U.S. SMALL BUSINESS ADMINISTRATION
WASHINGTON, D.C. 20416

April 18, 2017

The Honorable Steve Chabot
Chairman
Committee on Small Business
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

In accordance with Section 1344 of the Small Business Jobs Act of 2010 (Jobs Act), Public Law 111-240, 124 Stat. 2504, Sept. 27, 2010, the U.S. Small Business Administration (SBA) submits to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives this final update on the first five-year review of all size standards, which has now been completed.

If you or your staff have any questions, please contact the SBA Office of Congressional and Legislative Affairs at 202-205-6700.

Sincerely,

Robb Wong
Associate Administrator
Office of Government Contracting
and Business Development

Enclosure

U.S. SMALL BUSINESS ADMINISTRATION
WASHINGTON, D.C. 20416

April 18, 2017

The Honorable James E. Risch
Chairman
Committee on Small Business and Entrepreneurship
United States Senate
Washington, DC 20510

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A REPORT

ON

THE FIRST FIVE-YEAR COMPREHENSIVE REVIEW OF SMALL BUSINESS SIZE STANDARDS UNDER THE SMALL BUSINESS JOBS ACT OF 2010

SUBMITTED TO:

THE COMMITTEE ON SMALL BUSINESS AND ENTREPRENEURSHIP OF THE SENATE

AND

THE COMMITTEE ON SMALL BUSINESS OF THE HOUSE OF REPRESENTATIVES

SUBMITTED BY:

U.S. SMALL BUSINESS ADMINISTRATION

APRIL 2017

Table of Contents

List of Tables ii
Summary 1
Introduction 1
Summary of Completed Actions 2
Size Standards Methodology 3
Industry Analysis and Anchor Size Standards 4
Primary Factors 6
Average Firm Size 6
Start-up Costs and Entry Barriers 6
Industry Competition 7
Distribution of Firms by size and Industry Concentration 7
Impact on Federal Contracting and SBA Loan Programs 7
Dominance in Field of Operation 8
Sources of Industry and Program Data 9
Selection of Size Standards 9
Economic Characteristics of Comparison Industry Groups 11
Derivation of Size Standards Based on Industry Factors 12
Derivation of Size Standards Based on Federal Contracting Factor 12
Common Size Standards 13
Evaluation of Impacts on SBA's Loan Programs 14
Proposed Changes to Size Standards 14
Evaluation of Dominance in Field of Operation 15
Updating SBA's "Size Standards Methodology" 15
Rolling Size Standards Review by Sector 16
Number of Size Standards Reviewed and Revised by Sector 17
Size Standards of High Public Interests and Concerns 19
NAICS 316210, Footwear Manufacturing 19
NAICS Industry Group 5412 – Accounting, Tax Preparation, Bookkeeping, and Payroll Services 21
NAICS 541310 – Architectural Services and NAICS 541320 – Landscape Architectural Services 21
NAICS 541330 – Engineering Services 22
NAICS 541330 – Engineering Services (three "exceptions") 24
NAICS 541519, Other Computer Related Services – Information Technology Value Added Resellers (ITVAR) Exception 27
NAICS 562910, Remediation Services – Environmental Remediation Services Exception 28
Impacts of Size Standards Revisions 34
Moving Forward 34

List of Tables

Table 1. Average Characteristics of Receipts Based Comparison Groups.....11
Table 2. Average Characteristics of Employee Based Comparison Groups.....11
Table 3. Values of Industry Factors and Supported Receipts Based Size Standards.....13
Table 4. Values of Industry Factors and Supported Employee Based Size Standards.....13
Table 5. Order of Size Standards Reviews by NAICS Sector.....16
Table 6. Number of Reviewed and Revised Size Standards by NAICS Sector.....18
Table 7. Impact of Size Standards Revisions.....34
Appendix. SBA's Size Standards Table Showing Changes to Size Standards.....36

Summary

In accordance with Section 1344 of the Small Business Jobs Act of 2010 (Jobs Act), Public Law 111-240, 124 Stat. 2504, Sept. 27, 2010, the U.S. Small Business Administration (SBA or Agency) submits this report to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives.

The Jobs Act directed SBA to conduct a detailed review of all size standards and to make appropriate adjustments to reflect market conditions. Specifically, the Jobs Act required SBA to review at least one-third of all size standards during every 18-month period from the date of its enactment (September 27, 2010) and to review all size standards not less frequently than once every five years, thereafter. Additionally, the Jobs Act required the Agency to submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a report on the factors SBA evaluated for reviewing size standards and the criteria it used for adjusting or not adjusting each size standard. While SBA had provided the above Committees with periodic updates on the comprehensive size standards review as part of its quarterly progress reports on the implementation of various directives under the Jobs Act, this report provides a final update on the first five-year review, which has now been completed. The report provides an overview of SBA's "Size Standards Methodology," including industry and Federal contracting factors and data sources the Agency evaluated when reviewing size standards. Also included in the report is information on the order in which SBA reviewed size standards in various North American Industry Classification System (NAICS) sectors, number of size standards that were reviewed and revised in each sector, size standards of high public interest and concerns, and impacts of size standard revisions.

Introduction

To determine eligibility for Federal small business assistance, SBA establishes small business size definitions (referred to as "size standards") for private sector industries (except agricultural enterprises for which size standards were established by Congress until the passage of the National Defense Authorization Act for Fiscal Year 2017 on Dec. 23, 2016) in the United States. For size standards for most industries, SBA uses two primary measures of business size – average annual receipts and average number of employees. SBA uses financial assets and refining capacity to measure the size for a few industries. In addition, to determine eligibility for SBA's Small Business Investment Company (SBIC), Certified Development Company (CDC/504), and 7(a) Loan Programs, the Agency uses either the industry based size standards or an alternative size standard based on an applicant's tangible net worth and net income.

At the start of the SBA's recently completed comprehensive size standards review size standards were based on North American Industry Classification System (NAICS) 2007. There were then 41 different size standards covering 1,141 NAICS codes and 18 specific activities (usually known as "exceptions" in the SBA's table of size standards). Thirty-one of these size standards were based on average annual receipts, seven were based on average number of employees, and three were based on other measures of business size. Presently, under NAICS 2012 and after completion of the comprehensive review, there are 28 different size standards, covering 1,031 industries and 16 "exceptions." Of these, 533 are based on average annual receipts, 509 on number of employees (one of which also includes barrels per day total refining capacity), and five on average assets.

Over the years, businesses and Federal agencies had expressed concerns that SBA's size standards have not kept up with changes in the economy, in particular the changes in the Federal market conditions and industry structure. Therefore, in 2007, SBA launched a comprehensive review of size standards. In recognition of the above concerns, Congress passed the Jobs Act in 2010 requiring SBA to review all size standards and make necessary adjustments to reflect market conditions. The SBA's previous comprehensive size standards review was in the late 1970s and early 1980s. Most reviews of size standards since then were limited to a few specific industries, mostly with receipts based size standards, in response to requests from the public and from Federal agencies. Once every five years, SBA adjusts all monetary based size standards (except for those previously set by Congress in § 3(a)(1) of the Small Business Act for agricultural enterprises) for inflation. The SBA's latest inflation adjustment to size standards became effective on July 14, 2014 (79 FR 33647 (June 12, 2014)). The vast majority of employee based size standards had not been reviewed since they were first established in the 1960s and 1970s.

For the comprehensive size standards review, SBA developed a Size Standards Methodology white paper (Methodology) explaining how the Agency establishes, reviews, and modifies size standards. SBA published the document on its website at www.sba.gov/size for public review and comments, and included it as a supporting document in the electronic docket of every rulemaking at www.regulations.gov.

SBA details in the Methodology how it evaluates an industry's size standard. The Agency examines the industry's characteristics (such as average firm size, startup costs and entry barriers, industry competition, and distribution of firms by size) and the small business level and share of Federal contract dollars in that industry. SBA also examines whether a business concern that qualifies as small under a proposed or revised size standard would be dominant in its industry. It also examines the potential impact a size standard revision might have on its financial assistance programs.

Summary of Completed Actions

In accordance with the Jobs Act, SBA completed a review of the small business size standard for each industry, except those for agricultural enterprises previously set by Congress, and made appropriate adjustments to size standards for a number of industries to reflect current Federal and industry market conditions. Both through its Methodology, available at www.sba.gov/size, and proposed and final rules published in the *Federal Register*, SBA made public the information on both the factors and data sources it evaluated for reviewing size standards and the criteria the Agency used for adjusting or not adjusting specific size standards. As part of its quarterly progress reports to Congress on the implementation of various provisions of the Jobs Act, SBA included reports to the House and Senate Committees on Small Business about the status of the comprehensive size standards review. This report provides a concluding update on the completion of the first five-year comprehensive size standards review under the Jobs Act.

As part of the size standards review, SBA held public meetings and made presentations on SBA's size standards methodology and provided updates on the review of comprehensive size standards to business communities in the following cities under the Agency's 2011 Jobs Act tours:

- Albuquerque, NM
- Atlanta, GA
- Boston, MA
- Chicago, IL
- Columbus, OH
- Denver, CO
- Huntsville, AL
- Miami, FL
- New York, NY
- San Antonio, TX
- San Diego, CA
- Seattle, WA
- Washington, DC

Specifically, the presentations included the latest updates on the comprehensive size standards review under the Jobs Act and on how interested parties can provide SBA with input and feedback on size standards.

Besides the Jobs Act tour, SBA presented its size standards methodology (discussed below) to various industry associations and trade groups, including the Professional Services Council, the American Council of Engineering Companies, and the Council on Federal Procurement of Architectural and Engineering Services. At the start of the review, SBA also sent out letters to the Directors of the Offices of Small and Disadvantaged Business Utilization (OSDBU) at several Federal agencies that have considerable procurement responsibilities requesting their feedback on how the agencies use SBA size standards and whether current standards meet their programmatic needs (both procurement and non-procurement). SBA Office of Size Standards staff met with various industry groups to get their feedback on SBA's methodology and other size standards issues. Upon the publication of each proposed rule in the *Federal Register*, SBA sent out emails requesting comments from all interested individuals that had contacted the Agency about one or more industries included in the proposed rule. Immediately after the publication of each final rule SBA sent out emails to notify all interested parties.

In addition, SBA also adjusted all monetary based size standards (except those for agricultural enterprises) for inflation in 2014 (79 FR 33647 (June 12, 2014)) and updated size standards to incorporate the Office of Management and Budget's (OMB) modifications of the North American Industry Classification System (NAICS) in 2012 ((77 FR 49991 (August 20, 2012)).

Size Standards Methodology

As part of the recently completed comprehensive size standards review, SBA developed a "Size Standards Methodology" white paper (Methodology) for developing, reviewing, and modifying size standards. SBA published a notice in the *Federal Register* (78 FR 53940 (October 21, 2009)) that the document is available on its website at www.sba.gov/size for public review and comments and placed it as a supporting document in the electronic docket of every rulemaking. SBA also explained its Methodology in individual proposed and final rules relating to size standards for specific NAICS codes.

Congress has granted SBA's Administrator discretion to establish detailed small business size standards. 15 U.S.C. 632(a)(2). Specifically, Section 3(a)(3) of the Small Business Act (15 U.S.C. 632(a)(3)) requires that "...the [SBA] Administrator shall ensure that the size standard varies from industry to industry to the extent necessary to reflect the differing characteristics of the various industries and consider other factors deemed to be relevant by the Administrator." Accordingly, the economic structure of an industry is the primary basis for developing and modifying small business size standards. SBA identifies the small business segment of an industry by examining data on the economic characteristics defining the industry structure and Federal contracting trends (as described below). In addition, SBA considers current economic conditions, its mission and program objectives, the Administration's current policies, suggestions from industry groups and Federal agencies, and public comments on proposed rules. SBA also examines whether a proposed or revised size standard based on industry and other relevant data successfully excludes businesses that are dominant in the industry from being classified as small.

Industry Analysis and Anchor Size Standards

For the recent comprehensive size standards review, SBA established three "base" or "anchor" size standards – $7 million (now $7.5 million due to the inflation adjustment in 2014) in average annual receipts for industries that have receipts based size standards, 500 employees for manufacturing and other industries that have employee based size standards (except for Wholesale Trade and Retail Trade), and 100 employees for industries in the Wholesale Trade sector for SBA's financial and other Federal nonprocurement programs.

SBA established 500 employees as the anchor size standard for manufacturing industries at its inception in 1953. Shortly thereafter, SBA established $1 million in average annual receipts as the anchor size standard for nonmanufacturing industries. SBA has periodically increased the receipts based anchor size standard for inflation, and today it stands at $7.5 million. Since 1986, the size standard for all industries in the Wholesale Trade sector had been 100 employees for SBA's financial assistance and for most other Federal nonprocurement programs and 500 employees for Federal procurement under the nonmanufacturer rule (13 CFR 121.406(b)). In the recent review, SBA increased the nonprocurement size standard for some Wholesale Trade industries up to 250 employees.

The above anchor size standards have generally sufficed and gained legitimacy through practice and general public acceptance. An anchor is neither a minimum nor a maximum size standard. It is a commonly used size standard for a large number of industries and serves as a reference point in evaluating size standards for individual industries. For example, at the start of the recent comprehensive size standards review, among the industries with receipt based size standards, more than 60 percent had a $7 million receipts anchor size standard. Similarly, more than 70 percent of industries with employee based size standards (excluding Wholesale Trade and Retail Trade) had a 500-employee anchor size standard. In the recent size standards review, SBA combined these anchors with a fixed number of size standards (explained below) to derive an appropriate size standard for a particular industry in lieu of trying to establish precise, separate size standards for each industry. Otherwise, theoretically, the number of size standards might be as high as the 1,000+ industries for which SBA establishes size standards. Furthermore, the data SBA analyzes is far from perfect to establish size standards at precise levels. For these reasons, SBA presumed an anchor size standard as appropriate for a particular

industry unless that industry displayed economic characteristics that were considerably different from other industries with the same anchor size standard.

To evaluate a size standard, SBA compared the characteristics (such as average firm size, average assets, industry competition (4-firm concentration ratio), and size distribution of firms (Gini coefficient)) of an industry under review to the average characteristics of industries with one of the anchor size standards (referred to as the "anchor industry group"). Accordingly, industries with receipts based size standards were compared with those in the receipts anchor industry group. Similarly, industries with employee based size standards were compared with industries in the employee anchor industry group. This allowed SBA to assess the industry structure and to determine whether the industry is appreciably different from the other industries in the anchor industry group. If the characteristics of a specific industry were similar to the average characteristics of the anchor industry group, the anchor size standard was considered appropriate for that industry.

If the specific industry's characteristics were significantly different from those of the anchor industry group, then a size standard higher or lower than the anchor size standard was considered appropriate. The larger the differences between the characteristics of the industry under review and those in the anchor industry group, the larger would be the difference between the appropriate industry size standard and the anchor size standard. To determine a size standard for individual industries, SBA established a second industry comparison group.

For industries with receipts based size standards, the second industry comparison group consisted of industries that have the highest receipts based size standards. The size standards for this group of industries ranged from $23 million to $35.5 million in average annual receipts, and the weighted average size standard was $29 million for the group. SBA referred to this comparison group as the "higher level receipts based size standard industry group."

For industries with employee based size standards (except those in Wholesale Trade and Retail Trade), the second comparison group consisted of industries that had size standards of either 1,000 employees or 1,500 employees; the weighted average size standard for the group was 1,323 employees. SBA referred to this comparison group as the "higher level employee based size standard industry group."

If an industry's characteristics were similar to the characteristics of industries in the anchor size standard group, SBA assigned the anchor size standard for that industry. Similarly, if an industry had similar characteristics as those of industries in the higher size standard industry group, a higher size standard was assigned to that industry. Thus, the average characteristics of industries in the anchor and higher size standards groups formed the bases for computing the size standard for most industries except for those in the Wholesale Trade sector.

Since all industries in Wholesale Trade shared the same 100-employee size standard for SBA's financial and other Federal nonprocurement programs and the same 500-employee size standard for Federal procurement programs under the nonmanufacturer rule, the 'anchor' size standard approach proved difficult to apply. In its Methodology, SBA created an implicit anchor group by grouping the middle half of the Wholesale Trade industries arranged in increasing order of average firm size. However, SBA later determined that a quintile approach (explained below) was more appropriate than the anchor approach in reviewing size standards in Wholesale Trade.

Primary Factors

When establishing or reviewing size standards, SBA generally evaluates five primary factors for each industry, namely: average firm size, startup costs and entry barriers, industry competition, distribution of firms by size, and the impact current or revised size standards might have on small business participation in Federal contracting. SBA also considers other information that it believes is relevant to a particular industry under review (such as technological changes, growth trends, impacts on SBA's financial assistance, other program factors, *etc.*). SBA also considers current economic conditions, the Administration's policies, suggestions from industry groups and Federal agencies, and the possible impacts of size standard revisions on small business success in getting Federal assistance. Public comments to a proposed rule are also important. SBA thoroughly reviews and weighs all public comments before making a final decision on its proposed size standards.

Below are brief descriptions of each of the five primary factors that SBA evaluates for each industry under the current methodology that was applied to the recently completed size standards review. More detailed descriptions are provided in SBA's "Size Standards Methodology," White Paper, which is attached with this report and also available at http://www.sba.gov/size.

Average Firm Size

SBA computes two measures of average firm size: simple average and weighted average. The weighted average firm size is the sum of weighted simple averages in different size classes, where weights are the shares of total industry receipts for respective size classes. The simple average weighs all firms within an industry equally regardless of their size. The weighted average overcomes that limitation by giving more weight to larger firms.

If the average firm size of an industry is significantly higher than the average firm size of industries in the anchor industry group, this will generally support a size standard higher than the anchor size standard. Conversely, if an industry's average firm size is similar to or lower than that of the anchor industry group, it will support the anchor or a lower size standard.

Start-up Costs and Entry Barriers

Start-up costs reflect a firm's initial capital requirements to start a business in an industry. New entrants to an industry must have sufficient capital and other assets to start and maintain a viable business. If new firms entering or operating in a particular industry have greater (smaller) capital requirements than firms in industries in the anchor industry group, this can be a basis for establishing a size standard higher (lower) than the anchor size standard. Because of the lack of industry data on actual start-up costs and entry barriers, SBA uses average assets as a proxy for the capital requirements for new entrants to an industry.

An industry with average assets that are significantly higher than those of the anchor industry group is likely to have higher startup costs; this in turn will support a size standard higher than the anchor. Conversely, an industry with average assets that are similar to or lower than those of the anchor industry group is likely to have lower startup costs; this will support the anchor standard or one lower than the anchor.

