quantifiable benefits. However, the additional competition may result in a lower price to the Government for its procurements which have been set aside, but SBA is not able to quantify this benefit. Also, the higher size standards may allow for a limited number of additional procurements now competed on an unrestricted basis to be reserved for small business set-aside or 8(a) contracting. In the 7(a) Loan Program, it is estimated that 250 loans amounting to \$100 millions would be made to the newly defined small firms.

(3) Description of Potential Costs of the Rule

The changes in size standards as they impact on Government procurement should not add any element of cost to the Government and, in fact, as described above may reduce the cost to the procuring Federal agency. Similarly, the rule should not result in any extra costs with respect to the 7(a) Loan Program. The amount of lending authority SBA can make or guarantee is established by appropriation.

The competitive effects of size standards revisions differ from those normally associated with regulations affecting key economic factors such as the price of goods and services, costs, profits, growth, innovation, mergers, and foreign trade. The change to size standards is not anticipated to have any appreciable effect on any of these factors, although smaller-sized businesses or 8(a) firms may be unsuccessful in competing for some Federal procurement opportunities because of the presence of the larger, newly defined small businesses; some of which will be more competitive in winning Federal procurements.

(4) Description of the Potential Net Benefits from the Rule

From the above discussion, SBA believes that, because the potential costs of this proposed rule are minimal, the potential net benefits would approach fairly closely the potential benefits. The impact of the new size standard will appear predominantly in the Federal procurement area.

(5) Description of Reasons Why This Action is Being Taken and Objectives of Rule

SBA has provided above a statement of the reasons why the new size standards are proposed and a statement of the reasons for and objectives of this proposal.

(6) Legal Basis for Proposed Rule

The legal basis for the proposal is sections 3(a) and 5(b) of the Small

Businesses Act, 15 U.S.C. 632(a), 634(b)(6), 637(a), and 644(c).

(7) Federal Rules

There are no Federal rules which duplicate, overlap or conflict with this proposed rule. SBA has statutorily been given exclusive jurisdiction in establishing size standards.

(8) Significant Alternatives to Proposed Rule

This proposed rule will establish the most appropriate individual size standard by which to define those small businesses that are eligible for SBA's assistance programs. There are no significant alternatives to defining a small business.

SBA certifies that this proposed rule will not have federalism implications warranting the preparation of a Federalism Assessment in accordance with Executive Order 12612. SBA further certifies that this proposed rule will not add any new reporting or recordkeeping requirements under the Paperwork Reduction Act of 1980, 44 U.S.C., chapter 35. For purposes of Executive Order 12778, SBA certifies that this proposed rule is drafted, to the extent practicable, in accordance with the standards set forth in section 2 of that order.

List of Subjects in 13 CFR Part 121

Government procurement,
Government property, Grant programs—

business, Loan programs—business, Small business.

Accordingly, part 121 of 13 CFR is amended as follows:

PART 121—[AMENDED]

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

Authority: 15 U.S.C. 632(a), 634(b)(6), 637(a), and 644(c).

2. Section 121.601 is amended by revising the heading to the table of "Size Standards by SIC Industry" and Division A, B, E, G, H, and I to read as follows:

SIZE STANDARDS BY SIC INDUSTRY

[For all industries not specifically listed in this table, except for those in Divisions I and J of the SIC System, the size standard is \$5.0 million in annual receipts]

SIC (* = new SIC code in 1987, not used in 1972)	Description (N.E.C. = not elsewhere classified)	Size standards in number of employees or millions of dollars
Division A—Agriculture		
Major Group 01—Agricultural Production—Crops		
0111	Wheat	\$0.5
0112	Rice	\$0.5
0115	Corn	\$0.5
0116	Soybeans	\$0.5
0119	Cash Grains, N.E.C.	\$0.5
0131	Cotton	\$0.5
0132	Tobacco	\$0.5
0133	Sugarcane and Sugar Beets	\$0.5
0134	Irish Potatoes	\$0.5
0139	Field Crops, Except Cash Grains, N.E.C.	\$0.5
0161	Vegetables and Melons	\$0.5
0171	Berry Crops	\$0.5
0172	Grapes	\$0.5
0173	Tree Nuts	\$0.5
0174	Citrus Fruits	\$0.5
0175	Deciduous Tree Fruits	\$0.5
0179	Fruits and Tree Nuts, N.E.C.	\$0.5
0181	Ornamental Floriculture Nursery Products	\$0.5
0182	Food Crops Grown Under Cover	\$0.5
0191	General Farms, Primarily Crop	\$0.5
Major Group 02—Livestock and Animal Specialties		
0211	Beef Cattle Feedlots (Custom)	\$5.0
0212	Beef Cattle, Except Feedlots	\$0.5
0213	Hogs	\$0.5
0214	Sheep and Goats	\$0.5
0219	General Livestock, Except Dairy and Poultry	\$0.5
0241	Dairy Farms	\$0.5
0251	Broiler, Fryer, and Roaster Chickens	\$0.5
0252	Chicken Eggs	\$10.0
0253	Turkeys and Turkey Eggs	\$0.5
0254	Poultry Hatcheries	\$0.5
0259	Poultry and Eggs, N.E.C.	\$0.5
0271	Fur-Bearing Animals and Rabbits	\$0.5
0272	Horses and Other Equines	\$0.5
0273	Animal Aquaculture	\$0.5
0279	Animal Specialties, N.E.C.	\$0.5
0291	General Farms, Primarily Livestock and Animal Specialties	\$0.5

