

SBA Proposes Small Business Size Standard Revisions in Eight Industrial Sectors to Increase Small Business Eligibility for Contracting and Loan Program - Public Comments Due by Dec. 1

WASHINGTON - The U.S. Small Business Administration is seeking public comments on two proposed rules that would revise the small business size standards for businesses in eight North American Industrial Classification System (NAICS) sectors to increase small business eligibility for SBA's loan and contracting programs.

The NAICS sectors reviewed in the first proposed rule are: Agriculture, Forestry, Fishing, and Hunting; Mining, Quarrying, and Oil and Gas Extraction; Utilities; and Construction.

The NAICS sectors reviewed in the second proposed rule are: Transportation and Warehousing; Information; Finance and Insurance; and Real Estate and Rental and Leasing. The SBA proposes to increase size standards for 113 industries in those sectors. The following table includes the number of industries reviewed and the number of industries with proposed increases in size standards by NAICS sector. This is the first time the SBA established size standards for all agricultural enterprises as other industries, as required by the National Defense Authorization Act of Fiscal Year 2017.

| NAICS Sector | Sector Name | No. of Industries | |
|--------------|---|-------------------|----------------|
| | | Reviewed | with Increases |
| 11 | Agriculture, Forestry, Fishing and Hunting | 64 | 60 |
| 21 | Mining, Quarrying, and Oil and Gas Extraction | 4 | 3 |
| 22 | Utilities | 3 | 3 |
| 23 | Construction | 32 | 2 |
| 48-49 | Transportation and Warehousing | 43 | 18 |
| 51 | Information | 19 | 8 |
| 52 | Finance and Insurance | 39 | 10 |
| 53 | Real Estate and Rental and Leasing | 25 | 9 |
| Total | | 229 | 113 |

The SBA estimates that more than 50,000 additional firms in these eight sectors will become eligible for SBA's programs under the revised size standards, if adopted. The revised asset-based size standards would allow about 280 additional financial institutions to qualify as small.

The proposed rules are part of a five-year comprehensive review of small business size standards, as required under the Small Business Jobs Act of 2010. The proposed revisions reflect changes in the industry and federal marketplace conditions and the SBA's policy position under the current economic situation due to the COVID-19 pandemic. In response to the pandemic, the SBA is retaining current size standards where data suggests that size standards should be lowered.

Comments can be submitted on these proposed rules on or before December 1, 2020, at www.regulations.gov, using the following RIN numbers:

RIN - 3245-AG89 (Small Business Size Standards: Agriculture, Forestry, Fishing and Hunting; Mining, Quarrying, and Oil and Gas Extraction; Utilities; Construction)

RIN - 3245-AG90 (Small Business Size Standards: Transportation and Warehousing; Information; Finance and Insurance; Real Estate and Rental and Leasing)

You may also provide comments by mail to Khem R. Sharma, Chief, Size Standards Division, 409 3rd St., SW, Mail Code 6530, Washington, D.C. 20416.

As part of the ongoing review of all size standards, the SBA considers the structural characteristics of individual industries, including average firm size, the degree of competition, and federal government contracting trends. This ensures that small business size standards reflect current economic conditions in those industries. The proposed revisions to the size standards in these sectors will enable more small businesses to retain their small business status and will give federal agencies a larger pool of small businesses to choose from for small business procurement opportunities and help eligible small businesses benefit from the SBA's loan programs.

An SBA-issued White Paper entitled, "SBA'S SIZE STANDARDS METHODOLOGY," which explains how the SBA establishes, reviews and modifies its receipts-based and employee-based small business size standards can be viewed at <http://www.sba.gov/size>. For more information about the SBA's revisions to its small business size standards, visit "announcements about updating size standards" at <http://www.sba.gov/size>.