Industry Competition

Industry competition is generally measured by the share of total industry receipts accounted for by the largest firms in an industry. SBA generally evaluates the share of industry receipts generated by the four largest firms in each industry. This is referred to as the "four-firm concentration ratio," one of the most commonly used economic measures of industry concentration. If a significantly higher share of economic activity within the industry is concentrated among a few relatively large companies as compared to industries in the anchor group, all else being equal, SBA will establish a size standard higher than the anchor size standard. In the recent review, SBA did not consider the four-firm concentration ratio as an important factor in assessing a size standard if this ratio was less than 40 percent. For an industry with a four-firm concentration ratio of 40 percent or more, SBA examined the average size of the four largest firms to determine a size standard supported by that factor. In those cases, SBA compared the average size of the four largest firms for an industry under review to the average size of the four largest firms for industries in the appropriate anchor industry group. A higher (lower) average size of the four largest firms than that for the anchor group would support a higher (lower) size standard than the anchor size standard.

Distribution of Firms by size and Industry Concentration

As an additional factor to assess industry competition, SBA examined the shares of industry total receipts accounted for by firms of different receipts and employment size classes in an industry. If most of an industry's economic activity is concentrated mostly among smaller firms, this generally indicates that small businesses are competitive in that industry. This can support adopting the anchor size standard. If most of an industry's economic activity is concentrated mostly among larger firms, this indicates that small businesses are not competitive in that industry. This can support adopting a size standard above the anchor.

Concentration could be analyzed as a measure of inequality of distribution. To determine the degree of inequality of distribution in an industry, SBA computed the Gini coefficient using the Lorenz curve. The Lorenz curve presents the cumulative percentages of units (firms) along the horizontal axis and the cumulative percentages of receipts (or other measures of size) along the vertical axis. (For further detail, please refer to SBA's "Size Standards Methodology" (attached) and on its website at www.sba.gov/size.) The Gini coefficient values vary from zero to one. If receipts are distributed equally among all the firms in an industry, the value of the Gini coefficient will equal zero. If an industry's total receipts are attributed to a single firm, the Gini coefficient will equal one.

SBA compares the Gini coefficient value for an industry with that for industries in the anchor group. If the Gini coefficient value for an industry is higher than it is for industries in the anchor industry group, this may, all else being equal, warrant a size standard higher than the anchor. Conversely, if an industry's Gini coefficient is similar to or lower than that for the anchor group, the anchor standard or a size standard lower than the anchor may be adopted.

Impact on Federal Contracting and SBA Loan Programs

SBA examines the possible impact a size standard change may have on Federal small business assistance. For this, SBA generally focuses on the share of Federal contracting dollars

awarded to small businesses in the industry in question. In general, if the small business share of Federal contracting in an industry is appreciably less than the small business share of the industry's total receipts, this could justify a size standard higher than the existing size standard. The disparity between the small business Federal market share and industry-wide small business share may be due to various factors, such as extensive administrative and compliance requirements associated with Federal contracts, the different skill set required for Federal contracts as compared to typical commercial contracting work, and the size of Federal contracts. These and other factors are likely to influence the type of firms within an industry that compete for Federal contracts. By comparing the small business Federal contracting share with the industry-wide small business share, SBA includes in its size standards analysis the latest Federal contracting trends. This analysis may support a size standard larger than the current size standard.

For the recent review, SBA considered Federal contracting factor in the size standards analysis only if: (1) the small business share of Federal contracting dollars was at least 10 percent lower than the small business share of total industry receipts; and (2) the amount of total Federal contracting in the industry averaged $100 million or more during the latest three fiscal years. SBA believed these thresholds reflect significant levels of Federal contracting where a revision to a size standard may have an impact on contracting opportunities to small businesses.

Besides the impact on small business Federal contracting, SBA also evaluated the impact of a proposed or revised size standard on SBA's loan programs. For this, SBA examined the data on volume and number of its 7(a) and 504 loans within an industry and the size of firms obtaining those loans. This allowed SBA to assess whether the existing or the proposed/revised size standard for a particular industry may restrict the level of financial assistance to small firms. If a current size standard is found to have impeded financial assistance to small businesses, a higher size standard may be justified. However, if small businesses under current size standards have been receiving significant amounts of SBA's loans both in terms of the number and volume of loans, or if the financial assistance has been provided mainly to businesses that are much smaller than the existing size standards, SBA may not consider this factor as important when determining the size standard.

Dominance in Field of Operation

Section 3(a) of the Small Business Act (15 U.S.C. § 632(a)) defines a small business concern as one that is: (1) independently owned and operated; (2) not dominant in its field of operation; and (3) within a specific small business definition or size standard established by the SBA Administrator. Accordingly, as part of its methodology, SBA considers whether a business concern qualifying as small at a proposed or revised size standard would be dominant in its field of operation. For this, SBA generally examines the industry's total receipts share of a firm at the proposed or revised size standard. SBA also examines the distribution of firms by the amounts of receipts and number of employees in an industry to see if the largest firms in the industry might qualify as small under the proposed or revised size standard. These results may indicate whether a firm qualifying as small can exercise a major controlling influence on a national basis in an industry. If a contemplated size standard is found to include a dominant firm, SBA will consider a lower size standard to exclude the dominant firm from being defined as small.

Sources of Industry and Program Data

SBA's primary source of industry data are special tabulations of the latest Economic Census (see www.census.gov/econ/) prepared by the U.S. Bureau of the Census (Census Bureau) for SBA. The 2007 Economic Census tabulations were the latest available for SBA to use for the comprehensive review. The special tabulations provide SBA with data on the number of firms, number of establishments, number of employees, annual payroll, and annual receipts of companies by Industry (6-digit level), Industry Group (4-digit level), Subsector (3-digit level), and Sector (2-digit level). These data are arrayed by various classes of firms' size based on the overall number of employees and receipts of the entire enterprise (all establishments and affiliated firms) from all industries. The special tabulations enable SBA to evaluate average firm size, the four-firm concentration ratio, and distribution of firms by various receipts and employment size classes. For industries not covered by the Economic Census, SBA obtains similar tabulations from the Census Bureau's County Business Patterns (www.census.gov/econ/cbp/) and USDA's Census of Agriculture (www.agcensus.usda.gov/) .

Certain data were suppressed in the Economic Census tabulations due to disclosure prohibitions. In those cases, SBA either estimated suppressed values using available relevant data or examined data at a higher level of industry aggregation, such as at the NAICS 2-digit (Sector), 3-digit (Subsector), or 4-digit (Industry Group) level. In some instances, SBA's analysis was based only on those factors for which data were available or estimates of missing values were possible.

SBA estimated average assets for an industry by combining the sales to total assets ratios by industry for the latest three years from the Risk Management Association's (RMA) Annual eStatement Studies (http://www.rmahq.org/estatement-studies/) with the average receipts of firms in that industry from the Economic Census tabulations.

To evaluate Federal contracting trends, SBA examined data on Federal contract awards for the latest fiscal years available at the time of review. The data are available from the Federal Procurement Data System – Next Generation (FPDS-NG) (www.fpds.gov/).

To assess the impact on financial assistance to small businesses, SBA examined data on its 7(a) and 504 loan programs for the latest fiscal years available at the time of review.

Data sources and estimation procedures that SBA uses in its size standards analysis are detailed in SBA's "Size Standards Methodology" White Paper, which is attached with this report and also available at www.sba.gov/size.

Selection of Size Standards

For many years, SBA had been trying to address the complexity of determining small business status caused by a large number of size standards (see 69 FR 13130 (March 4, 2004) and 57 FR 62515 (December 31, 1992)). For example, at the start of the recent size standards review when the size standards were based on NAICS 2007, there were 31 different levels of receipts based size standards. They ranged from $0.75 million to $35.5 million, and many of them applied to one or a few industries only. SBA believed that such a large number of different small business size standards was unnecessary and difficult to justify analytically. Thus, to simplify size standards, SBA established eight receipts based size standard levels for the recently completed size standards review, namely: $5 million, $7 million, $10 million, $14 million,

$19 million, $25.5 million, $30 million, and $35.5 million. SBA felt this would produce more similar size standards for businesses operating in related industries and would result in greater consistency among the size standards for industries that have similar economic characteristics. However, after the completion of the review, there are still 16 different levels of receipts based size standards although SBA had proposed only eight. This was due to the SBA's policy of not lowering any size standards, unless a size standard was found to include a dominant firm as small. For example, if the existing size standard was $23 million and the data supported a size standard at the $19 million level, SBA maintained $23 million, which was not one of the eight levels SBA had proposed.

At the start of the recent comprehensive size standards review, there were four levels of employee based size standards that applied to industries in Manufacturing and other sectors (except Wholesale Trade and Retail Trade), namely: 500 employees (minimum), 750 employees, 1,000 employees, and 1,500 employees (maximum). In its "Size Standards Methodology," SBA had proposed setting the minimum employee based size standard for those industries at 250 employees and the maximum at 1,000 employees. However, to be consistent with its policy of not lowering any size standards, in the proposed rules on employee based size standards for those industries, SBA maintained the current 500-employee minimum and 1,500-employee maximum size standards. Lowering a manufacturing size standard below the 500-employee level would have also conflicted with the SBA's decision to maintain the 500-employee size standard under the SBA's nonmanufacturer rule. Second, SBA also proposed a new 1,250-employee size standard between 1,000 employees and 1,500 employees. The 1,250-emplopyee new size standard maintained the same 250-employee increment between the two successive levels below 1,000 employees (*e.g.*, 500, 750, and 1,000). Thus, for industries in Manufacturing and other sectors that have employee based size standards (except Wholesale Trade and Retail Trade), SBA proposed to apply one of the five employee based size standards, namely: 500 employees, 750 employees, 1,000 employees, 1,250 employees, and 1,500 employees.

As stated earlier, the anchor approach proved difficult to apply in reviewing the size standards for the Wholesale Trade sector because all industries in the sector shared the same 100-employee size standard for SBA's financial and other nonprocurement programs and 500-employe size standard for the Federal procurement programs. In other words, there was no subset of industries within the sector with a distinct common size standard that in some sense could serve as the base or the anchor and be used as the basis for evaluating the structure of other industries and revising their size standards. Thus, to review the size standards in the Wholesale Trade sector, SBA employed a quintile approach in which industries were ranked and compared using each industry factor based on where the factor of that industry fell within the five ranked quintiles (*i.e.*, less than the 20th percentile, the 20th to less than the 40th percentile, the 40th to less than the 60th percentile, the 60th to less than the 80th percentile, and the 80th or higher percentile) to produce a size standard supported by each factor for each industry. These five size standard levels were 50 employees, 100 employees, 150 employees, 200 employees, and 250 employees. If the value of an industry factor fell in the first quintile (*i.e.*, less than the 20th percentile), that factor supported a size standard of 50 employees, if the value fell in the second quintile (*i.e.*, the 20th to less than the 40th percentile), it supported 100 employees, and so on. Using this approach, SBA increased the size standard for SBA's financial assistance and for most Federal nonprocurement programs for some Wholesale Trade industries to 150 employees, 200 employees, or 250 employees.

With the completion of the comprehensive size standards review, there are now 26 different size standard levels: 16 receipts based, one asset based, and nine employee based size standards.

Economic Characteristics of Comparison Industry Groups

As stated earlier, when reviewing size standards, SBA compared the economic characteristics of each industry to the average characteristics of industries in two industry groups. If the characteristics of an industry under review were similar to the average characteristics of industries in the anchor industry group, the anchor size standard was generally appropriate for that industry. If an industry's structure was significantly different from industries in the anchor industry group, a size standard lower or higher than the anchor size standard could be appropriate. The adjustment to an industry's existing size standard, where necessary, was based on the differences between that industry's characteristics and the characteristics of the anchor and higher size standard industry groups. SBA determined differences in industry structure between an industry under review and the industries in the two industry groups by comparing data on each of the industry factors, including average firm size, average assets size, the four-firm concentration ratio, and the Gini coefficient of distribution of firms by size. Table 1, below, shows the average characteristics of industries in the receipts based anchor and higher level size standard industry groups. Similarly, Table 2 shows the average characteristics of industries in the employee based anchor and higher level size standard industry groups.

Table 1
Average Characteristics of Receipts Based Comparison Groups

Receipts Based Comparison Group	Avg. Firm Size ($ million)		Avg. Assets Size ($ million)	Four-firm Concentration Ratio (%)	Avg. Receipts of Four Largest Firms ($ million)*	Gini Coefficient
	Simple Average	Weighted Average				
Anchor Level	1.32	19.63	0.84	16.6	196.4	0.693
Higher Level	5.07	116.84	3.20	32.1	1,376.0	0.830

* To be used for industries with a four-firm concentration ratio of 40% or greater.

Table 2
Average Characteristics of Employee Based Comparison Groups

Employee Based Comparison Group	Avg. Firm Size (no. of employees)		Avg. Assets Size ($ million)	Four-firm Concentration Ratio (%)	Avg. Receipts of Four Largest Firms ($ million)*	Gini Coefficient
	Simple Average	Weighted Average				
Anchor Level	51	322	$6.4	35.9	1,267	0.765
Higher Level	136	602	$37.0	64.3	2,033	0.808

* To be used for industries with a four-firm concentration ratio of 40% or greater.

Derivation of Size Standards Based on Industry Factors

SBA derived a separate size standard for each industry factor, as shown in Tables 1 and 2 (above) based on the differences between the values for an industry under review and the values for the two industry comparison groups. If the industry value for a particular factor was near the corresponding factor for the anchor industry comparison group, the anchor size standard was considered appropriate for that factor.

An industry factor significantly above or below that for the anchor industry group will generally support a size standard for that industry above or below the anchor. The proposed new size standards in these cases were based on the proportional difference between the industry value and the values for the two industry comparison groups.

Detailed formulas involved in these calculations are presented in SBA's Methodology, which is attached and also available at www.sba.gov/size. (However, it should be noted that figures in the Methodology are based on 2002 Economic Census data (the 2007 Economic Census data were not yet available). Tables 1 and Table 2 (above) are based on data from the 2007 Economic Census, which was the latest data available.

Table 3 shows ranges of values for each industry factor and the levels of receipts based size standards supported by each of those values, while Table 4 shows corresponding values for employee based size standards.

Derivation of Size Standards Based on Federal Contracting Factor

Besides industry structure, SBA also evaluated Federal contracting data to assess the success of small businesses in getting Federal contracts under the existing size standards. For industries where the small business share of total Federal contracting dollars was 10 to 30 percent lower than the small business share of total industry receipts, SBA assigned a size standard one level higher than their existing size standard. Similarly, for industries where the small business share of total Federal contracting dollars was more than 30 percent lower than the small business share of total industry receipts, SBA applied a size standard two levels higher than the existing size standard. For the recent review, SBA considered the Federal contracting factor only for those industries for which Federal contract dollars averaged $100 million or more annually.

Table 3

Values of Industry Factors and Supported Receipts Based Size Standards

If Simple Avg. Receipts Size ($ million)	Or if Weighted Avg. Receipts Size ($ million)	Or if Avg. Assets Size ($ million)	Or if Avg. Receipts of Largest Four Firms ($ million)	Or if Gini Coefficient	Then Implied Size Standard is ($ million)
< 1.15	< 15.22	< 0.73	< 142.8	< 0.686	5.0
1.15 to 1.57	15.22 to 26.26	0.73 to 1.00	142.8 to 276.9	0.686 to 0.702	7.0
1.58 to 2.17	26.27 to 41.73	1.01 to 1.37	277.0 to 464.5	0.703 to 0.724	10.0
2.18 to 2.94	41.74 to 61.61	1.38 to 1.86	464.6 to 705.8	0.725 to 0.752	14.0
2.95 to 3.92	61.62 to 87.02	1.87 to 2.48	705.9 to 1,014.1	0.753 to 0.788	19.0
3.93 to 4.86	87.03 to 111.32	2.49 to 3.07	1,014.2 to 1,309.0	0.789 to 0.822	25.5
4.87 to 5.71	111.33 to 133.41	3.08 to 3.61	1,309.1 to 1,577.1	0.823 to 0.853	30.0
> 5.71	> 133.41	> 3.61	> 1,577.1	> 0.853	35.5

Table 4

Values of Industry Factors and Supported Employee Based Size Standards

If Simple Avg. Firm Size (no. of employees)	Or if Weighted Avg. Firm Size (no. of employees)	Or if Avg. Assets Size ($ million)	Or if Avg. No. Employees of Largest Four Firms	Or if Gini Coefficient	Then Implied Size Standard is (no. of employees)
< 63.9	< 364.5	< 11.1	< 1,383.3	< 0.772	500
63.9 to < 89.7	364.5 to < 449.6	11.1 to < 20.3	1,383.3 to < 1,616.0	0.772 to < 0.785	750
89.7 to < 115.6	449.6 to < 534.6	20.3 to < 29.6	1,616.0 to < 1,848.7	0.785 to < 0.798	1,000
115.6 to < 141.4	534.6 to < 619.7	29.6 to < 38.9	1,848.7 to < 2,081.4	0.798 to < 0.811	1,250
≥ 141.4	≥ 619.7	≥ 38.9	≥ 2,081.4	≥ 0.811	1,500

Common Size Standards

When many of the same businesses operate in multiple industries, SBA believed that a common size standard was more appropriate for these industries even if the industry and relevant program data might have suggested different size standards for them. For instance, in the past, SBA established a common size standard for Computer Systems Design and Related Services (NAICS 541511, NAICS 541112, NAICS 541513, NAICS 541519 (excluding the "exception" for Information Technology Value Added Resellers), and NAICS 811212). Another example is the common size standard for Architectural, Engineering (A&E) and Related Services. These include NAICS 541310, NAICS 541330 (excluding the "exceptions"), Map Drafting (an "exception" under NAICS 541340, but eliminated in the recent review), NAICS 541360, and NAICS 541370 (64 FR 28275(May 25, 1999)). More recently, SBA established a common size standard for some of the industries in NAICS Sector 44-45 (Retail Trade) (75 FR 61597 (October 6, 2010)) and for the industries in NAICS Industry Group 5411 (Legal Services), and NAICS Industry Group 5412 (Accounting Services) (77 FR 7490 (February 10, 2012)). Similarly, SBA also adopted common size standards for several industries in NAICS Sector 48-49 (Transportation and Warehousing) (77 FR 10943 (February 24, 2012)), NAICS Sector 56

(Administrative and Support, Waste Management and Remediation Services) (77 FR 72691 (December 6, 2012)), and NAICS Sector 53 (Real Estate and Rental and Leasing) (77 FR 58747 September 24, 2012)).

Evaluation of Impacts on SBA's Loan Programs

Before deciding on an industry's size standard, SBA also considers the impact of the proposed or revised size standard on its loan programs. For that, SBA examined its 7(a) and 504 Loan Program data for the latest three fiscal years available at the time of the review to assess whether the proposed or revised size standard needed further adjustments to ensure credit opportunities for small businesses through those programs. The data showed that most businesses that used SBA's 7(a) and 504 Loan Programs were generally much smaller than their size standards, thereby rendering this factor not important in most cases. Furthermore, the Jobs Act established an alternative size standard for SBA's 7(a) and 504 Loan Programs. Specifically, an applicant exceeding a NAICS industry size standard may still be eligible if its tangible net worth does not exceed $15 million and its average net income after Federal income taxes (excluding any carry-over losses) for the two full fiscal years before the date of the application is not more than $5 million.