SIZE STANDARDS BY SIC INDUSTRY—Continued

[For all industries not specifically listed in this table, except for those in Divisions I and J of the SIC System, the size standard is \$5.0 million in annual receipts]

SIC (* = new SIC code in 1987, not used in 1972)	Description (N.E.C. = not elsewhere classified)	Size standards in number of employees or millions of dollars
Major Group 07—Agricultural Services		
0711	Soil Preparation Services	\$5.0
0721	Crop Planting, Cultivating, and Protecting	\$5.0
0722	Crop Harvesting, Primarily by Machine	\$5.0
0723	Crop Preparation Service for Market, Except Cotton Ginning	\$5.0
0724	Cotton Ginning	\$5.0
0741	Veterinary Services for Livestock	\$5.0
0742	Veterinary Services for Animal Specialties	\$5.0
0751	Livestock Services, Except Veterinary	\$5.0
0752	Animal Specialty Services, Except Veterinary	\$5.0
0761	Farm Labor Contractors and Crew Leaders	\$5.0
0762	Farm Management Services	\$5.0
0781	Landscape Counseling and Planning	\$5.0
0782	Lawn and Garden Services	\$5.0
0783	Ornamental Shrub and Tree Services	\$5.0
Major Group 08—Forestry		
0811	Timber Tracts	\$5.0
0831	Forest Nurseries and Gathering of Forest Products	\$5.0
0851	Forestry Services	\$5.0
Major Group 09—Fishing, Hunting, and Trapping		
0912	Finfish	\$5.0
0913	Shellfish	\$5.0
0919	Miscellaneous Marine Products	\$5.0
0921	Fish Hatcheries and Preserves	\$5.0
0971	Hunting and Trapping, and Game Propagation	\$5.0
Division B—Mining		
Major Group 10—Metal Mining		
1011	Iron Ores	500
1021	Copper Ores	500
1031	Lead and Zinc Ores	500
1041	Gold Ores	500
1044	Silver Ores	500
1061	Ferroalloy Ores, Except Vanadium	500
1081	Metal Mining Services	\$5.0
1094	Uranium-Radium-Vanadium Ores	500
1099	Miscellaneous Metal Ores, N.E.C.	500
Major Group 12—Coal Mining		
1221*	Bituminous Coal and Lignite Surface Mining	500
1222*	Bituminous Coal Underground Mining	500
1231*	Anthracite Mining	500
1241*	Coal Mining Services	\$5.0
Major Group 13—Oil and Gas Extraction		
1311	Crude Petroleum and Natural Gas	500
1321	Natural Gas Liquids	500
1381	Drilling Oil and Gas Wells	500
1382	Oil and Gas Field Exploration Services	\$5.0
1389	Oil and Gas Field Services, N.E.C.	\$5.0
Major Group 14—Mining and Quarrying of Nonmetallic Minerals, Except Fuels		
1411	Dimension Stone	500
1422	Crushed and Broken Limestone	500
1423	Crushed and Broken Granite	500
1429	Crushed and Broken Stone, N.E.C.	500
1442	Construction Sand and Gravel	500

SIZE STANDARDS BY SIC INDUSTRY—Continued

[For all industries not specifically listed in this table, except for those in Divisions I and J of the SIC System, the size standard is \$5.0 million in annual receipts]

SIC (* = new SIC code in 1987, not used in 1972)	Description (N.E.C. = not elsewhere classified)	Size standards in number of employees or millions of dollars
1446	Industrial Sand	500
1455	Kaolin and Ball Clay	500
1459	Clay, Ceramic, and Refractory Minerals, N.E.C.	500
1474	Potash, Soda, and Borate Minerals	500
1475	Phosphate Rock	500
1479	Chemical and Fertilizer Mineral Mining, N.E.C.	500
1481	Nonmetallic Minerals Services, Except Fuels	\$5.0
1499	Miscellaneous Nonmetallic Minerals, Except Fuels	500

Division E—Transportation, Communications, Electric, Gas, and Sanitary Services

Major Group 40—Railroad Transportation

4011	Railroads, Line-Haul Operating	1,500
4013	Railroad Switching and Terminal Establishments	500

Major Group 41—Local and Suburban Transit and Interurban Highway Passenger Transportation