Proposed Changes to Size Standards

In each proposed rule, SBA provided summaries of the results of its analyses of industry specific size standards. In some cases, the results indicated that SBA could, if appropriate, propose to reduce size standards for some industries in the Sector under review.

However, SBA concluded that lowering small business size standards was not in the best interest of small businesses in the then current economic environment. The U.S. economy was in recession from December 2007 to June 2009, the longest and deepest of any recession since World War II. The economy lost more than eight million non-farm jobs during 2008-2009. In response, the American Recovery and Reinvestment Act of 2009 (Recovery Act) was enacted to promote economic recovery and to support and create jobs. Although the recession officially ended in June 2009, the unemployment rate was still high at 6.5 percent or more when SBA was reviewing the size standards.

The Jobs Act was also enacted to promote small business job creation. The Jobs Act put more capital into the hands of entrepreneurs and small business owners; strengthened small businesses' ability to compete for contracts; created a better playing field for small businesses for Federal opportunities; promoted small business exporting, building on the National Export Initiative; expanded training and counseling; and provided $12 billion in tax relief to help small businesses invest in their firms and create jobs. Reducing size standards would have had an immediate negative impact on jobs, and hence been contrary to the expressed intent of the law.

Lowering size standards would have decreased the number of firms that were benefitting from Federal financial and procurement assistance for small businesses. It would have also affected small businesses that were exempt from or received relief and exemption from myriad other Federal regulations. Furthermore, lowering size standards based solely on analytical results, without any considerations of other relevant factors, would have rendered many small businesses ineligible from Federal programs and benefits. That would run counter to what SBA and the Federal government were doing to help small businesses and would not have supported

or created more jobs; rather, it would have had the opposite effect. Therefore, SBA generally did not propose to reduce size standards for any industries, with the exception of three support industries for mining for which size standards were lowered to exclude the largest and dominant firms in the industry from qualifying as small (81 FR 4436 (January 26, 2016)). For industries where analyses seemed to support lowering size standards, SBA maintained the size standards in effect at that time.

Furthermore, as stated previously, the Small Business Act requires the Administrator to "...consider other factors deemed to be relevant..." when establishing or modifying small business size standards. Economic conditions during the size standards review and the impact the revisions to size standards have on job creation are relevant factors when establishing or modifying small business size standards. SBA nevertheless always invited comments and suggestions on whether it should lower size standards as suggested by analyses of industry and program data or retain the current standards for those industries in view of the then economic conditions. The vast majority of the comments addressing this issue supported the SBA's policy of not lowering size standards even if the data might support doing so.

Evaluation of Dominance in Field of Operation

When SBA proposed or adopted revisions to size standards for some industries, it always ensured that no individual firm at or below the proposed or revised size standard would be large enough to dominate its field of operation. At each of the proposed or revised size standards, the individual small firm generally accounted for a small share (in most cases 2% or less) of total industry receipts. Such small shares effectively preclude a firm at or below the proposed or revised size standard from exerting control or dominance in any industry.

Updating SBA's "Size Standards Methodology"

SBA made it clear in every proposed and final rule that it welcomed comments from the public on a number of issues concerning its Methodology, such as whether there are other approaches to establishing and modifying size standards; whether there are alternative or additional factors that SBA should consider; whether SBA's approach to small business size standards makes sense in the current economic environment; whether SBA's use of anchor size standards is appropriate; whether there are gaps in SBA's methodology because the data it uses are not current or sufficiently comprehensive; and whether there are other data, facts, and/or issues that SBA should consider.

Currently, SBA is updating its Methodology to address public comments and feedback SBA received and to incorporate the amendments to the Small Business Act relating to small business size standards under the National Defense Authorization Act for Fiscal Year 2013 (NDAA 2013), Public Law 112-239, 126 Stat. 1632 (Jan. 2013) and under the National Defense Authorization Act for Fiscal Year 2017 (NDAA 2017) (Public Law 114-328, December 23, 2016) Specifically, Section 1661 of NDAA 2013 directs the SBA's Administrator not to limit the number of size standards and to make publicly available a justification for establishing a common size standard for a group of industries at the 4-digit NAICS level. Similarly, Section 1831 of NDAA 2017 authorizes the SBA's Administrator to establish size standards for agricultural enterprises in the same manner as for other industries. The amendment also subjects size standards for agricultural enterprises to the rolling review procedures established under

section 1344(a) of the Small Business Jobs Act of 2010. SBA plans to publish the updated methodology for public comments in the near future and finalize it before the next comprehensive size standards review required by the Job Act.

Rolling Size Standards Review by Sector

Rather than reviewing all size standards at one time, for the recent review, SBA reviewed size standards on a Sector by Sector basis. An NAICS Sector generally includes 25 to 75 industries, except for NAICS Sector 31-33, Manufacturing, which has more than 360 industries. Once SBA completed its review of size standards for industries within a particular NAICS Sector, it published for comments proposed revisions to size standards based on latest industry and program data available at the time of review and other relevant factors, such as current economic conditions and SBA's and other government's programs and policies to help small businesses. SBA thoroughly evaluated and weighed all public comments when deciding the size standards revisions in the final rule. Table 5, below, provides the order in which SBA reviewed the size standard for various NAICS sectors and industries, along with the dates proposed and final rules were published in the *Federal Register*.

Table 5
Order of Size Standards Reviews by NAICS Sector

NAICS Sector	NAICS Sector Title	Date Proposed Rule Published	Date Final Rule Published
44-45	Retail Trade	October 21, 2009	October 6, 2010
81	Other Services	October 21, 2009	October 6, 2010
72	Accommodation and Food Services	October 21, 2009	October 6, 2010
54	Professional, Scientific & Technical Services	March 16, 2011	February 10, 2012
48-49	Transportation and Warehousing	May 13, 2011	February 24, 2012
56	Administrative and Support, Waste Management and Remediation Services	October 12, 2011	December 6, 2012
51	Information	October 12, 2011	December 6, 2012
61	Educational Services	November 15, 2011	September 24, 2012
53	Real Estate and Rental and Leasing	November 15, 2011	September 24, 2012
62	Health Care and Social Assistance	February 24, 2012	September 24, 2012
71	Arts, Entertainment and Recreation	July 18, 2012	June 20, 2013
52 & 55	Finance and Insurance/ Management of Companies and Enterprises	September 11, 2012	June 20, 2013
11	Agriculture, Forestry, Fishing and Hunting	September 11, 2012	June 20, 2013
21	Mining, Quarrying, and Oil and Gas Extraction	December 6, 2012	June 20, 2013
23	Construction	July 18, 2012	December 23, 2013
22	Utilities	July 19, 2012	December 23, 2013
42	Employee Based Size Standards in Wholesale Trade and Retail Trade	May 19, 2014	January 25, 2016
31-33	Manufacturing	September 10, 2014	January 26, 2016
	Employee Based Size Standards Not in Manufacturing, Wholesale Trade, or Retail Trade	September 10, 2014	January 26, 2016

As stated previously, there were more than 1,100 size standards at the start of the comprehensive size standards review. If all size standards were reviewed together in one rule, the rule would be analytically very complex and extremely voluminous, thereby making review and comment by interested parties very difficult. Therefore, SBA adopted an approach to reviewing size standards by NAICS Sector, except for employee based size standards in sectors other than Manufacturing, Wholesale Trade and Retail Trade that were reviewed in single rulemaking.

In some NAICS sectors all industries have size standards based on average annual receipts (such as Construction, Educational Services, Health Care and Social Assistance, Accommodation and Food Services, *etc.*), while in other sectors all size standards are based on number of employees (*e.g.*, Manufacturing and Wholesale Trade). There are still some other sectors, where some industries have monetary based size standards and others have employee based size standards (such as Mining, Utilities, Information, and Transportation).

At the start of the comprehensive review, a small number of industries had size standards based on other measures. For example, industries in electric power production, transmission/control, and distribution had size standards based on megawatt hours, which SBA changed to the number of employees in the recent review. Similarly, five depository credit intermediation and credit card issuing industries had their size standards based on average assets, which SBA decided to maintain but increased the threshold based on the latest industry data available at the time of their review. Finally, one industry, NAICS 324110, Petroleum Refineries, had a size standard that included two components, namely number of employees and barrels per calendar day refining capacity. SBA retained the two-component size standard, but increased the threshold for the capacity component.

Initially, SBA had planned its review around entire NAICS sectors and later refined it by reviewing monetary size standards separately from those based on number of employees. SBA started the review with sectors that have receipts based size standards, generally with those sectors for which SBA had received the most public concerns about the size standards.

SBA launched the comprehensive size standards review in 2007 and SBA published the first three proposed rules in the *Federal Register* on October 29, 2009. They applied to NAICS Sector 44-45 (Retail Trade), Sector 81 (Other Services), and Sector 72 (Accommodation and Food Services). SBA published the final rules for these sectors on October 6, 2010, just after the enactment of the Jobs Act. SBA continued reviewing the balance of industries with monetary size standards, on a sector by sector basis, and then reviewing the industries with employee based size standards. SBA completed the first five-year review with the publication of three final rules on employee based size standards in January 2016: 1) Sector 31-33 (Manufacturing); 2) Sector 42 (Wholesale Trade) and Sector 44-45 (Retail Trade – the two industries in this sector that have employee based standards); and 3) industries with employee based size standards that are not in the Manufacturing, Wholesale Trade, or Retail Trade sectors.

Number of Size Standards Reviewed and Revised by Sector

Based on NAICS 2012, SBA reviewed a total of 1,009 size standards, including "exceptions" but excluding 46 size standards for agricultural enterprises, which are set directly by Congress. Of the total size standards reviewed, SBA revised 618. Table 6, below, shows the number of size standards reviewed and revised by NAICS sector, while an Appendix shows the

size standard at the start of the review and revised size standard for each of the individual NAICS industries for which size standards were revised.

Table 6
Number of Reviewed and Revised Size Standards by NAICS Sector

NAICS Sector	No. of size standards reviewed	No. of size standards revised
Retail Trade (Sector 44-45)*	75	47
Accommodation & Food Services (Sector 72)	15	5
Other Services (Sector 81)	48	18
Professional, Scientific & Technical Services (Sector 54)*	49	38
Transportation and Warehousing (Sector 48-49)*	43	22
Information (Sector 51)*	20	15
Admin. Support, Waste Mgmt. & Remediation Services (Sector 56)*	44	37
Real Estate, Rental & Leasing (Sector 53)	25	21
Educational Services (Sector 61)	18	9
Healthcare & Social Assistance (Sector 62)	39	28
Agriculture, Forestry, Fishing, & Hunting (Sector 11)*	18	11
Mining, Quarrying, and Oil & Gas Extraction (Sector 21)*	4	3
Utilities (Sector 22)*	13	13
Construction (Sector 23)	32	2
Art, Entertainment & Recreation (Sector 71)	25	17
Finance & Insurance/Management of Companies & Enterprises (Sectors 52 and 55)*	42	39
Manufacturing (Sector 31-33)	364	210
Employee Based Size Standards not in Sectors 31-33, 42 & 44-45	62	36
Employee Based Size Standards in Sectors 42 & 44-45	73	47
Total**	1,009	618

* Only monetary based size standards and megawatts hours based size standards in Sector 22.
** Excludes agricultural size standards that are set by statute.

A vast majority of revisions represented increases to current monetary or employee based size standards. SBA also lowered size standards for three mining industries to prevent the dominant or largest firms from qualifying as small (81 FR 4436 (January 26, 2016)). SBA changed the measures of size for New Car Dealers (NAICS 441110) from average annual receipts to number of employees ((75 FR 61597 (October 6, 2010)) and for International Trade Financing (NAICS 522293) from assets to receipts (78 FR 37409 (June 20, 2013)). Likewise, SBA also changed the measure of size for 10 industries in electric power production, transmission/control, and distribution (Sector 22, Utilities) from megawatts hours to the number of employees (78 FR 77343 (December 23, 2013)).

Until January 1, 2012, SBA's size standards for the six industries in electrical production, transmission/control, and distribution of energy were measured by megawatt hours of production. The energy production industries have seen substantial changes, especially in the last decade. OMB's NAICS 2012 update recognized four new energy production methods (solar, wind, geothermal, and biomass electric power generation), and established four new electric power generation industries in Sector 22 by splitting NAICS 221119 (Other Electric Power Generation), as defined under NAICS 2007. This resulted in 10 industries (there were six under NAICS 2007) that generate, transmit, control, and distribute electrical power. When SBA adopted NAICS 2012 to its table of size standards, effective October 1, 2012 (77 FR 49991 (August 20, 2012)), it adopted for the four new industries the same megawatt hours based size standard that was in effect at that time for the other six electrical power generation, transmission/control, and distribution industries. When SBA reviewed size standards in Sector 22 as part of the comprehensive review, the Agency, after seeking and considering public comments, changed the size standard for all 10 electrical power generation, transmission/control, and distribution industries from megawatt hours to the number of employees, ranging from 250 employees to 1,000 employees. This simplified and unified the size standards for those industries. As a result, SBA also eliminated Footnote 1 relating to the size standard for electric utilities (78 FR 77343 (December 23, 2013)).

As part of the review, SBA eliminated several size standards "exceptions": (i) the Map Drafting exception to NAICS 541340 (Drafting Services) (77 FR 7490 (February 10, 2012)); (ii) Aircraft Dealers, Retail exception to NAICS 441229 (All Other Motor Vehicles Dealers) (75 FR 61597 (October 6, 2010)); and (iii) the Offshore Marine Air Transportation Services exception to NAICS 481211 (Nonscheduled Chartered Passenger Air Transportation) and NAICS 481212 (Nonscheduled Chartered Freight Air Transportation) and Offshore Marine Services exception (along with Footnote 15) to NAICS Subsector 483 (Water Transportation) (81 FR 4436 (January 26, 2016)). SBA also amended Footnote 4 to its table of size standards by eliminating the requirement that the total product to be delivered under the contract must be at least 90 percent refined by the successful bidder from either crude oil or bona fide feedstocks (81 FR 4469 (January 26, 2016)).

Size Standards of High Public Interests and Concerns

In terms of the number of comments SBA received on the proposed rules, industry's interest and concerns, and attention from members of Congress and their constituents, size standards for certain industries or industry groups stood out from the rest. Those industries and industry groups are discussed next.

NAICS 316210, Footwear Manufacturing

NAICS is designed to classify all of existing industries in North America. Every five years, OMB reviews NAICS codes, and updates them as appropriate. Sometimes new NAICS codes are created, and sometimes multiple existing NAICS codes are merged into one NAICS code reflecting changing industry trends and market conditions. Effective January 1, 2012, as part of its five-year review and update of NAICS, OMB merged five footwear related manufacturing NAICS industries (namely NAICS 316211, Rubber and Plastic Manufacturing; NAICS 316212, House Slipper Manufacturing; NAICS 316213, Men's Footwear (except

Athletic) Manufacturing; NAICS 316214, Women's Footwear (except Athletic) Manufacturing; and NAICS 316219, Other Footwear Manufacturing) under NAICS 2007 into one NAICS industry (NAICS 316210, Footwear Manufacturing) under NAICS 2012. On August 20, 2012, SBA published an interim final rule (with request for comments) adopting the NAICS 2012 update for its table of size standards, effective October 1, 2012 (77 FR 49991). Historically when NAICS industries with different size standards are compressed into one NAICS industry, SBA adopted the highest size standard among the compressed industries when adopting the new industry definitions to its size standards. SBA followed this approach to replace the Standard Industrial Classification (SIC) System with the NAICS OMB released in 1997, as well as to adopt the subsequent NAICS 2002 and 2007 updates for its table of size standards. Four of the pre-existing footwear related NAICS codes had a 500-employee size standard, and one had a 1,000-employee size standard. Consequently, SBA adopted a 1,000-employee size standard for NAICS 316210 when it adopted NAICS 2012. SBA received only one comment to the interim final rule, which was unrelated to manufacturing. In other words, SBA received no comments to the interim final rule in connection with the 1,000-employee size standard that SBA adopted for NAICS 316210, Footwear Manufacturing.

The 1,000-employee size standard for NAICS 316210 was in effect when SBA, as part of comprehensive size standards review, published for comments a proposed rule for Sector 31-33, Manufacturing, which includes NAICS 316210 (79 FR 54145 (September 10, 2014)). Based on the relevant industry and Federal procurement data, SBA proposed to retain the 1,000-employee size standard for NAICS 316210. SBA received seven comments concerning the footwear manufacturing size standard – four supported the SBA's proposal, two opposed it, and one was not clear. One of the opposing comments was from a large footwear manufacturer. The commenter argued that the 1,000-employee size standard has allowed one or two previously large footwear manufacturers to qualify as small and dominate the military footwear market, thereby hurting both large and small footwear manufacturers. However, as detailed in the final rule (81 FR 4469 (January 26, 2016)), this argument was not supported by both Federal procurement data and industry data from the Economic Census. SBA also received comments from Members of Congress, both in support of and in opposition to SBA's proposal to retain the 1,000-employee size standard for Footwear Manufacturing.

In addition, the Defense Logistics Agency (DLA) published its "Report to Congress on Military Footwear Procurement" in June 2015, as required by the Department of Defense Appropriations Act of 2015 (Public Law 113-235, 128 Stat. 2242, December 16, 2014). The report states that "The impact of the size standard change [to the size standard in 2012] on industry's surge capabilities appears to be low....Most suppliers admit the change itself is having little to no impact on their business since October 2012, but as new solicitations are released this could change. All the suppliers that identify their firm as a small business would agree that having awards set-aside for small businesses is critical to their long term health, as well as offering DLA competitive pricing, quality, and ongoing product improvement/development."

On pages 4471-4476 of the final rule, SBA discussed each of the comments and SBA's decision to retain the 1,000-employee size standard for NAICS 316210, Footwear Manufacturing.

NAICS Industry Group 5412 – Accounting, Tax Preparation, Bookkeeping, and Payroll Services

SBA received nine comments, of which four were at the 4-digit NAICS level (that is, NAICS Industry Group 5412 with no specific industries identified at the 6-digit NAICS industry level), four were for Offices of Certified Public Accounts (NAICS 541211), and one was for Tax Preparation Services (NAICS 541213). All comments on NAICS 541211 and NAICS 541213 supported SBA's effort to increase the current size standard for these industries, but recommended a $25.5 million size standard for those industries, much higher than the $14 million that SBA had proposed. To address their comments and recommendation, SBA met with industry's representatives. Based on the evaluation of comments and industry data provided by the commenters, SBA adopted a $19 million size standard for all industries within NAICS Industry Group 5412. An appendix at the end of this document shows the size standards for those industries at the time of review, proposed size standards, and size standards SBA adopted in the final rule (77 FR 7490 (February 10, 2012)).

On pages 7491-7492 of the final rule, SBA discussed the comments and its decision to adopt the $19 million size standard for industries in NAICS Industry Group 5412.