4111	Local and Suburban Transit	\$5.0
4119	Local Passenger Transportation, N.E.C.	\$5.0
4121	Taxicabs	\$5.0
4131	Intercity and Rural Bus Transportation	\$5.0
4141	Local Bus Charter Service	\$5.0
4142	Bus Charter Service, Except Local	\$5.0
4151	School Buses	\$5.0
4173*	Terminal and Service Facilities for Motor Vehicle Passenger Transportation	\$5.0

Major Group 42—Motor Freight Transportation and Warehousing

4212	Local Trucking Without Storage	\$18.0
4213	Trucking, Except Local	\$18.0
4214	Local Trucking With Storage	\$18.0
4215*	Courier Services, Except by Air	\$18.0
4221	Farm Product Warehousing and Storage	\$18.0
4222	Refrigerated Warehousing and Storage	\$18.0
4225	General Warehousing and Storage	\$18.0
4226	Special Warehousing and Storage, N.E.C.	\$18.0
4231	Terminal and Joint Terminal Maintenance Facilities for Motor Freight Transportation	\$5.0

Major Group 44—Water Transportation

4412	Deep Sea Foreign Transportation of Freight	500
4424*	Deep Sea Domestic Transportation of Freight	500
4432*	Freight Transportation on the Great Lakes—St. Lawrence Seaway	500
4449*	Water Transportation of Freight, N.E.C.	500
4481*	Deep Sea Transportation of Passengers, Except by Ferry	500
4482*	Ferries	500
4489*	Water Transportation of Passengers, N.E.C.	500
4491*	Marine Cargo Handling	\$18.0
4492*	Towing and Tugboat Services	\$5.0
4493*	Marinas	\$5.0
4499*	Water Transportation Services, N.E.C.	\$5.0

Major Group 45—Transportation by Air

4512*	Air Transportation, Scheduled	1,500
4513*	Air Courier Services	1,500
4522	Air Transportation, Nonscheduled	1,500
4581*	Airports, Flying Fields, and Airport Terminal Services	\$5.0

Major Group 46—Pipelines, Except Natural Gas

4612	Crude Petroleum Pipelines	1,500
4613	Refined Petroleum Pipelines	1,500
4619	Pipelines, N.E.C.	\$25.0

SIZE STANDARDS BY SIC INDUSTRY—Continued

[For all industries not specifically listed in this table, except for those in Divisions I and J of the SIC System, the size standard is \$5.0 million in annual receipts]

SIC (* = new SIC code in 1987, not used in 1972)	Description (N.E.C. = not elsewhere classified)	Size standards in number of employees or millions of dollars
Major Group 47—Transportation Services		
4724*	Travel Agencies	\$5.0
4725*	Tour Operators	\$5.0
4729	Arrangement of Passenger Transportation, N.E.C.	\$5.0
4731*	Arrangement of Transportation of Freight and Cargo	\$18.0
4741*	Rental of Railroad Cars	\$5.0
4783	Packing and Crating	\$18.0
4785*	Fixed Facilities and Inspection and Weighing Services for Motor Vehicle Transportation	\$5.0
4789	Transportation Services, N.E.C.	\$5.0
Major Group 48—Communications		
4812*	Radiotelephone Communications	1,500
4813*	Telephone Communications, Except Radiotelephone	1,500
4822	Telegraph and Other Message Communications	\$5.0
4832	Radio Broadcasting Stations	\$5.0
4833	Television Broadcasting Stations	\$10.0
4841*	Cable and Other Pay Television Services	\$10.0
4899	Communications Services, N.E.C.	\$10.0
Major Group 49—Electric, Gas, and Sanitary Services		
4911	Electric Services	(14,000,000)
4922	Natural Gas Transmission	\$5.0
4923	Gas Transmission and Distribution	\$5.0
4924	Natural Gas Distribution	500
4925	Mixed, Manufactured, or Liquefied Petroleum Gas Production and/or Distribution	\$5.0
4931	Electric and Other Services Combined	\$5.0
4932	Gas and Other Services Combined	\$5.0
4939	Combination Utilities, N.E.C.	\$5.0
4941	Water Supply	\$5.0
4952	Sewerage Systems	\$5.0
4953	Refuse Systems	\$6.0
4959	Sanitary Services, N.E.C.	\$5.0
4961	Steam and Air-Conditioning Supply	\$10.0
4971	Irrigation Systems	\$5.0
Division G—Retail Trade ²		
Major Group 52—Building Materials, Hardware, Garden Supply, and Mobile Home Dealers		
5211	Lumber and Other Building Materials Dealers	\$5.0
5231	Paint, Glass, and Wallpaper Stores	\$5.0
5251	Hardware Stores	\$5.0
5261	Retail Nurseries, Lawn and Garden Supply Stores	\$5.0
5271	Mobile Home Dealers	\$10.0
Major Group 53—General Merchandise Stores		
5311	Department Stores	\$18.0
5331	Variety Stores	\$10.0
5399	Miscellaneous General Merchandise Stores	\$5.0
Major Group 54—Food Stores		
5411	Grocery Stores	\$18.0
5421*	Meat and Fish (Seafood) Markets, Including Freezer Provisioners	\$5.0
5431	Fruit and Vegetable Markets	\$5.0
5441	Candy, Nut, and Confectionery Stores	\$5.0
5451	Dairy Products Stores	\$5.0
5461*	Retail Bakeries	\$5.0
5499	Miscellaneous Food Stores	\$5.0
Major Group 55—Automotive Dealers and Gasoline Service Stations		
5511	Motor Vehicle Dealers (New and Used)	\$18.0