NAICS 541310 – Architectural Services and NAICS 541320 – Landscape Architectural Services

SBA sought comments on its proposed increases to size standards for a number of industries in NAICS Sector 54, including NAICS 541310 and 541320 (76 FR 14323 (March 16, 2011)). Because of the number of public comments and attention to SBA's proposed size standards changes in Sector 54, SBA recognized that affected businesses, especially those in Architectural and Landscape Architectural Services, needed more time to submit their comments. In addition, the House Subcommittee on Economic Growth, Tax and Capital Access of the U.S. House Committee on Small Business held a size standards hearing on May 5, 2011, where representatives of the various professional industries testified regarding SBA's proposed size standards changes in Sector 54 and requested for an extension of the comment period. Accordingly, SBA extended the initial 60-day comment period by additional 30 days to allow businesses more time to comment on the SBA's proposed rule.

By the end of the comment period, SBA had received more than 1,400 comments to the proposed rule for Sector 54. Over half of these comments were related to the SBA's proposal to increase the size standard for NAICS 541310 and 541320 to $19 million in average annual receipts. At the time of the review, these industries had size standards of $4.5 million and $7 million, respectively. Because five of the seven industries in NAICS Industry Group 5413 had a common size standard of $4.5 million, even if the data supported different size standards for individual industries, SBA proposed a $19 million common size standard for all industries in NAICS Industry Group 5413, except the three exceptions to NAICS 541330, Engineering Services.

In general, commenters overwhelmingly opposed the proposed $19 million size standard for NAICS 541310 and 541320, and many also offered alternatives. Two industry associations, one representing firms in NAICS 541310 (Architectural Services) and the other representing firms in NAICS 541320 (Landscape Architectural Services) were among the commenters

opposing the SBA's proposal. However, the number of comments supporting the proposed size standard was not insignificant either, and many of them opposed the position of the associations.

Commenters supporting SBA's proposal stated that the higher size standard would enable small businesses to grow and be in a position to compete effectively against large firms in their industries for Federal opportunities once they exceed the size standard. They also argued that this would allow them to retain or regain small business size eligibility for Federal assistance, and successfully perform and meet size and other requirements associated with Federal contracts set aside for small businesses. Many also believed a higher size standard would expand a pool of qualified small businesses for Federal agencies to meet their needs and for large prime contractors to meet their small business subcontracting goals. Many, especially those in the architectural and engineering (A&E) areas, felt that the then existing $4.5 million size standard was too low and needed an increase given the changes in industry structure and the Federal marketplace. Many supporting the proposed $19 million size standard believed high subcontracting "pass throughs" and inflation also warranted an increase to the size standard for the A&E industry group.

Most commenters opposing the proposed increase believed that small businesses under the then existing size standards would face adverse competition from the newly defined larger small businesses under the higher size standard. Many contended that, if the proposed $19 million size standard were adopted, many mid-sized, larger businesses would qualify as small, thereby increasing competition for Federal opportunities for small businesses. Many commenters also felt that the proposed $19 million size standard did not reflect "what is truly small" in architectural and landscape architectural services. They pointed out that a vast majority of firms in those industries either operate as sole-proprietors or have fewer than 20 employees and do not need a higher size standard.

Based on the analysis of comments and reevaluation of relevant data, in the final rule SBA adopted a size standard of $7 million for both NAICS 541310 and NAICS 541320 (77 FR 7490, February 10, 2012).

On pages 7492-7494 of the final rule, SBA discussed the comments and its decision to adopt the $7 million size standard for NAICS codes 541310 and 541320.

NAICS 541330 – Engineering Services

SBA received about 240 comments concerning the size standard for NAICS 541330, Engineering Services. More than 60 percent of comments fully supported the proposed increase to the size standard for NAICS 541330 from $4.5 million to $19 million. Another 16 percent supported a smaller increase, several of which recommended between $6.5 million and $12.5 million. The rest mostly supported no increase at all.

Commenters supporting SBA's proposal to increase the size standard for NAICS 541330 from $4.5 million to $19 million indicated that at the $4.5 million size standard small businesses were only able to perform a small portion of work under the set-aside contracts and needed to subcontract out the majority of the work, often to large businesses, thereby defeating the very intent of the set-aside program. They argued that the higher size standard would enable more small businesses to participate in the Federal market as prime contractors and to perform the majority of work by themselves. The commenters also indicated that engineering firms in the $5 million to $15 million revenue range had very limited ability to compete for Federal contracts

on a full and open basis, although they had qualifications to meet the Federal requirements. They added that businesses that exceeded the $4.5 million size standard did not have capabilities to compete against large firms, some with thousands of employees and hundreds of millions of revenues. Some argued that disparities between market share and average revenue between the large firms and small firms significantly increased in recent years, with the 2008-2009 economic recession exacerbating this situation. Under the $19 million proposed size standard, there would be more opportunities for small businesses to grow and create jobs, and large prime contractors would have a larger and more qualified pool of small businesses for their teaming and subcontracting needs, the commenters noted. Some stated that "pass throughs" (*i.e.*, fees and costs to outside consultants) accounted for 35 percent of gross revenues of architects, engineers and surveyors and such high "pass throughs" also warranted the need for the proposed $19 million size standard. Some commenters stated that, under the $4.5 million size standard, small businesses could not develop capabilities to meet complex technical requirements for most IDIQ and other contracts in NAICS 541330 and could not win multiple IDIQ contracts in NAICS 541330, thereby limiting growth. Just one or two such contracts would cause small businesses to exceed the size standard, they added.

A national association representing nearly 5,500 engineering firms also commented on the SBA's proposed $19 million size standard for NAICS 541330. While the association supported SBA's efforts to update the $4.5 million size standard for NAICS 541330, it recommended a more moderate increase to $10 million. It commented that the size standard increase should keep pace with inflation and accommodate Federal government needs. The association cited a number of issues with the Economic Census and FPDS-NG data that SBA evaluated and the impact that a large increase in the size standard might have on the industry. The association was concerned that SBA's proposed $19 million standard was too high.

The association argued that the majority of its members had fewer than 30 employees and that increasing the size standard from $4.5 million to $19 million would (1) help larger firms at the expense of their truly small counterparts; (2) allow more than 90 percent of engineering firms to qualify as small; (3) limit fair and open competition among qualified firms under the "rule of 2"; and (4) harm the public and the Federal government through reduced performance and higher costs. SBA addressed these concerns in detail in the final rule.

The association recommended a size standard of $9 million (or $10 million when rounded to the nearest fixed size level) for NAICS 541330. The association justified this value using 50 employees as a "natural break" in firm size and the average revenue per employee for the industry and other assumptions. SBA had several concerns with this analysis as it discussed in the final rule. First, the association's total membership included only about 5,500 engineering firms, less than 12 percent of total firms in NAICS 541330 based on the 2007 Economic Census. Second, the comment provided no explanation on using 50 employees as a "natural break" of firm size as an appropriate basis of size standard for the engineering industry. Third, the association did not provide any references to data sources it used to support its recommendation.

The association questioned how the inclusions of three "exceptions" in the Economic Census data for NAICS 541330 influenced SBA's results for general engineering services. As noted in the proposed rule, the data from the U.S. Census Bureau's tabulation were limited to the 6-digit NAICS industry level and hence did not provide specific data on "exceptions." Using product service codes (PSCs) for contracting activity as reported in FPDS-NG, SBA identified firms that were active in general engineering services and those in three "exceptions." Using the

revenue and employment data for those firms from the Central Contractor Registration (CCR) (currently the System of Award Management (SAM)), SBA analyzed industry and Federal contracting factors for firms engaged in general engineering services and those involved in the "exceptions."

SBA agreed with the association's comment that it should reassess the impact that the inclusion of three "exceptions" in the analysis might have on the calculated size standard for general engineering services. As described in the proposed rule, SBA analyzed data from CCR/SAM and FPDS-NG to evaluate size standards for "exceptions" under NAICS 541330. The analysis of those firms using the CCR/SAM and FPDS-NG data also had produced the results for general engineering firms. Because CCR/SAM and FPDS-NG data are limited to the Federal market, rather than using those results directly, SBA compared the industry and Federal procurement factors for firms performing work under the "exceptions" and those in general engineering services. Specifically, SBA calculated ratios for industry and Federal procurement factors for firms performing work under the "exceptions" and those under general engineering services. Using these results, SBA adopted a $14 million size standard for general engineering services and $35.5 million for three exceptions under NAICS 541330.

SBA's decision to adopt a $7 million size standard for architectural services and $14 million size standard for engineering services (except for the "exceptions") departed from a common size standard SBA had historically established for these two industries. Unlike in the past, comments on a proposed $19 million size standard differed significantly between the two industries. For architectural services, almost 90 percent of the comments opposed the $19 million proposed size standard, while more than 75 percent of the comments addressing engineering services supported it. These comments focused primarily on an appropriate size standard for their specific industries. There was little discussion of the need to have a common size standard for architectural services and engineering services. The different size standards SBA adopted in the final rule for each of these two industries better reflected the industry structure of each industry, as well as providing increased Federal contracting opportunities for small businesses without having to compete against larger firms that would qualify as small under the proposed $19 million size standard, if adopted. SBA was also concerned that the relatively low 15.6 percent small business share of industry receipts for engineering services under the $4.5 million size standard was out of line with the typical small business market share of other professional services industries and, thus, constraining small business opportunities in Federal contracting to only 15 percent. SBA believed that the $14 million size standard would expand the number of businesses that should be considered small in engineering services and increase Federal contracting opportunities for small businesses.

NAICS 541330 – Engineering Services (three "exceptions")

There were 16 comments on SBA's proposal to retain the then $27 million size standard for the "Military and Aerospace Equipment and Military Weapons" exceptions under NAICS 541330. All commenters believed that the $27 million size standard was too low and needed an increase. Some comments recommended that SBA establish size standards based on the average size of dominant players in the Federal market.

A commenter expressed concerns with SBA's proposal to increase 36 size standards in NAICS Sector 54, but to leave the size standard for the "Military and Aerospace Engineering"

(which is one of the exceptions under NAICS 541330) unchanged. The commenter believed that this size standard warranted an increase pursuant to the intent of Small Business Jobs Act of 2010 to help small businesses create jobs and that the $27 million size standard did not reflect changes in Federal contracting marketplace in military and aerospace engineering services for aviation programs. The commenter further pointed out that small business contracts for military and aerospace engineering services with Naval Air Systems Command (NAVAIR) totaled $95 million in 2008 and argued that leaving the size standard at $27 million would negatively impact NAVAIR's ability to meet its needs and small business goals. Some businesses that are small under the current size standard would soon lose their small business status due to contract cost escalations for multi-year tasks order contracts, the commenter noted. Some upward adjustment to the current standard would not include small businesses that would be dominant in their fields relative to high revenue of large firms (such as Raytheon, Northrop Grumman, Lockheed Martin, *etc.*) that received contracts for engineering work. Upward adjustment to the current size standard would enable small businesses to compete for larger contracts. The Small Business Act requires Federal agencies to reserve for small businesses some multiple award contracts that tend to be larger and more complex. Contracts for military and aerospace engineering tended to be large relative to the current $27 million size standard. The commenter recommended that SBA should also consider the critical nature of military and aerospace engineering services in national security as an additional factor in its methodology. The commenter argued that when small businesses become other than small they must either compete with large industry leaders for military and aerospace engineering contracts on an unrestricted basis or elect to be acquired by large businesses. The current size standard should be adjusted to $30 million to account for inflation and higher labor and operating costs in some regions, the commenter stated.

Six commenters noted that dominant firms involved in the Federal market for military and aerospace equipment and military weapons averaged $25 billion in annual revenues compared to the $27 million size standard.

Two argued that mid-sized firms were too large to qualify under SBA's current standards and too small to compete with large businesses in the Federal market. Successful companies that outgrow size standards are forced to compete with businesses that are many times larger than they are. They noted that mid-sized firms have seen their share in the Federal market decline from 40 percent in 1995 to 30 percent in 2009, while large business share increased from 41 percent to 48 percent in the same period. As a conduit for innovation, robust mid-tier companies are desirable for the Federal market place, they contended.

Two comments argued that the majority of contracts for military and aerospace equipment and military weapons are so large that companies with only $27 million revenue cannot meet their requirements. They also noted that the Federal government is moving from the single award vehicle to much larger and more complex multiple award contract (MAC) vehicles, making it harder for even mid-sized companies to compete in the Federal market. At the same time, they are no longer eligible for small business set-aside contracts.

Several commenters recommended a substantial increase to the current $27 million size standard for military and aerospace equipment and military weapons. They contended that a higher size standard would enable them to grow and be able to compete with the largest businesses for Federal contracts in full and open completion, successfully transition from small

to mid-sized businesses, meet size and other requirements for Federal contracts, and retain or regain their small business eligibility for Federal assistance.

SBA generally agreed with above comments, although they did not provide data or other facts to support their position. However, SBA's evaluation of FPDS-NG data indicated that many small and "mid-sized" firms have grown and been successful in the Federal market for military and aerospace equipment and military weapons, particularly since these procurement opportunities were available only under full and open competition before termination of the CompDemo Program in 2010.

Based on the comments and a reevaluation of relevant data, SBA agreed that a $35.5 million in average annual receipts size standard for the "Military and Aerospace Equipment and Military Weapons" and "Marine Engineering and Naval Architecture" exceptions to NAICS 541330 was more beneficial to small businesses in this industry. The comments raised two issues that, when assessed along with the SBA's analysis in the proposed rule, supported a higher size standard. First, Federal contracts for these types of engineering services tend to be extremely large and exceed the capabilities of businesses under the existing size standards. Small businesses under the current standards obtained a relatively small proportion of Federal contracts (11.2 percent and 3.6 percent for Military and Aerospace Equipment and Military Weapons, and Marine Engineering and Naval Architecture, respectively). In the final rule SBA adopted $35.5 million in average annual receipts for these "exceptions." These larger size standards for Military and Aerospace Equipment and Military Weapons and for Marine Engineering and Naval Architecture provide opportunities for contracting officers to structure contracts within the capabilities of more small businesses. Second, small businesses that outgrow the size standard must compete against extremely large businesses for Federal contracts. The comments indicated that small businesses that exceeded the size standard have not developed sufficiently to compete with those large businesses, which are not only the Federal government's largest contractors but also the largest companies in the U.S.

Industry data from the Economic Census did not identify characteristics of firms providing under the above exceptions. The analyses of the average firm size and average assets size of Federal contractors supported the points made by the comments. However, the Gini coefficient and Federal contracting factors pointed to inconsistent assessments of the industry data and Federal market as characterized by the comments. The Gini coefficient indicated a $5 million size standard while all the other industry factors supported a $35.5 million size standard. The low Gini coefficients might have resulted from an unusually skewed firm size distribution that is unsuitable for the size standard analysis. While the firms are extremely large in size, the Gini coefficient was low perhaps because of the presence of about a dozen extremely large firms resulting in a more even firm distribution than generally exists when only a few extremely large firms have a large market share of the industry. Thus, the SBA did not apply the Gini coefficient in its final analysis. The remaining industry factors all supported a $35.5 million size standard for both exceptions.

In the proposed rule, the Federal contracting factor did not support an increase in the then current size standard. The comments raised valid concerns about the opportunities for small businesses. Although the small business Federal market share was not significantly different from the small business share of the overall revenue, SBA was concerned that the small business share of federal contracting under these "exceptions" was relatively low when compared to other

professional services industries. An increase from $27 million to $35.5 million reflected some of the reasons why the Federal contract share was too low in these engineering categories.

SBA also adopted the $35.5 million size standard for the third exception to NAICS 541330, Contracts and Subcontracts for Engineering Services Awarded Under the National Energy Policy Act of 1992, as required by law. Section 3021 (b)(1) of Public Law 102-486, the National Energy Policy Act of 1992 (106 Stat. 2776, 3133), states that "for purposes of contracts and subcontracts requiring engineering services (awarded under this Act) the applicable size standard shall be that established for Military and Aerospace Equipment and Military Weapons."

NAICS 541519, Other Computer Related Services – Information Technology Value Added Resellers (ITVAR) Exception

At the time of the review, ITVAR was an exception to NAICS 541519 with a 150-employee size standard. The general size standard for NAICS 541519 was $25.5 million in average annual receipts. In 2002, SBA proposed the ITVAR exception to NAICS 541519 with a 500-employee size standard. In the 2003 final rule, SBA adopted a 150-employee size standard, in response to the commenters' opposition to the proposed 500-employee standard. To apply the ITVAR exception, a contract must consist of at least 15%, but not more than 50% of value added services, as measured by the total price less the cost of information technology hardware, computer software and profit.

The ITVAR exception created inconsistencies, confusion, misuse, and loopholes. ITVAR contracts were, by definition "supply" contracts, but under the rule as written the nonmanufacturer rule (NMR) did not apply to them. As a result, offerors on set aside contracts were able to provide products from large businesses without a waiver of the nonmanufacturer rule from SBA. Due to its dual nature, the supplying of both products and services, there had been confusion on the application of prime contractor performance requirements (limitations on subcontracting) to ITVAR contracts (13 CFR 125.6). In some cases, agencies utilized the exception to procure computer hardware and software with few services, and in some other cases the contracts were primarily for services. In addition, there was no requirement to use the exception. Thus, agencies could acquire the same mix of goods and services by assigning a manufacturing NAICS code to a solicitation, to which the NMR would apply, including the 500-employee nonmanufacturer size standard and the requirement to supply the product of a small business or request a waiver of the NMR from SBA.

For the above reasons, in the September 10, 2014 rule, SBA proposed to eliminate the ITVAR exception along with its 150-employee size standard.

SBA received 168 comments to the proposed rule on this issue; only five supported SBA's proposal and the rest opposed it. Many opponents misunderstood the proposal that, if adopted, firms performing ITVAR contracts would have to meet the $25.5 million receipts based size standard (it increased to $27.5 million in July 2014 due to inflation adjustment) They believed this would make many firms with 150 or fewer employees but more than $27.5 million receipts lose their small business status.

However, under the SBA's proposal, if adopted, no ITVAR firms would have lost their small business status for IT supply contracts because they would continue to qualify as small under the 500-employee nonmanufacturer standard. However, small ITVAR firms (*i.e.*, those of 150 employees or fewer) were concerned with the increased competition they would face from

larger companies under the 500-employee nonmanufacturer standard. Others contended that the proposed rule was inconsistent with SBA's previous rulemakings, lacked supporting data and analysis, negatively impacted Federal Agencies that use the ITVAR exception for their IT procurements, and was inconsistent with the Agency's decision to retain other exceptions.

In the final rule, SBA retained the ITVAR exception under NAICS 541519 with the 150-employee size standard, recognizing overwhelming industry opposition to using the 500-employee nonmanufacturer size standard, even if relevant data would have supported 500 employees. However, because ITVAR contracts are supply contracts the final rule provided that agencies using the ITVAR exception and 150-employee size standard must comply with the manufacturing performance requirements or the NMR. SBA believed that this would eliminate past inconsistencies, confusion, and loopholes in the rule.

On pages 4437-4454 of the final rule (81 FR 4436 January 25, 2016)) SBA discussed each of the comments and SBA's decision to maintain the exception under NAICS 541519 with the 150-employee size standard, while clarifying that the manufacturing performance requirements and NMR apply to contracts utilizing the exception.

NAICS 562910, Remediation Services – Environmental Remediation Services Exception

On September 15, 1994, SBA issued a final rule designating Environmental Remediation Services (ERS) an "exception" under SIC code 8744, Facilities Support Management Services, with a 500-employee size standard (59 FR 47236). Effective October 1, 2000, SBA replaced the SIC system with NAICS for its table of size standards (65 FR 30836). SBA retained the 500-employee size standard for ERS as an "exception" to NAICS code 562910, Remediation Services, a new industry under NAICS.

SBA's January 26, 2016 final rule increased the ERS size standard from 500 employees to 750 employees. The 750-employee size standard applies to Federal procurements that involve three or more services related to restoring a contaminated environment, such as preliminary assessment, site inspection, testing, remedial investigation, remedial action, containment, and removal and storage of contaminated materials. The criteria for a company to qualify as small under the ERS exception for Federal procurement and for SBA's financial assistance are in Footnote 14 to SBA's table of small business size standards (13 CFR 121.201).

In its September 10, 2014 proposed rule, SBA had proposed to increase the size standard for the ERS exception from 500 employees to 1,250 employees. SBA sought public comments on its analysis of the industry and Federal market data and on its justification for the proposed increase. SBA received 32 comments, 26 from small businesses (*i.e.*, those with 500 or fewer employees) and six from other than small businesses (*i.e.*, those with more than 500 employees). Commenters included women owned small businesses (WOSBs), current and former HUBZone and 8(a) businesses, service disabled veteran owned small businesses (SDVOSBs), and minority and Native American owned companies. Twenty-three commenters opposed SBA's proposal to increase the ERS size standard to 1,250 employees and nine supported it. Three of the commenters opposing the proposed 1,250-employee size standard suggested a smaller increase to 750 employees. One large business supported SBA's proposal and suggested that SBA adopt an even higher 1,500-employee size standard.

Commenters that supported the proposed increase of the ERS size standard to 1,250 employees reasoned that it would enable small businesses to grow beyond 500 employees. The commenters argued that the higher size standard would open doors to firms that have purposely remained under the 500-employee standard, and it would thereby spur business expansions and job creation. They noted that due to increased consolidation in the ERS industry there is a large gap between firms below 500 employees and very large firms. As a result, smaller firms can no longer to compete for Federal ERS opportunities on a full and open basis. The commenters argued that the higher size standard would close this gap between small and very large firms. They contended that the current size standard does not reflect the consolidated structure and current economic reality of the ERS industry and added that the proposed 1,250-employee size standard more accurately reflects current market conditions in the ERS industry. Some commenters stated that because the size standard for ERS has not changed since 1994, the proposed increase would be a reasonable step toward matching current market conditions. With a disproportionately large amount of ERS work being set aside for small businesses with fewer than 500 employees, as some commenters maintained, the current size standard adversely affects larger businesses' ability to obtain work in the ERS market. They argued that the proposed higher size standard would help to establish balance and fairness in the Federal ERS market. Some stated that the increase would lead to more small business set-aside ERS contracts and decrease those under full and open competition. They stated that no individual firm at the 1,250-employee size standard would dominate the ERS industry and that the number of firms that would become small under the proposed higher size standard would be insignificant relative to total firms in the ERS industry. One commenter stated that the increased size standard would not affect 8(a) businesses, HUBZone businesses, SDVOSBs, or WOSBs.

Some commenters noted that by increasing small business participation and job creation, the higher size standard would promote the Jobs Act initiative, while others stated that by increasing the pool of small businesses it would assist agencies to meet their small business contracting goals. Others argued that it would ensure that the government has an adequate pool of small businesses and it would increase competition in the small business ERS market and provide greater value for the dollars awarded to small businesses.

Some commenters pointed out that firms under 500 employees lack the capacity to handle the increasing volume, complexity, and size of ERS contracts. They added that mid-size firms have the capacity and expertise to perform more complex and larger jobs, but cannot compete for those opportunities under the 500-employee size standard. With small businesses more than doubling their size under the proposed size standard, there would be a corresponding increase in small business capabilities, they argued. Another commenter stated that many agencies solicit work under performance based remediation contracts, under which the prime contractor assumes all risk. Current small businesses under the 500-employee size standard are not in a position, according to the commenter, to undertake these risks, but the increased size standard would allow small businesses to assume those risks. The commenter added that because of the requirements, "small businesses often end up serving as pass through for work that is ultimately performed by large businesses."

One currently large company supporting SBA's proposal to increase the size standard believed that the size standard for ERS should be even higher at 1,500 employees. The commenter argued that its size is "disadvantaged" vis-à-vis both "mega" firms and small businesses. With mergers and acquisitions driving up the average size of businesses in the

industry, the definition of a small business should increase as well, the commenter concluded. Among the others supporting SBA's proposal, one suggested delaying the adoption of the revised size standard by 12 months to allow companies to plan and prepare to compete with larger companies. Another suggested adding nuclear remediation services to the ERS definition because remediation of nuclear materials is a significant part of Federal ERS contracts, while another recommended including regulatory compliance.

Commenters that opposed the proposed increase of the ERS size standard to 1,250 employees provided several reasons for their positions. First, they contended that the current ERS market is competitively fair under the 500-employee size standard, which was SBA's goal when it established the ERS exception and the 500-employee size standard in 1994. They argued that there was no need for an increase because agencies already had a sufficiently large and robust pool of highly qualified and experienced small businesses with the capacity, capability, and reach to meet their environmental remediation requirements. They stated that this is proven by the successful performance of partial and total small business set-asides under various multiple award task order contracts (MATOCs) and single award task order contracts (SATOCs) under the ERS exception. They added that most ERS contracts rarely require resources of a company with more than 500 employees. Some stated that Federal clients were not adversely affected by the 500-employee size standard. The commenters noted that, during 2009-2013, 37-39 percent of ERS dollar awards were made to small businesses, as compared to the Federal government's small business contracting goal of 23 percent. They stated that it is rare that an agency receives less than a dozen bids on contracting opportunities set aside for small businesses. One stated that the 500-employee size standard has worked well for all these years and provides robust competition and significant cost savings to the government. The commenters also maintained that the majority of small businesses are below 250 employees, suggesting that they have plenty of room to grow under the current size standard. Some explained that businesses with 500 or fewer employees represent 77 percent of total firms registered in the System for Award Management (SAM) under NAICS 562910. They asserted that up to 90 percent of the industry would qualify as small under the proposed 1,250-employee size standard.

Second, the commenters argued that the environmental remediation services industry is in decline and that present and future requirements do not support the proposed increase to the ERS size standard. They posited that SBA failed to consider this factor when proposing the increase. They stated that most sites identified in earlier decades had already been remediated or restored and fewer new sites were being designated. For example, as the commenters stated, of the more than 38,000 sites under Department of Defense (DoD) restoration programs more than 29,000 were then in monitoring status or complete. The commenters added that Federal government spending on ERS work was down 42 percent in the last five years, and the average size of ERS contracts was decreased as well. They argued that raising the size standard for a declining industry runs counter to market reality. One commenter argued that expansion of the size standard when the Federal market is declining would harm firms with dedicated resources to support the Federal government as small businesses.

Third, a number of commenters expressed several concerns with SBA's analysis and the data it used in the proposed rule. The commenters contended that SBA included very large and highly diversified firms for which ERS is not a major source of revenue. SBA's analysis thereby inflated the average size, four-firm concentration, and Gini coefficient of firms in this industry,

which in turn inflated the size standard. Referring to the data on the top 200 environmental companies from *Engineering News-Record* (http://enr.construction.com), several commenters argued that most of the large businesses receiving contracts under NAICS 562910 have only a minor percentage of their employees participating in ERS work. Others argued that SBA evaluated all firms in NAICS 562910, instead of a subset of firms that are primarily engaged in the ERS activity. As a result, they argued, comparisons with anchor industry groups were unfair and not statistically valid. They recommended that SBA should either use the data on the number of employees associated with the ERS activity only or data on firms for which ERS is their primary industry. The Economic Census, SAM, and FPDS-NG data do not depict the ERS industry accurately, because they do not differentiate between small ERS firms and larger, more diverse firms, they added. One commenter noted that FPDS-NG may not capture the ERS industry correctly, because it does not reflect subcontracting. Some commenters suggested that SBA should use alternative data, such as market research and "sources sought" data from DoD, Department of Energy (DoE), and Environmental Protection Agency (EPA).

One commenter attributed the high Gini coefficient value to limiting the analysis to two Product Service Codes (PSCs) that SBA used in defining ERS contracts and to including the contract awards data under the American Recovery and Reinvestment Act of 2009 (ARRA). The commenter noted that the two PSCs SBA selected represented only 38 percent of dollar awards during 2009-2011, while the government used 716 PSCs under NAICS 562910 in 2009-2013. The commenter stated that 21 percent of contract dollars in ERS for 2009-2011 were awarded under ARRA, of which 24 percent were awarded to small businesses compared to 57 percent of non-ARRA awards. The commenter suggested excluding ARRA funds from the analysis and increasing the weight of the Federal contract factor five to 10 times. In view of the sensitivity of the average firm size to size and number of firms, some commenters suggested using the median firm size instead of the average.

Fourth, many commenters expressed concerns that the proposed 1,250-employee size standard would allow more successful mid-sized, larger businesses with significant financial capacity and resources to dominate the ERS small business market, thereby rendering the majority of businesses with fewer than 500 employees unable to compete for Federal opportunities. They added this would cause irreparable damage to existing and emerging small businesses that need SBA's support the most. They noted that this would be contrary to SBA's mission to aid, counsel, assist and protect small business interests. The higher size standard would mainly promote the interests of a very few larger, well-established businesses above 500 employees at the expense of many small businesses under 500 employees, the commenters added. One commenter argued that increasing the size standard would decrease small business participation because this would discourage small businesses from competing for small business contracts as the market would be crowded with significantly larger players. A few commenters maintained that small businesses are already faced with difficulty in competing against companies with 500 employees, and if the size standard is increased to 1,250 employees they would go out of business. Some commenters noted that the higher size standard would not change the dominance of very large companies on unrestricted competitions, but, by increasing the number of small businesses, it would increase competition for set-asides. Some believed that with a larger pool of small businesses under the higher size standard more contracts would be set aside with no subcontracting requirements, thereby reducing subcontracting opportunities for some small businesses. Small businesses, according to some commenters, are reluctant to bid on unrestricted contracts, because those contracts are usually too large to take on without a large

business partner. Raising the size standard would allow large businesses to compete on their own without the need for small business partners, they argued.

SBA did not adopt 1,500 employees as the size standard for ERS as suggested by one of the commenters for several reasons. First, besides citing consolidation in the ERS, the commenter did not provide specific data or analysis supporting the suggested 1,500-employee size standard. Second, the industry and Federal procurement data SBA analyzed in the proposed and final rules did not support a 1,500-employee size standard for ERS. Third, SBA was concerned that a 1,500-employee size standard would put many small ERS firms at a significant competitive disadvantage in competing for Federal opportunities. SBA did not agree with a suggestion to delay adopting the revised size standard for 12 months. The revised size standard that SBA adopted in the final rule was effective 30 days from the rule's publication in the *Federal Register*. Delaying the effective date would hurt other businesses that would benefit from the timely adoption of a revised size standard. Some commenters suggested that nuclear remediation and regulatory compliance be included under the ERS definition. SBA believes that nuclear remediation is already covered under "containment, remedial action, and removal and storage of contaminated materials" of the current definition. Similarly, the term "regulatory compliance" is very broad to include under the ERS definition. SBA did not adopt those suggested changes.

With respect to commenters' concerns with including diversified firms in the analysis, SBA believed that, because by definition ERS procurements are composed of activities in three or more separate industries with separate NAICS codes, companies involved in ERS work are likely to be diversified. The FPDS-NG data depicted that companies receiving ERS contracts under NAICS 562910 also received contracts under other NAICS codes. Accordingly, focusing on the data on firms that are primarily engaged in one of those activities may not provide an accurate and complete picture of the ERS exception. Additionally, there is no data source for firms that are primarily engaged in ERS work. For example, as explained in the proposed rule, the Economic Census data for NAICS 562910 reflect all firms involved in remediation services, but not specifically those in the ERS exception. Similarly, as some commenters noted, SAM and FPDS-NG data also do not accurately reflect a company's primary industry. While many commenters expressed concerns with the Economic Census, SAM, and FPDS-NG data for evaluating the ERS exception, the majority of them suggested no alternative data sources. A few suggested using the market research and sources sought data from Federal agencies. SBA is not aware that such data are stored or available; nor are they necessarily complete, since each contracting officer may conduct market research in a different way, and firms responding to sources sought notices in different ways, or sometimes not at all based on various factors.

While SBA agrees with the commenters that the presence of large firms would affect the magnitude of industry factors and supported size standards, it disagrees with their argument that large firms should be excluded from the analysis if ERS is not their primary activity. Even if ERS is not their primary activity in terms of its contribution to their total revenue or employment, large firms can have significant competitive advantage in the market over their smaller counterparts. For example, a 10,000-employee company, even if only 2.5 percent of its workforce (or 250 employees) is engaged in the ERS activity, would have a significant competitive edge over a 500-employee company that only performs ERS work, due to its considerable resources and economies of scale. However, in response to the comments, in the final rule SBA updated its analysis of industry and Federal contracting factors for the ERS

exception and used more recent data for fiscal years 2012-2014 and excluded the largest firms for which ERS work was not a significant source of their Federal revenues. This also addressed concerns from some commenters that the 2009-2011 data SBA used in the proposed rule were influenced by ARRA funds and the results in the proposed rule were not comparable to the Economic Census.

SBA also disagreed with the commenters' suggestion that SBA should only consider the number of employees associated with the ERS activity when a company operates in multiple NAICS codes. For size standards purposes, SBA defines business size in terms of total employees or receipts for the overall company, not based on employees or receipts associated with individual NAICS codes. Additionally, none of the data sources SBA considers in its size standards analysis (such as Economic Census, SAM, and FPDS-NG) would provide employees or receipts broken down by NAICS code or type of work performed.

The argument by some commenters that the SBA's analysis focused on all firms in NAICS 562910 is not correct. As explained in the proposed rule, SBA analyzed only about 700 firms receiving Federal contracts for environmental remediation services during fiscal years 2009-2011, as compared to more than 3,000 firms in NAICS 562910 from the 2007 Economic Census, nearly 9,300 firms registered in SAM (as of March 2015), and about 1,700-1,800 firms receiving Federal contracts during fiscal years 2012-2014 under that NAICS code. On the other hand, analyses from other commenters applied to total NAICS 562910, instead of the ERS exception. For example, some noted that 77 percent of firms in NAICS 562910 are below 500 employees and that would increase to 90 percent if the size standard is increased to 1,250 employees. For the majority of industries, the current size standards cover 90-95 percent of firms. Thus, even if the 1,250-employee size standard would include 90 percent firms within the ERS exception, it would not be inconsistent with most other industries. One commenter argued that the two PSCs SBA used to identify the ERS contracts accounted for only 38 percent of awards in NAICS 562910, but did not specify what other PSCs SBA should consider in identifying the ERS contracts. SBA agrees that there exist a large number of other PSCs associated with contracts under NAICS 562910, but it should be noted that not all apply to ERS contracts. The FPDS-NG data for fiscal years 2012-2014 showed 432 PSCs under NAICS 562910, significantly fewer than 716 PSCs suggested by the commenter. SBA selected the two PSCs based on its thorough review of contract awards data on FPDS-NG.

In response to comments that the Federal ERS market has been in decline, SBA examined Federal contracting trends under NAICS 562910 for fiscal years 2001-2014 using the data from FPDS-NG. Total contract dollars for overall NAICS 562910 showed continuous growth from a little above $1.0 billion in 2001, peaking at a little over $7.0 billion in 2009 in conjunction with the ARRA. Since then annual contract dollars for NAICS 562910 remained at about the same level as that for several pre-ARRA years. Similarly, total dollar awards under the two PSCs (*i.e.*, F108 and F999) that SBA used to identify ERS contracts also showed a similar trend. That is, total dollars under ERS contracts also showed continuous growth, increasing from nearly $0.64 billion in 2001 to nearly $2.0 billion in 2009. ERS contract dollars declined during fiscal years 2010-2011, but bounced back averaging a little over $2.0 billion during fiscal years 2012-2014. Although the growth in Federal ERS market slowed and saw some ups and downs in recent years, these trends do not necessarily support the argument that the ERS industry is shrinking.

On pages 4454-4458 of the final rule (81 FR 4436 (January 25, 2016)) SBA discussed each of the comments and SBA's decision to adopt 750 employees as the size standard for Environmental Remediation Services, an exception to the size standard for NAICS 562910, Remediation Services.

Impacts of Size Standards Revisions

As part of the regulatory impact analysis, for each proposed and final rule SBA estimated the number of additional businesses that would gain small business status and Federal contract dollars and SBA loans they would receive as a result. These results are summarized in Table 7, below. As shown in the table, SBA estimates that about 72,000 additional businesses may have gained small business status due to revisions to size standards made during the comprehensive review of size standards under the Jobs Act. Those newly eligible small businesses are estimated to have received about $1.2 billion in Federal government contracts annually, and approximately 450-550 SBA loans totaling between about $150 million and $200 million.

Moving Forward

As part of next five-year size standards review under the Jobs Act, SBA is updating its Methodology. SBA plans to publish the updated methodology for public comments and finalize it before the start of the next review. SBA just received special tabulations of data based on the U.S. Bureau of the Census' 2012 Economic Census.. We anticipate publishing the first set of proposed rule(s) in the *Federal Register* in the second half of 2017.