SIZE STANDARDS BY SIC INDUSTRY—Continued

[For all industries not specifically listed in this table, except for those in Divisions I and J of the SIC System, the size standard is \$5.0 million in annual receipts]

SIC (* = new SIC code in 1987, not used in 1972)	Description (N.E.C. = not elsewhere classified)	Size standards in number of employees or millions of dollars
5521	Motor Vehicle Dealers (Used Only)	\$18.0
5531	Auto and Home Supply Stores	\$5.0
5541	Gasoline Service Stations	\$5.0
5551	Boat Dealers	\$5.0
5561	Recreational Vehicle Dealers	\$5.0
5571	Motorcycle Dealers	\$5.0
5599	Automotive Dealers, N.E.C.	\$5.0

Major Group 56—Apparel and Accessory Stores

5611	Men's and Boys' Clothing and Accessory Stores	\$5.0
5621	Women's Clothing Stores	\$5.0
5632*	Women's Accessory and Specialty Stores	\$5.0
5641	Children's and Infants' Wear Stores	\$5.0
5651	Family Clothing Stores	\$5.0
5661	Shoe Stores	\$5.0
5699	Miscellaneous Apparel and Accessory Stores	\$5.0

Major Group 57—Home Furniture, Furnishings, and Equipment Stores

5712	Furniture Stores	\$5.0
5713	Floor Covering Stores	\$5.0
5714	Draperies, Curtain, and Upholstery Stores	\$5.0
5719	Miscellaneous Homefurnishings Stores	\$5.0
5722	Household Appliance Stores	\$5.0
5731*	Radio, Television, and Consumer Electronics Stores	\$5.0
5734*	Computer and Computer Software Stores	\$5.0
5735*	Record and Pre-recorded Tape Stores	\$5.0
5736*	Musical Instrument Stores	\$5.0

Major Group 58—Eating and Drinking Places

5812	Eating Places, Except Food Service, Institutional	\$5.0
5812	Food Service, Institutional	\$18.0
5813	Drinking Places (Alcoholic Beverages)	\$5.0

Major Group 59—Miscellaneous Retail

5912	Drug Stores and Proprietary Stores	\$5.0
5921	Liquor Stores	\$5.0
5932*	Used Merchandise Stores	\$5.0
5941	Sporting Goods Stores and Bicycle Shops	\$5.0
5942	Book Stores	\$5.0
5943	Stationery Stores	\$5.0
5944	Jewelry Stores	\$5.0
5945	Hobby, Toy, and Game Shops	\$5.0
5946	Camera and Photographic Supply Stores	\$5.0
5947	Gift, Novelty, and Souvenir Shops	\$5.0
5948	Luggage and Leather Goods Stores	\$5.0
5949	Sewing, Needlework, and Piece Goods Stores	\$5.0
5961	Catalog and Mail-Order Houses	\$18.0
5962	Automatic Merchandising Machine Operators	\$5.0
5963	Direct Selling Establishments	\$5.0
5983	Fuel Oil Dealers	\$10.0
5984	Liquefied Petroleum Gas (Bottled Gas) Dealers	\$5.0
5989*	Fuel Dealers, N.E.C.	\$5.0
5992	Florists	\$5.0
5993	Tobacco Stores and Stands	\$5.0
5994	News Dealers and Newsstands	\$5.0
5995*	Optical Goods Stores	\$5.0
5999	Miscellaneous Retail Stores, N.E.C.	\$5.0

Division H—Finance, Insurance, and Real Estate

Major Group 60—Depository Institutions

6021*	National Commercial Banks	\$100,000,000
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SIZE STANDARDS BY SIC INDUSTRY—Continued

[For all industries not specifically listed in this table, except for those in Divisions I and J of the SIC System, the size standard is \$5.0 million in annual receipts]

SIC (* = new SIC code in 1987, not used in 1972)	Description (N.E.C. = not elsewhere classified)	Size standards in number of employees or millions of dollars
6022	State Commercial Banks	\$100,000,000
6029*	Commercial Banks, N.E.C.	\$100,000,000
6035*	Savings Institutions, Federally Chartered	\$100,000,000
6036*	Savings Institutions, Not Federally Chartered	\$100,000,000
6061	Credit Unions, Federally Chartered	\$100,000,000
6062	Credit Unions, Not Federally Chartered	\$100,000,000
6081	Branches and Agencies of Foreign Banks	\$100,000,000
6082	Foreign Trade and International Banks	\$100,000,000
6091	Nondeposit Trust Facilities	\$5.0
6099	Functions Related to Depositor Banking, N.E.C.	\$5.0
Major Group 61—Nondepository Institution		
6141	Personal Credit Institutions	\$5.0
6153	Short-Term Business Credit Institutions, Except Agriculture	\$5.0
6159	Miscellaneous Business Credit Institutions	\$5.0
6162	Mortgage Bankers and Loan Correspondents	\$5.0
6163	Loan Brokers	\$5.0
Major Group 62—Security and Commodity Brokers, Dealers, Exchanges and Services		
6211	Security Brokers, Dealers and Flotation Companies	\$5.0
6221	Commodity Contracts Brokers and Dealers	\$5.0
6231	Security and Commodity Exchanges	\$5.0
6282	Investment Advice	\$5.0
6289	Services Allied With the Exchange of Securities or Commodities, N.E.C.	\$5.0
Major Group 63—Insurance Carriers		
6311	Life Insurance	\$5.0
6321	Accident and Health Insurance	\$5.0
6324	Hospital and Medical Service Plans	\$5.0
6331	Fire, Marine, and Casualty Insurance	1,500
6351	Surety Insurance	\$5.0
6361	Title Insurance	\$5.0
6371	Pension, Health and Welfare Funds	\$5.0
6399	Insurance Carriers, N.E.C.	\$5.0
Major Group 64—Insurance Agents, Brokers, and Service		
6411	Insurance Agents, Brokers, and Service	\$5.0
Major Group 65—Real Estate		
6512	Operators of Nonresidential Buildings	\$5.0
6513	Operators of Apartment Buildings	\$5.0
6514	Operators of Dwellings Other Than Apartment Buildings	\$5.0
6515	Operators of Residential Mobile Home Sites	\$5.0
	Leasing of Building Space to Federal Government by Owners	\$18.0
6517	Lessors of Railroad Property	\$5.0
6519	Lessors of Real Property, N.E.C.	\$5.0
6531	Real Estate Agents and Managers	\$5.0
6541	Title Abstract Offices	\$5.0
6552	Land Subdividers and Developers, Except Cemeteries	\$5.0
6553	Cemetery Subdividers and Developers	\$5.0
Major Group 67—Holding and Other Investment Offices		
6712	Offices of Bank Holding Companies	\$5.0
6719	Offices of Holding Companies, N.E.C.	\$5.0
6722	Management Investment Offices, Open-End	\$5.0
6726	Unit Investment Trusts, Face-Amount Certificate Offices, and Closed-End Management Investment Offices.	\$5.0
6732	Educational, Religious, and Charitable Trusts	\$5.0
6733	Trusts, Except Educational, Religious, and Charitable	\$5.0
6792	Oil Royalty Traders	\$5.0

SIZE STANDARDS BY SIC INDUSTRY—Continued

[For all industries not specifically listed in this table, except for those in Divisions I and J of the SIC System, the size standard is \$5.0 million in annual receipts]

SIC (* = new SIC code in 1987, not used in 1972)	Description (N.E.C. = not elsewhere classified)	Size standards in number of employees or millions of dollars
6794	Patent Owners and Lessors	\$5.0
6798	Real Estate Investment Trusts	\$5.0
6799	Investors, N.E.C.	\$5.0

Division I—Services

Major Group 70—Hotels, Rooming Houses, Camps, and Other Lodging Places

7011	Hotels and Motels	\$5.0
7021	Rooming and Boarding Houses	\$5.0
7032	Sporting and Recreational Camps	\$5.0
7033	Recreational Vehicle Parks and Campsites	\$5.0
7041	Organization Hotels and Lodging Houses, on Membership Basis	\$5.0

Major Group 72—Personal Services

7211	Power Laundries, Family and Commercial	\$10.0
7212	Garment Pressing, and Agents for Laundries and Drycleaners	\$5.0
7213	Linen Supply	10.0
7215	Coin-Operated Laundries and Drycleaning	\$5.0
7216	Drycleaning Plants, Except Rug Cleaning	\$5.0
7217	Carpet and Upholstery Cleaning	\$5.0
7218	Industrial Launderers	\$10.0
7219	Laundry and Garment Services, N.E.C.	\$5.0
7221	Photographic Studios, Portrait	\$5.0
7231	Beauty Shops	\$5.0
7241	Barber Shops	\$5.0
7251	Shoe Repair Shops and Shoeshine Parlors	\$5.0
7261	Funeral Service and Crematories	\$5.0
7291*	Tax Return Preparation Services	\$5.0
7299	Miscellaneous Personal Services, N.E.C.	\$5.0