Table 7
Impact of Size Standards Revisions

Sector	No. of newly eligible small businesses	Estimated contract dollars to new small businesses	Estimated no. of SBA loans to new small businesses	Estimated amount of loans to new small businesses
Retail Trade (Sector 44-45)	14,400	NA	75 to 100	$35-50 million
Accommodation & Food Services (Sector 72)	2,050	$75 million	up to 5	$1-2 million
Other Services (Sector 81)	1,400	$25-30 million	up to 10	$4-5 million
Professional, Scientific & Technical Services (Sector 54)	8,350	$500 million	75 to 100	$15-20 million
Transportation and Warehousing (Sector 48-49)	1,200	$25 million	up to 10	$4-5 million
Information (Sector 51)	500	$15-20 million	5 to 10	$1-2 million
Admin. Support, Waste Mgmt. & Remediation Services (Sector 56)	2,700	$60-75 million	20 to 30	$3-5 million
Real Estate, Rental & Leasing (Sector 53)	13,000	$75-80 million	50 to 60	$15-20 million
Educational Services (Sector 61)	1,500	$20-25 million	16 to 20	$3-4 million

Healthcare & Social Assistance (Sector 62)	4,100	$25-30 million	35 to 45	$11-15 million
Agriculture, Forestry, Fishing, & Hunting (Sector 11)	7,800	$7-12 million	up to 32	up to $7 million
Mining, Quarrying, and Oil & Gas Extraction (Sector 21)	475	< $1 million	about 5	$2-3 million
Utilities (Sector 22)	400	$25-30 million	10 to 12	$2-3 million
Construction (Sector 23)	480	$5-10 million	up to 5	$0.5-1 million
Art, Entertainment & Recreation (Sector 71)	1,450	up to $5 million	15 to 20	$4-6 million
Finance & Insurance/Management of Companies & Enterprises (Sector 52/55)	6,850	$8-10 million	up to 30	$4-5 million
Manufacturing (Sector 31-33)	1,250	$150-160 million	20 to 25	$10-15 million
Employee Based Size Standards not in Sectors 31-33, 42 & 44-45	370	$170-175 million	up to 5	up to $2 million
Employee Based Size Standards in Sectors 42 & 44-45	4,000	NA	35 to 40	$20-25 million
Total**	72,275	$1,191-1,263 million	463 to 565	$144-195 million

Appendix. SBA's Size Standards Table Showing Changes to Size Standards

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NAICS Codes	NAICS Industry Description	Size Standards When Reviewed	Proposed Size Standards	Adopted Size Standards (if proposed for change)	Adjusted for inflation (current size standards)	Size Standards When reviewed	Proposed Size Standards	Adopted (if proposed for change)/ Current Size Standards	Remarks
SECTOR 11 – AGRICULTURE, FORESTRY, FISHING AND HUNTING									
Subsector 111 – Crop Production									
111110	Soybean Farming	$0.75			$0.75				
111120	Oilseed (except Soybean) Farming	$0.75			$0.75				
111130	Dry Pea and Bean Farming	$0.75			$0.75				
111140	Wheat Farming	$0.75			$0.75				
111150	Corn Farming	$0.75			$0.75				
111160	Rice Farming	$0.75			$0.75				
111191	Oilseed and Grain Combination Farming	$0.75			$0.75				
111199	All Other Grain Farming	$0.75			$0.75				
111211	Potato Farming	$0.75			$0.75				
111219	Other Vegetable (except Potato) and Melon Farming	$0.75			$0.75				
111310	Orange Groves	$0.75			$0.75				
111320	Citrus (except Orange) Groves	$0.75			$0.75				
111331	Apple Orchards	$0.75			$0.75				
111332	Grape Vineyards	$0.75			$0.75				
111333	Strawberry Farming	$0.75			$0.75				
111334	Berry (except Strawberry) Farming	$0.75			$0.75				
111335	Tree Nut Farming	$0.75			$0.75				
111336	Fruit and Tree Nut Combination Farming	$0.75			$0.75				
111339	Other Noncitrus Fruit Farming	$0.75			$0.75				
111411	Mushroom Production	$0.75			$0.75				
111419	Other Food Crops Grown Under Cover	$0.75			$0.75				
111421	Nursery and Tree Production	$0.75			$0.75				
111422	Floriculture Production	$0.75			$0.75				
111910	Tobacco Farming	$0.75			$0.75				

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111920	Cotton Farming	$0.75			$0.75				
111930	Sugarcane Farming	$0.75			$0.75				
111940	Hay Farming	$0.75			$0.75				
111991	Sugar Beet Farming	$0.75			$0.75				
111992	Peanut Farming	$0.75			$0.75				
111998	All Other Miscellaneous Crop Farming	$0.75			$0.75				
Subsector 112 – Animal Production and Aquaculture									
112111	Beef Cattle Ranching and Farming	$0.75			$0.75				
112112	Cattle Feedlots	$2.0	$7.0	$7.0	$7.5				
112120	Dairy Cattle and Milk Production	$0.75			$0.75				
112210	Hog and Pig Farming	$0.75			$0.75				
112310	Chicken Egg Production	$12.5	$14.0	$14.0	$15.0				
112320	Broilers and Other Meat Type Chicken Production	$0.75			$0.75				
112330	Turkey Production	$0.75			$0.75				
112340	Poultry Hatcheries	$0.75			$0.75				
112390	Other Poultry Production	$0.75			$0.75				
112410	Sheep Farming	$0.75			$0.75				
112420	Goat Farming	$0.75			$0.75				
112511	Finfish Farming and Fish Hatcheries	$0.75			$0.75				
112512	Shellfish Farming	$0.75			$0.75				
112519	Other Aquaculture	$0.75			$0.75				
112910	Apiculture	$0.75			$0.75				
112920	Horses and Other Equine Production	$0.75			$0.75				
112930	Fur-Bearing Animal and Rabbit Production	$0.75			$0.75				
112990	All Other Animal Production	$0.75			$0.75				
Subsector 113 – Forestry and Logging									
113110	Timber Tract Operations	$7.0	$10.0	$10.0	$11.0				

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113210	Forest Nurseries and Gathering of Forest Products	$7.0	$10.0	$10.0	$11.0				
113310	Logging					500		500	
Subsector 114 – Fishing, Hunting and Trapping									
114111	Finfish Fishing	$4.0	$19.0	$19.0	$20.5				
114112	Shellfish Fishing	$4.0	$5.0	$5.0	$5.5				
114119	Other Marine Fishing	$4.0	$7.0	$7.0	$7.5				
114210	Hunting and Trapping	$4.0	$5.0	$5.0	$5.5				
Subsector 115 – Support Activities for Agriculture and Forestry									
115111	Cotton Ginning	$7.0	$10.0	$10.0	$11.0				
115112	Soil Preparation, Planting, and Cultivating	$7.0			$7.5				
115113	Crop Harvesting, Primarily by Machine	$7.0			$7.5				
115114	Postharvest Crop Activities (except Cotton Ginning)	$7.0	$25.5	$25.5	$27.5				
115115	Farm Labor Contractors and Crew Leaders	$7.0	$14.0	$14.0	$15.0				
115116	Farm Management Services	$7.0			$7.5				
115210	Support Activities for Animal Production	$7.0			$7.5				
115310	Support Activities for Forestry	$7.0			$7.5				
115310_a_ Except	Forest Fire Suppression[17]	$17.5			$19.0				
115310_b_ Except	Fuels Management Services[17]	$17.5			$19.0				
SECTOR 21 – MINING, QUARRYING, AND OIL AND GAS EXTRACTION									
Subsector 211 – Oil and Gas Extraction									
211111	Crude Petroleum and Natural Gas Extraction					500	1,250	1,250	
211112	Natural Gas Liquid Extraction					500	750	750	

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Subsector 212 – Mining (except Oil and Gas)									
212111	Bituminous Coal and Lignite Surface Mining					500	1,250	1,250	
212112	Bituminous Coal Underground Mining					500	1,500	1,500	
212113	Anthracite Mining					500	250	250	
212210	Iron Ore Mining					500	750	750	
212221	Gold Ore Mining					500	1,500	1,500	
212222	Silver Ore Mining					500	250	250	
212231	Lead Ore and Zinc Ore Mining					500	750	750	
212234	Copper Ore and Nickel Ore Mining					500	1,500	1,500	
212291	Uranium-Radium-Vanadium Ore Mining					500	250	250	
212299	All Other Metal Ore Mining					500	750	750	
212311	Dimension Stone Mining and Quarrying					500		500	
212312	Crushed and Broken Limestone Mining and Quarrying					500	750	750	
212313	Crushed and Broken Granite Mining and Quarrying					500	750	750	
212319	Other Crushed and Broken Stone Mining and Quarrying					500		500	
212321	Construction Sand and Gravel Mining					500		500	
212322	Industrial Sand Mining					500		500	
212324	Kaolin and Ball Clay Mining					500	750	750	
212325	Clay and Ceramic and Refractory Minerals Mining					500		500	
212391	Potash, Soda, and Borate Mineral Mining					500	750	750	
212392	Phosphate Rock Mining					500	1,000	1,000	
212393	Other Chemical and Fertilizer Mineral Mining					500		500	

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212399	All Other Nonmetallic Mineral Mining					500		500	
Subsector 213 – Support Activities for Mining									
213111	Drilling Oil and Gas Wells					500	1,000	1,000	
213112	Support Activities for Oil and Gas Operations	$7.0	$35.5	$35.5	$38.5				
213113	Support Activities for Coal Mining	$7.0	$19.0	$19.0	$20.5				
213114	Support Activities for Metal Mining	$7.0	$19.0	$19.0	$20.5				
213115	Support Activities for Nonmetallic Minerals (except Fuels)	$7.0			$7.5				
SECTOR 22 – UTILITIES									
Subsector 221 – Utilities									
221111	Hydroelectric Power Generation					4 million mwh	500	500	Footnote 1 deleted
221112	Fossil Fuel Electric Power Generation					4 million mwh	500	750	Footnote 1 deleted
221113	Nuclear Electric Power Generation					4 million mwh	500	750	Footnote 1 deleted
221119	Other Electric Power Generation					4 million mwh	500		Footnote 1 deleted NAICS 221119 split to new NAICS 221114, 221115, 221116, 221117 & 221118 in NAICS 2012
221114	Solar Electric Power Generation					4 million mwh		250	See remark for NAICS 221119
221115	Wind Electric Power Generation					4 million mwh		250	See remark for NAICS 221119
221116	Geothermal Electric Power Generation					4 million mwh		250	See remark for NAICS 221119
221117	Biomass Electric Power Generation					4 million mwh		250	See remark for NAICS 221119

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221118	Other Electric Power Generation					4 million mwh		250	See remark for NAICS 221119
221121	Electric Bulk Power Transmission and Control					4 million mwh	500	500	See remark for NAICS 221119
221122	Electric Power Distribution					4 million mwh	500	1,000	See remark for NAICS 221119
221210	Natural Gas Distribution					500	1,000	1,000	
221310	Water Supply and Irrigation Systems	$7.0	$25.5	$25.5	$27.5				
221320	Sewage Treatment Facilities	$7.0	$19.0	$19.0	$20.5				
221330	Steam and Air-Conditioning Supply	$12.5	$14.0	$14.0	$15.0				
SECTOR 23 – CONSTRUCTION									
Subsector 236 – Construction of Buildings									
236115	New Single-family Housing Construction (Except For-Sale Builders)	$33.5			$36.5				
236116	New Multifamily Housing Construction (except For-Sale Builders)	$33.5			$36.5				
236117	New Housing For-Sale Builders	$33.5			$36.5				
236118	Residential Remodelers	$33.5			$36.5				
236210	Industrial Building Construction	$33.5			$36.5				
236220	Commercial and Institutional Building Construction	$33.5			$36.5				
Subsector 237 – Heavy and Civil Engineering Construction									
237110	Water and Sewer Line and Related Structures Construction	$33.5			$36.5				
237120	Oil and Gas Pipeline and Related Structures Construction	$33.5			$36.5				
237130	Power and Communication Line and Related Structures Construction	$33.5			$36.5				

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237210	Land Subdivision	$7.0	$25.5	$25.5	$27.5				
237310	Highway, Street, and Bridge Construction	$33.5			$36.5				
237990	Other Heavy and Civil Engineering Construction	$33.5			$36.5				
237990_Except	Dredging and Surface Cleanup Activities[2]	$20.0	$30.0	$25.5	$27.5				
Subsector 238 – Specialty Trade Contractors									
238110	Poured Concrete Foundation and Structure Contractors	$14.0			$15.0				
238120	Structural Steel and Precast Concrete Contractors	$14.0			$15.0				
238130	Framing Contractors	$14.0			$15.0				
238140	Masonry Contractors	$14.0			$15.0				
238150	Glass and Glazing Contractors	$14.0			$15.0				
238160	Roofing Contractors	$14.0			$15.0				
238170	Siding Contractors	$14.0			$15.0				
238190	Other Foundation, Structure, and Building Exterior Contractors	$14.0			$15.0				
238210	Electrical Contractors and Other Wiring Installation Contractors	$14.0			$15.0				
238220	Plumbing, Heating, and Air-Conditioning Contractors	$14.0			$15.0				
238290	Other Building Equipment Contractors	$14.0			$15.0				
238310	Drywall and Insulation Contractors	$14.0			$15.0				
238320	Painting and Wall Covering Contractors	$14.0			$15.0				
238330	Flooring Contractors	$14.0			$15.0				
238340	Tile and Terrazzo Contractors	$14.0			$15.0				
238350	Finish Carpentry Contractors	$14.0			$15.0				
238390	Other Building Finishing Contractors	$14.0			$15.0				

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238910	Site Preparation Contractors	$14.0			$15.0				
238990	All Other Specialty Trade Contractors[13]	$14.0			$15.0				
238990_ Except	Building and Property Specialty Trade Services[13]	$14.0			$15.0				
SECTOR 31-33 – MANUFACTURING									
Subsector 311 – Food Manufacturing									
311111	Dog and Cat Food Manufacturing					500	1,000	1,000	
311119	Other Animal Food Manufacturing					500		500	
311211	Flour Milling					500	1,000	1,000	
311212	Rice Milling					500		500	
311213	Malt Manufacturing					500		500	
311221	Wet Corn Milling					750	1,250	1,250	
311224	Soybean and Other Oilseed Processing					1,000		1,000	
311225	Fats and Oils Refining and Blending					1,000		1,000	
311230	Breakfast Cereal Manufacturing					1,000		1,000	
311313	Beet Sugar Manufacturing					750		750	
311314	Cane Sugar Manufacturing					750	1,000	1,000	
311340	Nonchocolate Confectionery Manufacturing					500	1,000	1,000	
311351	Chocolate and Confectionery Manufacturing from Cacao Beans					500	1,250	1,250	
311352	Confectionery Manufacturing from Purchased Chocolate					500	1,000	1,000	
311411	Frozen Fruit, Juice and Vegetable Manufacturing					500	1,000	1,000	
311412	Frozen Specialty Food Manufacturing					500	1,250	1,250	
311421	Fruit and Vegetable Canning[3]					500	1,000	1,000	
311422	Specialty Canning					1,000	1,250	1,250	
311423	Dried and Dehydrated Food Manufacturing					500	750	750	
311511	Fluid Milk Manufacturing					500	1,000	1,000	

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311512	Creamery Butter Manufacturing					500	750	750	
311513	Cheese Manufacturing					500	1,250	1,250	
311514	Dry, Condensed, and Evaporated Dairy Product Manufacturing					500	750	750	
311520	Ice Cream and Frozen Dessert Manufacturing					500	1,000	1,000	
311611	Animal (except Poultry) Slaughtering					500	1,000	1,000	
311612	Meat Processed from Carcasses					500	1,000	1,000	
311613	Rendering and Meat Byproduct Processing					500	750	750	
311615	Poultry Processing					500	1,250	1,250	
311710	Seafood Product Preparation and Packaging					500	750	750	
311811	Retail Bakeries					500		500	
311812	Commercial Bakeries					500	1,000	1,000	
311813	Frozen Cakes, Pies, and Other Pastries Manufacturing					500	750	750	
311821	Cookie and Cracker Manufacturing					750	1,250	1,250	
311824	Dry Pasta, Dough, and Flour Mixes Manufacturing from Purchased Flour					500	750	750	
311830	Tortilla Manufacturing					500	1,250	1,250	
311911	Roasted Nuts and Peanut Butter Manufacturing					500	750	750	
311919	Other Snack Food Manufacturing					500	1,250	1,250	
311920	Coffee and Tea Manufacturing					500	750	750	
311930	Flavoring Syrup and Concentrate Manufacturing					500	1,000	1,000	
311941	Mayonnaise, Dressing and Other Prepared Sauce Manufacturing					500	750	750	
311942	Spice and Extract Manufacturing					500		500	
311991	Perishable Prepared Food Manufacturing					500		500	

Appendix. SBA's Size Standards Table Showing Changes to Size Standards

		RECEIPTS SIZE STANDARDS ($ MILLION)				EMPLOYEE SIZE STANDARDS			
NAICS Codes	NAICS Industry Description	Size Standards When Reviewed	Proposed Size Standards	Adopted Size Standards (if proposed for change)	Adjusted for inflation (current size standards)	Size Standards When reviewed	Proposed Size Standards	Adopted (if proposed for change)/ Current Size Standards	Remarks
311999	All Other Miscellaneous Food Manufacturing					500		500	
Subsector 312 – Beverage and Tobacco Product Manufacturing									
312111	Soft Drink Manufacturing					500	1,250	1,250	
312112	Bottled Water Manufacturing					500	1,000	1,000	
312113	Ice Manufacturing					500	750	750	
312120	Breweries					500	1,250	1,250	
312130	Wineries					500	1,000	1,000	
312140	Distilleries					750	1,000	1,000	
312230	Tobacco Manufacturing					1,000	1,500	1,500	
Subsector 313 – Textile Mills									
313110	Fiber, Yarn, and Thread Mills					500	1,250	1,250	
313210	Broadwoven Fabric Mills					1,000		1,000	
313220	Narrow Fabric Mills and Schiffli Machine Embroidery					500		500	
313230	Nonwoven Fabric Mills					500	750	750	
313240	Knit Fabric Mills					500		500	
313310	Textile and Fabric Finishing Mills					1,000		1,000	
313320	Fabric Coating Mills					1,000		1,000	
Subsector 314 – Textile Product Mills									
314110	Carpet and Rug Mills					500	1,500	1,500	
314120	Curtain and Linen Mills					500	750	750	
314910	Textile Bag and Canvas Mills					500		500	
314994	Rope, Cordage, Twine, Tire Cord, and Tire Fabric Mills					1,000		1,000	
314999	All Other Miscellaneous Textile Product Mills					500		500	
Subsector 315 – Apparel Manufacturing									
315110	Hosiery and Sock Mills					500	750	750	
315190	Other Apparel Knitting Mills					500	750	750	

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315210	Cut and Sew Apparel Contractors					500	750	750	
315220	Men's and Boys' Cut and Sew Apparel Manufacturing					500	750	750	
315240	Women's, Girls', and Infants' Cut and Sew Apparel Manufacturing					500	750	750	
315280	Other Cut and Sew Apparel Manufacturing					500	750	750	
315990	Apparel Accessories and Other Apparel Manufacturing					500		500	
Subsector 316 – Leather and Allied Product Manufacturing									
316110	Leather and Hide Tanning and Finishing					500		500	
316210	Footwear Manufacturing					1,000		1,000	
316992	Women's Handbag and Purse Manufacturing					500	750	750	
316998	All Other Leather Good and Allied Product Manufacturing					500		500	
Subsector 321 – Wood Product Manufacturing									
321113	Sawmills					500		500	
321114	Wood Preservation					500		500	
321211	Hardwood Veneer and Plywood Manufacturing					500		500	
321212	Softwood Veneer and Plywood Manufacturing					500	1,250	1,250	
321213	Engineered Wood Member (except Truss) Manufacturing					500	750	750	
321214	Truss Manufacturing					500		500	
321219	Reconstituted Wood Product Manufacturing					500	750	750	
321911	Wood Window and Door Manufacturing					500	1,000	1,000	
321912	Cut Stock, Resawing Lumber, and Planing					500		500	