Major Group 73—Business Services

7311	Advertising Agencies	\$5.0
7312	Outdoor Advertising Services	\$5.0
7313	Radio, Television, and Publishers' Advertising Representatives	\$5.0
7319	Advertising, N.E.C.	\$5.0
7322*	Adjustment and Collection Services	\$5.0
7323*	Credit Reporting Services	\$5.0
7331	Direct Mail Advertising Services	\$5.0
7334*	Photocopying and Duplicating Services	\$5.0
7335*	Commercial Photography	\$5.0
7336*	Commercial Art and Graphic Design	\$5.0
7338*	Secretarial and Court Reporting Services	\$5.0
7342	Disinfecting and Pest Control Services	\$5.0
7349	Building Cleaning and Maintenance Services, N.E.C.	\$10.0
7352*	Medical Equipment Rental and Leasing	\$5.0
7353*	Heavy Construction Equipment Rental and Leasing	\$5.0
7359*	Equipment Rental and Leasing, N.E.C.	\$5.0
7361	Employment Agencies	\$5.0
7363*	Help Supply Services	\$5.0
7371*	Computer Programming Services	\$18.0
7372	Prepackaged Software	\$18.0
7373*	Computer Integrated Systems Design	\$18.0
7374	Computer Processing and Data Preparation and Processing Services	\$18.0
7375*	Information Retrieval Services	\$18.0
7376*	Computer Facilities Management Services	\$18.0
7377*	Computer Rental and Leasing	\$18.0
7378*	Computer Maintenance and Repair	\$18.0
7379	Computer Related Services, N.E.C.	\$18.0
7381*	Detective, Guard, and Armored Car Services	\$10.0
7382*	Security Systems Services	\$10.0
7383*	News Syndicates	\$5.0
7384*	Photofinishing Laboratories	\$5.0
7389*	Business Services, N.E.C.	\$5.0

SIZE STANDARDS BY SIC INDUSTRY—Continued

[For all industries not specifically listed in this table, except for those in Divisions I and J of the SIC System, the size standard is \$5.0 million in annual receipts]

SIC (* = new SIC code in 1987, not used in 1972)	Description (N.E.C. = not elsewhere classified)	Size standards in number of employees or millions of dollars
Major Group 75—Automotive Repair, Services, and Parking		
7513	Truck Rental and Leasing, Without Drivers	\$18.0
7514*	Passenger Car Rental	\$18.0
7515*	Passenger Car Leasing	\$18.0
7519	Utility Trailer and Recreational Vehicle Rental	\$5.0
7521*	Automobile Parking	\$5.0
7532*	Top, Body, and Upholstery Repair Shops and Paint Shops	\$5.0
7533*	Automotive Exhaust System Repair Shops	\$5.0
7534	Tire Retreading and Repair Shops	\$10.0
7536*	Automotive Glass Replacement Shops	\$5.0
7537*	Automotive Transmission Repair Shops	\$5.0
7538	General Automotive Repair Shops	\$5.0
7539	Automotive Repair Shops, N.E.C.	\$5.0
7542	Carwashes	\$5.0
7549	Automotive Services, Except Repair and Carwashes	\$5.0
Major Group 76—Miscellaneous Repair Services		
7622	Radio and Television Repair Shops	\$5.0
7623	Refrigeration and Air-Conditioning Service and Repair Shops	\$5.0
7629	Electrical and Electronic Repair Shops, N.E.C.	\$5.0
7631	Watch, Clock, and Jewelry Repair	\$5.0
7641	Reupholstery and Furniture Repair	\$5.0
7692	Welding Repair	\$5.0
7694	Armature Rewinding Shops	\$5.0
7699	Repair Shops and Related Services, N.E.C.	\$5.0
Major Group 78—Motion Pictures		
7812*	Motion Picture and Video Tape Production	\$18.0
7819	Services Allied to Motion Picture Production	\$18.0
7822*	Motion Picture and Video Tape Distribution	\$18.0
7829	Services Allied to Motion Picture Distribution	\$5.0
7832	Motion Picture Theaters, Except Drive-In	\$5.0
7833	Drive-In Motion Picture Theaters	\$5.0
7841*	Video Tape Rental	\$5.0
Major Group 79—Amusement and Recreation Services		
7911	Dance Studios, Schools, and Halls	\$5.0
7922	Theatrical Producers (Except Motion Picture) and Miscellaneous Theatrical Services	\$5.0
7929	Bands, Orchestras, Actors, and Other Entertainers and Entertainment Groups	\$5.0
7933	Bowling Centers	\$5.0
7941	Professional Sports Clubs and Promoters	\$5.0
7991*	Physical Fitness Facilities	\$5.0
7993	Coin-Operated Amusement Devices	\$5.0
7996	Amusement Parks	\$5.0
7997	Membership Sports and Recreation Clubs	\$5.0
7999	Amusement and Recreation Services, N.E.C.	\$5.0
Major Group 80—Health Services		
8011	Offices and Clinics of Doctors of Medicine	\$5.0
8021	Offices and Clinics of Dentists	\$5.0
8031	Offices and Clinics of Doctors of Osteopathy	\$5.0
8041	Offices and Clinics of Chiropractors	\$5.0
8042	Offices and Clinics of Optometrists	\$5.0
8043*	Offices and Clinics of Podiatrists	\$5.0
8049	Offices and Clinics of Health Practitioners, N.E.C.	\$5.0
8051	Skilled Nursing Care Facilities	\$5.0
8052*	Intermediate Care Facilities	\$5.0
8059	Nursing and Personal Care Facilities N.E.C.	\$5.0
8062	General Medical and Surgical Hospitals	\$5.0
8063	Psychiatric Hospitals	\$5.0
8069	Specialty Hospitals, Except Psychiatric	\$5.0
8071	Medical Laboratories	\$5.0