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321918	Other Millwork (including Flooring)					500		500	
321920	Wood Container and Pallet Manufacturing					500		500	
321991	Manufactured Home (Mobile Home) Manufacturing					500	1,250	1,250	
321992	Prefabricated Wood Building Manufacturing					500		500	
321999	All Other Miscellaneous Wood Product Manufacturing					500		500	
Subsector 322 – Paper Manufacturing									
322110	Pulp Mills					750		750	
322121	Paper (except Newsprint) Mills					750	1,250	1,250	
322122	Newsprint Mills					750		750	
322130	Paperboard Mills					750	1,250	1,250	
322211	Corrugated and Solid Fiber Box Manufacturing					500	1,250	1,250	
322212	Folding Paperboard Box Manufacturing					750		750	
322219	Other Paperboard Container Manufacturing					750	1,000	1,000	
322220	Paper Bag and Coated and Treated Paper Manufacturing					500	750	750	
322230	Stationery Product Manufacturing					500	750	750	
322291	Sanitary Paper Product Manufacturing					500	1,500	1,500	
322299	All Other Converted Paper Product Manufacturing					500		500	
Subsector 323 – Printing and Related Support Activities									
323111	Commercial Printing (except Screen and Books)					500		500	
323113	Commercial Screen Printing					500		500	
323117	Books Printing					500	1,250	1,250	

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323120	Support Activities for Printing					500		500	
Subsector 324 – Petroleum and Coal Products Manufacturing									
324110	Petroleum Refineries[4]	125,000 barrels-per-day capacity	125,000 barrels-per-day capacity	125,000 barrels-per-day capacity		1,500	1,500	1,500	Footnote 4 modified to reflect that the capacity component (bpd) of the size standard applies to firms primarily engaged in petroleum refining.
324121	Asphalt Paving Mixture and Block Manufacturing					500		500	
324122	Asphalt Shingle and Coating Materials Manufacturing					750		750	
324191	Petroleum Lubricating Oil and Grease Manufacturing					500	750	750	
324199	All Other Petroleum and Coal Products Manufacturing					500		500	
Subsector 325 – Chemical Manufacturing									
325110	Petrochemical Manufacturing					1,000		1,000	
325120	Industrial Gas Manufacturing					1,000		1,000	
325130	Synthetic Dye and Pigment Manufacturing					1,000		1,000	
325180	Other Basic Inorganic Chemical Manufacturing					1,000		1,000	
325193	Ethyl Alcohol Manufacturing					1,000		1,000	
325194	Cyclic Crude, Intermediate, and Gum and Wood Chemical Manufacturing					750	1,250	1,250	
325199	All Other Basic Organic Chemical Manufacturing					1,000	1,250	1,250	
325211	Plastics Material and Resin Manufacturing					750	1,250	1,250	
325212	Synthetic Rubber Manufacturing					1,000		1,000	
325220	Artificial and Synthetic Fibers and Filaments Manufacturing					1,000		1,000	

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325311	Nitrogenous Fertilizer Manufacturing					1,000		1,000	
325312	Phosphatic Fertilizer Manufacturing					500	750	750	
325314	Fertilizer (Mixing Only) Manufacturing					500		500	
325320	Pesticide and Other Agricultural Chemical Manufacturing					500	1,000	1,000	
325411	Medicinal and Botanical Manufacturing					750	1,000	1,000	
325412	Pharmaceutical Preparation Manufacturing					750	1,250	1,250	
325413	In-Vitro Diagnostic Substance Manufacturing					500	1,250	1,250	
325414	Biological Product (except Diagnostic) Manufacturing					500	1,250	1,250	
325510	Paint and Coating Manufacturing					500	1,000	1,000	
325520	Adhesive Manufacturing					500		500	
325611	Soap and Other Detergent Manufacturing					750	1,000	1,000	
325612	Polish and Other Sanitation Good Manufacturing					500	750	750	
325613	Surface Active Agent Manufacturing					500	750	750	
325620	Toilet Preparation Manufacturing					500	1,250	1,250	
325910	Printing Ink Manufacturing					500		500	
325920	Explosives Manufacturing					750		750	
325991	Custom Compounding of Purchased Resins					500		500	
325992	Photographic Film, Paper, Plate and Chemical Manufacturing					500	1,500	1,500	
325998	All Other Miscellaneous Chemical Product and Preparation Manufacturing					500		500	

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Subsector 326 – Plastics and Rubber Products Manufacturing									
326111	Plastic Bag and Pouch Manufacturing					500	750	750	
326112	Plastics Packaging Film and Sheet (including Laminated) Manufacturing					500	1,000	1,000	
326113	Unlaminated Plastics Film and Sheet (except Packaging) Manufacturing					500	750	750	
326121	Unlaminated Plastics Profile Shape Manufacturing					500		500	
326122	Plastics Pipe and Pipe Fitting Manufacturing					500	750	750	
326130	Laminated Plastics Plate, Sheet (except Packaging), and Shape Manufacturing					500		500	
326140	Polystyrene Foam Product Manufacturing					500	1,000	1,000	
326150	Urethane and Other Foam Product (except Polystyrene) Manufacturing					500	750	750	
326160	Plastics Bottle Manufacturing					500	1,250	1,250	
326191	Plastics Plumbing Fixture Manufacturing					500	750	750	
326199	All Other Plastics Product Manufacturing					750		750	
326211	Tire Manufacturing (except Retreading)[5]					1,000	1,500	1,500	
326212	Tire Retreading					500		500	
326220	Rubber and Plastics Hoses and Belting Manufacturing					500	750	750	
326291	Rubber Product Manufacturing for Mechanical Use					500	750	750	
326299	All Other Rubber Product Manufacturing					500		500	

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Subsector 327 – Nonmetallic Mineral Product Manufacturing									
327110	Pottery, Ceramics, and Plumbing Fixture Manufacturing					750	1,000	1,000	
327120	Clay Building Material and Refractories Manufacturing					750		750	
327211	Flat Glass Manufacturing					1,000		1,000	
327212	Other Pressed and Blown Glass and Glassware Manufacturing					750	1,250	1,250	
327213	Glass Container Manufacturing					750	1,250	1,250	
327215	Glass Product Manufacturing Made of Purchased Glass					500	1,000	1,000	
327310	Cement Manufacturing					750	1,000	1,000	
327320	Ready-Mix Concrete Manufacturing					500		500	
327331	Concrete Block and Brick Manufacturing					500		500	
327332	Concrete Pipe Manufacturing					500	750	750	
327390	Other Concrete Product Manufacturing					500		500	
327410	Lime Manufacturing					500	750	750	
327420	Gypsum Product Manufacturing					1,000	1,500	1,500	
327910	Abrasive Product Manufacturing					500	750	750	
327991	Cut Stone and Stone Product Manufacturing					500		500	
327992	Ground or Treated Mineral and Earth Manufacturing					500		500	
327993	Mineral Wool Manufacturing					750	1,500	1,500	
327999	All Other Miscellaneous Nonmetallic Mineral Product Manufacturing					500		500	
Subsector 331 – Primary Metal Manufacturing									
331110	Iron and Steel Mills and Ferroalloy Manufacturing					1,000	1,500	1,500	
331210	Iron and Steel Pipe and Tube Manufacturing from Purchased Steel					1,000		1,000	

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331221	Rolled Steel Shape Manufacturing					1,000		1,000	
331222	Steel Wire Drawing					1,000		1,000	
331313	Alumina Refining and Primary Aluminum Production					1,000		1,000	
331314	Secondary Smelting and Alloying of Aluminum					750		750	
331315	Aluminum Sheet, Plate and Foil Manufacturing					750	1,250	1,250	
331318	Other Aluminum Rolling, Drawing, and Extruding					750		750	
331410	Nonferrous Metal (except Aluminum) Smelting and Refining					1,000		1,000	
331420	Copper Rolling, Drawing, Extruding, and Alloying					1,000		1,000	
331491	Nonferrous Metal (except Copper and Aluminum) Rolling, Drawing and Extruding					750		750	
331492	Secondary Smelting, Refining, and Alloying of Nonferrous Metal (except Copper and Aluminum)					750		750	
331511	Iron Foundries					500	1,000	1,000	
331512	Steel Investment Foundries					500	1,000	1,000	
331513	Steel Foundries (except Investment)					500		500	
331523	Nonferrous Metal Die-Casting Foundries					500		500	
331524	Aluminum Foundries (except Die-Casting)					500		500	
331529	Other Nonferrous Metal Foundries (except Die-Casting)					500		500	
Subsector 332 – Fabricated Metal Product Manufacturing									
332111	Iron and Steel Forging					500	750	750	
332112	Nonferrous Forging					500	750	750	
332114	Custom Roll Forming					500		500	

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332117	Powder Metallurgy Part Manufacturing					500		500	
332119	Metal Crown, Closure, and Other Metal Stamping (except Automotive)					500		500	
332215	Metal Kitchen Cookware, Utensil, Cutlery, and Flatware (except Precious) Manufacturing					500	750	750	
332216	Saw Blade and Handtool Manufacturing					500	750	750	
332311	Prefabricated Metal Building and Component Manufacturing					500	750	750	
332312	Fabricated Structural Metal Manufacturing					500		500	
332313	Plate Work Manufacturing					500	750	750	
332321	Metal Window and Door Manufacturing					500	750	750	
332322	Sheet Metal Work Manufacturing					500		500	
332323	Ornamental and Architectural Metal Work Manufacturing					500		500	
332410	Power Boiler and Heat Exchanger Manufacturing					500	750	750	
332420	Metal Tank (Heavy Gauge) Manufacturing					500	750	750	
332431	Metal Can Manufacturing					1,000	1,500	1,500	
332439	Other Metal Container Manufacturing					500		500	
332510	Hardware Manufacturing					500	750	750	
332613	Spring Manufacturing					500		500	
332618	Other Fabricated Wire Product Manufacturing					500		500	
332710	Machine Shops					500		500	
332721	Precision Turned Product Manufacturing					500		500	
332722	Bolt, Nut, Screw, Rivet and Washer Manufacturing					500		500	

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332811	Metal Heat Treating					750		750	
332812	Metal Coating, Engraving (except Jewelry and Silverware), and Allied Services to Manufacturers					500		500	
332813	Electroplating, Plating, Polishing, Anodizing and Coloring					500		500	
332911	Industrial Valve Manufacturing					500	750	750	
332912	Fluid Power Valve and Hose Fitting Manufacturing					500	1,000	1,000	
332913	Plumbing Fixture Fitting and Trim Manufacturing					500	1,000	1,000	
332919	Other Metal Valve and Pipe Fitting Manufacturing					500	750	750	
332991	Ball and Roller Bearing Manufacturing					750	1,250	1,250	
332992	Small Arms Ammunition Manufacturing					1,000	1,250	1,250	
332993	Ammunition (except Small Arms) Manufacturing					1,500		1,500	
332994	Small Arms, Ordnance, and Ordnance Accessories Manufacturing					1,000		1,000	
332996	Fabricated Pipe and Pipe Fitting Manufacturing					500		500	
332999	All Other Miscellaneous Fabricated Metal Product Manufacturing					750		750	
Subsector 333 – Machinery Manufacturing[6]									
333111	Farm Machinery and Equipment Manufacturing					500	1,250	1,250	
333112	Lawn and Garden Tractor and Home Lawn and Garden Equipment Manufacturing					500	1,500	1,500	
333120	Construction Machinery Manufacturing					750	1,250	1,250	

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333131	Mining Machinery and Equipment Manufacturing					500		500	
333132	Oil and Gas Field Machinery and Equipment Manufacturing					500	1,250	1,250	
333241	Food Product Machinery Manufacturing					500		500	
333242	Semiconductor Machinery Manufacturing					500	1,500	1,500	
333243	Sawmill, Woodworking, and Paper Machinery Manufacturing					500		500	
333244	Printing Machinery and Equipment Manufacturing					500	750	750	
333249	Other Industrial Machinery Manufacturing					500		500	
333314	Optical Instrument and Lens Manufacturing					500		500	
333316	Photographic and Photocopying Equipment Manufacturing					1,000		1,000	
333318	Other Commercial and Service Industry Machinery Manufacturing					1,000		1,000	
333413	Industrial and Commercial Fan and Blower and Air Purification Equipment Manufacturing					500		500	
333414	Heating Equipment (except Warm Air Furnaces) Manufacturing					500		500	
333415	Air-Conditioning and Warm Air Heating Equipment and Commercial and Industrial Refrigeration Equipment Manufacturing					750	1,250	1,250	
333511	Industrial Mold Manufacturing					500		500	
333514	Special Die and Tool, Die Set, Jig and Fixture Manufacturing					500		500	
333515	Cutting Tool and Machine Tool Accessory Manufacturing					500		500	
333517	Machine Tool Manufacturing					500		500	

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333519	Rolling Mill and Other Metalworking Machinery Manufacturing					500		500	
333611	Turbine and Turbine Generator Set Unit Manufacturing					1,000	1,500	1,500	
333612	Speed Changer, Industrial High-Speed Drive and Gear Manufacturing					500	750	750	
333613	Mechanical Power Transmission Equipment Manufacturing					500	750	750	
333618	Other Engine Equipment Manufacturing					1,000	1,500	1,500	
333911	Pump and Pumping Equipment Manufacturing					500	750	750	
333912	Air and Gas Compressor Manufacturing					500	1,000	1,000	
333913	Measuring and Dispensing Pump Manufacturing					500	750	750	
333921	Elevator and Moving Stairway Manufacturing					500	1,000	1,000	
333922	Conveyor and Conveying Equipment Manufacturing					500		500	
333923	Overhead Traveling Crane, Hoist and Monorail System Manufacturing					500	1,250	1,250	
333924	Industrial Truck, Tractor, Trailer and Stacker Machinery Manufacturing					750		750	
333991	Power-Driven Hand Tool Manufacturing					500		500	
333992	Welding and Soldering Equipment Manufacturing					500	1,250	1,250	
333993	Packaging Machinery Manufacturing					500		500	
333994	Industrial Process Furnace and Oven Manufacturing					500		500	
333995	Fluid Power Cylinder and Actuator Manufacturing					500	750	750	

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333996	Fluid Power Pump and Motor Manufacturing					500	1,250	1,250	
333997	Scale and Balance Manufacturing					500		500	
333999	All Other Miscellaneous General Purpose Machinery Manufacturing					500		500	
Subsector 334 – Computer and Electronic Product Manufacturing[6]									
334111	Electronic Computer Manufacturing					1,000	1,250	1,250	
334112	Computer Storage Device Manufacturing					1,000	1,250	1,250	
334118	Computer Terminal and Other Computer Peripheral Equipment Manufacturing					1,000		1,000	
334210	Telephone Apparatus Manufacturing					1,000	1,250	1,250	
334220	Radio and Television Broadcasting and Wireless Communications Equipment Manufacturing					750	1,250	1,250	
334290	Other Communications Equipment Manufacturing					750		750	
334310	Audio and Video Equipment Manufacturing					750		750	
334412	Bare Printed Circuit Board Manufacturing					500	750	750	
334413	Semiconductor and Related Device Manufacturing					500	1,250	1,250	
334416	Capacitor, Resistor, Coil, Transformer, and Other Inductor Manufacturing					500		500	
334417	Electronic Connector Manufacturing					500	1,000	1,000	
334418	Printed Circuit Assembly (Electronic Assembly) Manufacturing					500	750	750	
334419	Other Electronic Component Manufacturing					500		500	

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334510	Electromedical and Electrotherapeutic Apparatus Manufacturing					500	1,250	1,250	
334511	Search, Detection, Navigation, Guidance, Aeronautical, and Nautical System and Instrument Manufacturing					750	1,250	1,250	
334512	Automatic Environmental Control Manufacturing for Residential, Commercial and Appliance Use					500		500	
334513	Instruments and Related Products Manufacturing for Measuring, Displaying, and Controlling Industrial Process Variables					500	750	750	
334514	Totalizing Fluid Meter and Counting Device Manufacturing					500	750	750	
334515	Instrument Manufacturing for Measuring and Testing Electricity and Electrical Signals					500	750	750	
334516	Analytical Laboratory Instrument Manufacturing					500	1,000	1,000	
334517	Irradiation Apparatus Manufacturing					500	1,000	1,000	
334519	Other Measuring and Controlling Device Manufacturing					500		500	
334613	Blank Magnetic and Optical Recording Media Manufacturing					1,000		1,000	
334614	Software and Other Prerecorded Compact Disc, Tape, and Record Reproducing					750	1,250	1,250	
Subsector 335 – Electrical Equipment, Appliance and Component Manufacturing[6]									
335110	Electric Lamp Bulb and Part Manufacturing					1,000	1,250	1,250	
335121	Residential Electric Lighting Fixture Manufacturing					500	750	750	

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335122	Commercial, Industrial and Institutional Electric Lighting Fixture Manufacturing					500		500	
335129	Other Lighting Equipment Manufacturing					500		500	
335210	Small Electrical Appliance Manufacturing					750	1,500	1,500	
335221	Household Cooking Appliance Manufacturing					750	1,500	1,500	
335222	Household Refrigerator and Home Freezer Manufacturing					1,000	1,250	1,250	
335224	Household Laundry Equipment Manufacturing					1,000	1,250	1,250	
335228	Other Major Household Appliance Manufacturing					500	1,000	1,000	
335311	Power, Distribution and Specialty Transformer Manufacturing					750		750	
335312	Motor and Generator Manufacturing					1,000	1,250	1,250	
335313	Switchgear and Switchboard Apparatus Manufacturing					750	1,250	1,250	
335314	Relay and Industrial Control Manufacturing					750		750	
335911	Storage Battery Manufacturing					500	1,250	1,250	
335912	Primary Battery Manufacturing					1,000		1,000	
335921	Fiber Optic Cable Manufacturing					1,000		1,000	
335929	Other Communication and Energy Wire Manufacturing					1,000		1,000	
335931	Current-Carrying Wiring Device Manufacturing					500		500	
335932	Noncurrent-Carrying Wiring Device Manufacturing					500	1,000	1,000	
335991	Carbon and Graphite Product Manufacturing					750		750	