SIZE STANDARDS BY SIC INDUSTRY—Continued

[For all industries not specifically listed in this table, except for those in Divisions I and J of the SIC System, the size standard is \$5.0 million in annual receipts]

SIC (* = new SIC code in 1987, not used in 1972)	Description (N.E.C. = not elsewhere classified)	Size standards in number of employees or millions of dollars
8072	Dental Laboratories	\$5.0
8082*	Home Health Care Services	\$5.0
8092*	Kidney Dialysis Centers	\$5.0
8093*	Specialty Outpatient Facilities, N.E.C.	\$5.0
8099*	Health and Allied Services, N.E.C.	\$5.0
Major Group 81—Legal Services		
8111	Legal Services	\$5.0
Major Group 82—Educational Services		
8211	Elementary and Secondary Schools	\$5.0
8221	Colleges, Universities, and Professional Schools	\$5.0
8222	Junior Colleges and Technical Institutes	\$5.0
8231	Libraries	\$5.0
8243	Data Processing Schools	\$5.0
8244	Business and Secretarial Schools	\$5.0
8249	Vocational Schools, N.E.C.	\$5.0
8299	Schools and Educational Services, N.E.C.	\$5.0
8299	Flight Training Services	\$18.0
Major Group 83—Social Services		
8322*	Individual and Family Social Services	\$5.0
8331	Job Training and Vocational Rehabilitation Services	\$5.0
8351	Child Day Care Services	\$5.0
8361	Residential Care	\$5.0
8399	Social Services, N.E.C.	\$5.0
Major Group 84—Museums, Art Galleries, and Botanical and Zoological Gardens		
8412*	Museums and Art Galleries	\$5.0
8422*	Arboreta and Botanical or Zoological Gardens	\$5.0
Major Group 86—Membership Organizations		
8611	Business Associations	\$5.0
8621	Professional Membership Organizations	\$5.0
8631	Labor Unions and Similar Labor Organizations	\$5.0
8641	Civic, Social, and Fraternal Associations	\$5.0
8651	Political Organizations	\$5.0
8661	Religious Organizations	\$5.0
8699	Membership Organizations, N.E.C.	\$5.0
Major Group 87—Engineering, Accounting, Research, Management, and Related Services		
8711*	Engineering Services:	
	Military and Aerospace Equipment and Military Weapons and Contracts and Subcontracts for Engineering Services awarded under the National Energy Policy Act of 1992.	\$13.5
	Marine Engineering and Naval Architecture	\$9.0
	Other Engineering Services	\$2.5
8712*	Architectural Services (Other Than Naval)	\$2.5
8713*	Surveying Services	\$2.5
8721*	Accounting, Auditing, and Bookkeeping Services	\$5.0
8731*	Commercial Physical and Biological Research:	
	Aircraft	1,500
	Aircraft Parts, and Auxiliary Equipment, and Aircraft Engines and Engine Parts	1,000
	Space Vehicles and Guided Missiles, their Propulsion Units, their Propulsion Units Parts, and their Auxiliary Equipment and Parts.	1,000
	Other Commercial Physical and Biological Research	500
8732*	Commercial Economic, Sociological, and Educational Research	\$5.0
8733*	Noncommercial Research Organizations	\$5.0
8734*	Testing Laboratories	\$5.0
8741*	Management Services	\$5.0
8742*	Management Consulting Services	\$5.0

SIZE STANDARDS BY SIC INDUSTRY—Continued

[For all industries not specifically listed in this table, except for those in Divisions I and J of the SIC System, the size standard is \$5.0 million in annual receipts]

SIC (* = new SIC code in 1987, not used in 1972)	Description (N.E.C. = not elsewhere classified)	Size standards in number of employees or millions of dollars
8743*	Public Relations Services	\$5.0
8744*	Facilities Support Management Services	\$5.0
	Base Maintenance	\$18.0
8748*	Business Consulting Services, N.E.C.	\$5.0
Major Group 89—Services, Not Elsewhere Classified		
8999	Services, N.E.C.	\$5.0

¹ Megawatt hrs.

² Not Applicable to Government procurement of supplies. The nonmanufacturer size standard of 500 employees shall be used for purposes of Government procurement of supplies.

3. Section 121.601, Standard Industrial Classification Table, footnote 8 is revised to read as follows:

* Offshore Marine Services: The applicable size standard shall be \$18.0 million for firms furnishing specific transportation services to a concern engaged in offshore oil and/or natural gas exploration, drilling production, marine research; such services encompass passenger and freight transportation, anchor handling, and related logistical services to and from the work site.

4. Section 121.601, Standard Industrial Classification Table, footnote 12 is revised to read as follows:

¹² SIC code 5599: For retail firms whose principal line of business is the retail sale of aircraft, a \$10.0 million size standard shall apply.

5. Section 121.601, Standard Industrial Classification Table, footnote 15 is amended by revising the first sentence to read as follows:

¹⁵ Major Group 65—Leasing of building space to the Federal Government by Owners: For purposes of Government procurement, a size standard of \$18.0 million in gross receipts is established for owners of building space that is leased to the Federal Government. The standards for those procurements shall apply to the concern which owns the property and not to those acting as an agent for the owning concern. There is no size standard concerning the agent in a leasing arrangement. * * *

6. Section 121.601, Standard Industrial Classification Table, footnote 16 is revised to read as follows:

¹⁶ Division I—Services: For all industries not specifically listed in this division, the size standard is \$5.0 million.

Dated: July 15, 1993.

Erskine B. Bowles,
Administrator, U.S. Small Business Administration.

[FR Doc. 93-21365 Filed 9-1-93; 8:45 am]

BILLING CODE 8025-01-M

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Chapter I

[Summary Notice No. PR-93-14]

Petition for Rulemaking; Summary of Petitions Received; Dispositions of Petitions Issued

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of petitions for rulemaking received and of dispositions of prior petitions.

SUMMARY: Pursuant to FAA's rulemaking provisions governing the application, processing, and disposition of petitions for rulemaking (14 CFR part 11), this notice contains a summary of certain petitions requesting the initiation of rulemaking procedures for the amendment of specified provisions of the Federal Aviation Regulations and of denials or withdrawals of certain petitions previously received. The purpose of this notice is to improve the public's awareness of, and participation in, this aspect of FAA's regulatory activities. Neither publication of this notice nor the inclusion or omission of information in the summary is intended to affect the legal status of any petition or its final disposition.

DATES: Comments on petitions received must identify the petition docket number involved and must be received November 1, 1993.

ADDRESSES: Send comments on any petition in triplicate to: Federal Aviation Administration, Office of the Chief Counsel, Attn: Rules Docket No. —, 800 Independence Avenue SW., Washington, DC 20591.

The petition, any comments received, and a copy of any final disposition are

filed in the assigned regulatory docket and are available for examination in the Rules Docket (AGC-10), room 915G, FAA Headquarters Building (FOB 10A), 800 Independence Ave. SW., Washington, DC 20591; telephone (202) 267-3132.

FOR FURTHER INFORMATION CONTACT:

Mr. Frederick M. Haynes, Office of Rulemaking (ARM-1), Federal Aviation Administration, 800 Independence Avenue SW., Washington, DC 20591; telephone (202) 267-3939.

This notice is published pursuant to paragraphs (b) and (f) of § 11.27 of part 11 of the Federal Aviation Regulations (14 CFR part 11).

Issued in Washington, DC on August 26, 1993.

Danvers Long,

Acting Assistant Chief Counsel for Regulations.

Petitions for Rulemaking

Docket No.: 27375.

Petitioner: Professional Pilots Federation.

Regulations Affected: 14 CFR 121.383(c).

Description of Rulechange Sought: To modify § 121.383 by repealing subsection (c), thereby negating the present requirement that part 121 air carriers refrain from utilizing pilots who have reached the age of 60 and permitting pilots to operate in that capacity after reaching the age of 60.

Petitioner's Reason for the Request:

The petitioner feels that Federal law and policy; operational and regulatory developments since promulgation of the rule in 1960; together with the results of the recent FAA Civil Aeromedical Institute study that found no correlation between increased pilot age and increased accident rates; compel repeal of the rule.