Appendix. SBA's Size Standards Table Showing Changes to Size Standards

		RECEIPTS SIZE STANDARDS ($ MILLION)				EMPLOYEE SIZE STANDARDS			
NAICS Codes	NAICS Industry Description	Size Standards When Reviewed	Proposed Size Standards	Adopted Size Standards (if proposed for change)	Adjusted for inflation (current size standards)	Size Standards When reviewed	Proposed Size Standards	Adopted (if proposed for change)/ Current Size Standards	Remarks
335999	All Other Miscellaneous Electrical Equipment and Component Manufacturing					500		500	
Subsector 336 – Transportation Equipment Manufacturing[6]									
336111	Automobile Manufacturing					1,000	1,500	1,500	
336112	Light Truck and Utility Vehicle Manufacturing					1,000	1,500	1,500	
336120	Heavy Duty Truck Manufacturing					1,000	1,500	1,500	
336211	Motor Vehicle Body Manufacturing					1,000		1,000	
336212	Truck Trailer Manufacturing					500	1,000	1,000	
336213	Motor Home Manufacturing					1,000	1,250	1,250	
336214	Travel Trailer and Camper Manufacturing					500	1,000	1,000	
336310	Motor Vehicle Gasoline Engine and Engine Parts Manufacturing					750	1,000	1,000	
336320	Motor Vehicle Electrical and Electronic Equipment Manufacturing					750	1,000	1,000	
336330	Motor Vehicle Steering and Suspension Components (except Spring) Manufacturing					750	1,000	1,000	
336340	Motor Vehicle Brake System Manufacturing					750	1,250	1,250	
336350	Motor Vehicle Transmission and Power Train Parts Manufacturing					750	1,500	1,500	
336360	Motor Vehicle Seating and Interior Trim Manufacturing					500	1,500	1,500	
336370	Motor Vehicle Metal Stamping					500	1,000	1,000	
336390	Other Motor Vehicle Parts Manufacturing					750	1,000	1,000	
336411	Aircraft Manufacturing					1,500		1,500	
336412	Aircraft Engine and Engine Parts Manufacturing					1,000	1,500	1,500	

Appendix. SBA's Size Standards Table Showing Changes to Size Standards

		RECEIPTS SIZE STANDARDS ($ MILLION)				EMPLOYEE SIZE STANDARDS			
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336413	Other Aircraft Part and Auxiliary Equipment Manufacturing[7]					1,000	1,250	1,250	
336414	Guided Missile and Space Vehicle Manufacturing					1,000	1,250	1,250	
336415	Guided Missile and Space Vehicle Propulsion Unit and Propulsion Unit Parts Manufacturing					1,000	1,250	1,250	
336419	Other Guided Missile and Space Vehicle Parts and Auxiliary Equipment Manufacturing					1,000		1,000	
336510	Railroad Rolling Stock Manufacturing					1,000	1,500	1,500	
336611	Ship Building and Repairing					1,000	1,250	1,250	
336612	Boat Building					500	1,000	1,000	
336991	Motorcycle, Bicycle and Parts Manufacturing					500	1,000	1,000	
336992	Military Armored Vehicle, Tank and Tank Component Manufacturing					1,000	1,500	1,500	
336999	All Other Transportation Equipment Manufacturing					500	1,000	1,000	
Subsector 337 – Furniture and Related Product Manufacturing									
337110	Wood Kitchen Cabinet and Counter Top Manufacturing					500	750	750	
337121	Upholstered Household Furniture Manufacturing					500	1,000	1,000	
337122	Nonupholstered Wood Household Furniture Manufacturing					500	750	750	
337124	Metal Household Furniture Manufacturing					500	750	750	
337125	Household Furniture (except Wood and Metal) Manufacturing					500	750	750	
337127	Institutional Furniture Manufacturing					500		500	
337211	Wood Office Furniture Manufacturing					500	1,000	1,000	

Appendix. SBA's Size Standards Table Showing Changes to Size Standards

		RECEIPTS SIZE STANDARDS ($ MILLION)				EMPLOYEE SIZE STANDARDS			
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337212	Custom Architectural Woodwork and Millwork Manufacturing					500		500	
337214	Office Furniture (Except Wood) Manufacturing					500	1,000	1,000	
337215	Showcase, Partition, Shelving, and Locker Manufacturing					500		500	
337910	Mattress Manufacturing					500	1,000	1,000	
337920	Blind and Shade Manufacturing					500	1,000	1,000	
Subsector 339 – Miscellaneous Manufacturing									
339112	Surgical and Medical Instrument Manufacturing					500	1,000	1,000	
339113	Surgical Appliance and Supplies Manufacturing					500	750	750	
339114	Dental Equipment and Supplies Manufacturing					500	750	750	
339115	Ophthalmic Goods Manufacturing					500	1,000	1,000	
339116	Dental Laboratories					500		500	
339910	Jewelry and Silverware Manufacturing					500		500	
339920	Sporting and Athletic Goods Manufacturing					500	750	750	
339930	Doll, Toy, and Game Manufacturing					500		500	
339940	Office Supplies (except Paper) Manufacturing					500	750	750	
339950	Sign Manufacturing					500		500	
339991	Gasket, Packing, and Sealing Device Manufacturing					500		500	
339992	Musical Instrument Manufacturing					500	1,000	1,000	
339993	Fastener, Button, Needle and Pin Manufacturing					500	750	750	
339994	Broom, Brush and Mop Manufacturing					500		500	
339995	Burial Casket Manufacturing					500	1,000	1,000	

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		RECEIPTS SIZE STANDARDS ($ MILLION)				EMPLOYEE SIZE STANDARDS			
NAICS Codes	NAICS Industry Description	Size Standards When Reviewed	Proposed Size Standards	Adopted Size Standards (if proposed for change)	Adjusted for inflation (current size standards)	Size Standards When reviewed	Proposed Size Standards	Adopted (if proposed for change)/ Current Size Standards	Remarks
339999	All Other Miscellaneous Manufacturing					500		500	
SECTOR 42 – WHOLESALE TRADE									
	(These NAICS codes shall not be used to classify Government acquisitions for supplies. They also shall not be used by Federal government contractors when subcontracting for the acquisition for supplies. The applicable manufacturing NAICS code shall be used to classify acquisitions for supplies. A Wholesale Trade or Retail Trade business concern submitting an offer or a quote on a supply acquisition is categorized as a nonmanufacturer and deemed small if it has 500 or fewer employees and meets the requirements of 13 CFR 121.406.)								
Subsector 423 – Merchant Wholesalers, Durable Goods									
423110	Automobile and Other Motor Vehicle Merchant Wholesalers					100	250	250	
423120	Motor Vehicle Supplies and New Parts Merchant Wholesalers					100	200	200	
423130	Tire and Tube Merchant Wholesalers					100	200	200	
423140	Motor Vehicle Parts (Used) Merchant Wholesalers					100		100	
423210	Furniture Merchant Wholesalers					100		100	
423220	Home Furnishing Merchant Wholesalers					100		100	
423310	Lumber, Plywood, Millwork, and Wood Panel Merchant Wholesalers					100	150	150	
423320	Brick, Stone, and Related Construction Material Merchant Wholesalers					100	150	150	
423330	Roofing, Siding, and Insulation Material Merchant Wholesalers					100	200	200	
423390	Other Construction Material Merchant Wholesalers					100		100	
423410	Photographic Equipment and Supplies Merchant Wholesalers					100	200	200	
423420	Office Equipment Merchant Wholesalers					100	200	200	

Appendix. SBA's Size Standards Table Showing Changes to Size Standards

		RECEIPTS SIZE STANDARDS ($ MILLION)				EMPLOYEE SIZE STANDARDS			
NAICS Codes	NAICS Industry Description	Size Standards When Reviewed	Proposed Size Standards	Adopted Size Standards (if proposed for change)	Adjusted for inflation (current size standards)	Size Standards When reviewed	Proposed Size Standards	Adopted (if proposed for change)/ Current Size Standards	Remarks
423430	Computer and Computer Peripheral Equipment and Software Merchant Wholesalers					100	250	250	
423440	Other Commercial Equipment Merchant Wholesalers					100		100	
423450	Medical, Dental, and Hospital Equipment and Supplies Merchant Wholesalers					100	200	200	
423460	Ophthalmic Goods Merchant Wholesalers					100	150	150	
423490	Other Professional Equipment and Supplies Merchant Wholesalers					100	150	150	
423510	Metal Service Centers and Other Metal Merchant Wholesalers					100	200	200	
423520	Coal and Other Mineral and Ore Merchant Wholesalers					100		100	
423610	Electrical Apparatus and Equipment, Wiring Supplies, and Related Equipment Merchant Wholesalers					100	200	200	
423620	Household Appliances, Electric Housewares, and Consumer Electronics Merchant Wholesalers					100	200	200	
423690	Other Electronic Parts and Equipment Merchant Wholesalers					100	250	250	
423710	Hardware Merchant Wholesalers					100	150	150	
423720	Plumbing and Heating Equipment and Supplies (Hydronics) Merchant Wholesalers					100	200	200	
423730	Warm Air Heating and Air-Conditioning Equipment and Supplies Merchant Wholesalers					100	150	150	
423740	Refrigeration Equipment and Supplies Merchant Wholesalers					100		100	

Appendix. SBA's Size Standards Table Showing Changes to Size Standards

		RECEIPTS SIZE STANDARDS ($ MILLION)				EMPLOYEE SIZE STANDARDS			
NAICS Codes	NAICS Industry Description	Size Standards When Reviewed	Proposed Size Standards	Adopted Size Standards (if proposed for change)	Adjusted for inflation (current size standards)	Size Standards When reviewed	Proposed Size Standards	Adopted (if proposed for change)/ Current Size Standards	Remarks
423810	Construction and Mining (except Oil Well) Machinery and Equipment Merchant Wholesalers					100	250	250	
423820	Farm and Garden Machinery and Equipment Merchant Wholesalers					100		100	
423830	Industrial Machinery and Equipment Merchant Wholesalers					100		100	
423840	Industrial Supplies Merchant Wholesalers					100		100	
423850	Service Establishment Equipment and Supplies Merchant Wholesalers					100		100	
423860	Transportation Equipment and Supplies (except Motor Vehicle) Merchant Wholesalers					100	150	150	
423910	Sporting and Recreational Goods and Supplies Merchant Wholesalers					100		100	
423920	Toy and Hobby Goods and Supplies Merchant Wholesalers					100	150	150	
423930	Recyclable Material Merchant Wholesalers					100		100	
423940	Jewelry, Watch, Precious Stone, and Precious Metal Merchant Wholesalers					100		100	
423990	Other Miscellaneous Durable Goods Merchant Wholesalers					100		100	
Subsector 424 – Merchant Wholesalers, Nondurable Goods									
424110	Printing and Writing Paper Merchant Wholesalers					100	200	200	
424120	Stationary and Office Supplies Merchant Wholesalers					100	150	150	
424130	Industrial and Personal Service Paper Merchant Wholesalers					100	150	150	
424210	Drugs and Druggists' Sundries Merchant Wholesalers					100	250	250	

Appendix. SBA's Size Standards Table Showing Changes to Size Standards

		RECEIPTS SIZE STANDARDS ($ MILLION)				EMPLOYEE SIZE STANDARDS			
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424310	Piece Goods, Notions, and Other Dry Goods Merchant Wholesalers					100		100	
424320	Men's and Boys' Clothing and Furnishings Merchant Wholesalers					100	150	150	
424330	Women's, Children's, and Infants' Clothing and Accessories Merchant Wholesalers					100		100	
424340	Footwear Merchant Wholesalers					100	200	200	
424410	General Line Grocery Merchant Wholesalers					100	250	250	
424420	Packaged Frozen Food Merchant Wholesalers					100	200	200	
424430	Dairy Product (except Dried or Canned) Merchant Wholesalers					100	200	200	
424440	Poultry and Poultry Product Merchant Wholesalers					100	150	150	
424450	Confectionery Merchant Wholesalers					100	200	200	
424460	Fish and Seafood Merchant Wholesalers					100		100	
424470	Meat and Meat Product Merchant Wholesalers					100	150	150	
424480	Fresh Fruit and Vegetable Merchant Wholesalers					100		100	
424490	Other Grocery and Related Products Merchant Wholesalers					100	250	250	
424510	Grain and Field Bean Merchant Wholesalers					100	200	200	
424520	Livestock Merchant Wholesalers					100		100	
424590	Other Farm Product Raw Material Merchant Wholesalers					100		100	
424610	Plastics Materials and Basic Forms and Shapes Merchant Wholesalers					100	150	150	
424690	Other Chemical and Allied Products Merchant Wholesalers					100	150	150	

Appendix. SBA's Size Standards Table Showing Changes to Size Standards

		RECEIPTS SIZE STANDARDS ($ MILLION)				EMPLOYEE SIZE STANDARDS			
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424710	Petroleum Bulk Stations and Terminals					100	200	200	
424720	Petroleum and Petroleum Products Merchant Wholesalers (except Bulk Stations and Terminals)					100	200	200	
424810	Beer and Ale Merchant Wholesalers					100	200	200	
424820	Wine and Distilled Alcoholic Beverage Merchant Wholesalers					100	250	250	
424910	Farm Supplies Merchant Wholesalers					100	200	200	
424920	Book, Periodical, and Newspaper Merchant Wholesalers					100	200	200	
424930	Flower, Nursery Stock, and Florists' Supplies Merchant Wholesalers					100		100	
424940	Tobacco and Tobacco Product Merchant Wholesalers					100	250	250	
424950	Paint, Varnish, and Supplies Merchant Wholesalers					100	150	150	
424990	Other Miscellaneous Nondurable Goods Merchant Wholesalers					100		100	
Subsector 425 – Wholesale Electronic Markets and Agents and Brokers									
425110	Business to Business Electronic Markets					100		100	
425120	Wholesale Trade Agents and Brokers					100		100	
SECTOR 44 - 45 – RETAIL TRADE									
	(These NAICS codes shall not be used to classify Government acquisitions for supplies. They also shall not be used by Federal government contractors when subcontracting for the acquisition for supplies. The applicable manufacturing NAICS code shall be used to classify acquisitions for supplies. A Wholesale Trade or Retail Trade business concern submitting an offer or a quote on a supply acquisition is categorized as a nonmanufacturer and deemed small if it has 500 or fewer employees and meets the requirements of 13 CFR 121.406.)								
Subsector 441 – Motor Vehicle and Parts Dealers									
441110	New Car Dealers	$29.0	$30.0					200	
441120	Used Car Dealers	$23.0			$25.0				

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441210	Recreational Vehicle Dealers	$7.0	$30.0	$30.0	$32.5				
441222	Boat Dealers	$7.0	$14.0	$30.0	$32.5				
441228	Motorcycle, ATV, and All Other Motor Vehicle Dealers			$30.0	$32.5				NAICS 441221 and 441229 (including exception) merged to new NAICS 441228 in NAICS 2012
441221	Motorcycle, ATV, and Personal Watercraft Dealers	$7.0	$14.0	$30.0					See remark for NAICS 441228
441229	All Other Motor Vehicles Dealers	$7.0							See remark for NAICS 441228
441229	Except, Aircraft Dealers, Retail	$10.0	$25.5	$25.5					See remark for NAICS 441228
441310	Automotive Parts and Accessories Stores	$7.0	$14.0	$14.0	$15.0				
441320	Tire Dealers	$7.0	$14.0	$14.0	$15.0				
Subsector 442 – Furniture and Home Furnishings Stores									
442110	Furniture Stores	$7.0	$19.0	$19.0	$20.5				
442210	Floor Covering Stores	$7.0			$7.5				
442291	Window Treatment Stores	$7.0			$7.5				
442299	All Other Home Furnishings Stores	$7.0	$19.0	$19.0	$20.5				
Subsector 443 – Electronics and Appliance Stores									
443111	Household Appliance Stores	$9.0	$10.0	$10.0	$11.0				NAICS 443111 changed to 443141 in 2012 NAICS
443141	Electronics Stores			$30.0	$32.5				NAICS 443112, 443120, 443130 and 451220 merged to new NAICS 443141
443112	Radio, Television and Other Electronics Stores	$9.0	$25.5	$25.5					See remark for NAICS 443141
443120	Computer and Software Stores	$9.0	$25.5	$25.5					See remark for NAICS 443141

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443130	Camera and Photographic Supplies Stores	$7.0	$19.0	$19.0					See remark for NAICS 443141
451220	Prerecorded Tape, Compact Disc and Record Stores	$7.0	$30.0	$30.0					See remark for NAICS 443141
Subsector 444 – Building Material and Garden Equipment and Supplies Dealers									
444110	Home Centers	$7.0	$35.5	$35.5	$38.5				
444120	Paint and Wallpaper Stores	$7.0	$25.5	$25.5	$27.5				
444130	Hardware Stores	$7.0			$7.5				
444190	Other Building Material Dealers	$7.0	$19.0	$19.0	$20.5				
444210	Outdoor Power Equipment Stores	$7.0			$7.5				
444220	Nursery and Garden Centers	$7.0	$10.0	$10.0	$11.0				
Subsector 445 – Food and Beverage Stores									
445110	Supermarkets and Other Grocery (except Convenience) Stores	$27.0	$30.0	$30.0	$32.5				
445120	Convenience Stores	$27.0			$29.5				
445210	Meat Markets	$7.0			$7.5				
445220	Fish and Seafood Markets	$7.0			$7.5				
445230	Fruit and Vegetable Markets	$7.0			$7.5				
445291	Baked Goods Stores	$7.0			$7.5				
445292	Confectionery and Nut Stores	$7.0			$7.5				
445299	All Other Specialty Food Stores	$7.0			$7.5				
445310	Beer, Wine and Liquor Stores	$7.0			$7.5				
Subsector 446 – Health and Personal Care Stores									
446110	Pharmacies and Drug Stores	$7.0	$25.5	$25.5	$27.5				
446120	Cosmetics, Beauty Supplies and Perfume Stores	$7.0	$25.5	$25.5	$27.5				
446130	Optical Goods Stores	$7.0	$19.0	$19.0	$20.5				
446191	Food (Health) Supplement Stores	$7.0	$14.0	$14.0	$15.0				
446199	All Other Health and Personal Care Stores	$7.0			$7.5				

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Subsector 447 – Gasoline Stations									
447110	Gasoline Stations with Convenience Stores	$27.0			$29.5				
447190	Other Gasoline Stations	$9.0	$14.0	$14.0	$15.0				
Subsector 448 – Clothing and Clothing Accessories Stores									
448110	Men's Clothing Stores	$9.0	$10.0	$10.0	$11.0				
448120	Women's Clothing Stores	$9.0	$25.5	$25.5	$27.5				
448130	Children's and Infants' Clothing Stores	$7.0	$30.0	$30.0	$32.5				
448140	Family Clothing Stores	$9.0	$35.5	$35.5	$38.5				
448150	Clothing Accessories Stores	$7.0	$14.0	$14.0	$15.0				
448190	Other Clothing Stores	$7.0	$19.0	$19.0	$20.5				
448210	Shoe Stores	$9.0	$25.5	$25.5	$27.5				
448310	Jewelry Stores	$7.0	$14.0	$14.0	$15.0				
448320	Luggage and Leather Goods Stores	$7.0	$25.5	$25.5	$27.5				
Subsector 451 – Sporting Good, Hobby, Book and Music Stores									
451110	Sporting Goods Stores	$7.0	$14.0	$14.0	$15.0				
451120	Hobby, Toy and Game Stores	$7.0	$25.5	$25.5	$27.5				
451130	Sewing, Needlework and Piece Goods Stores	$7.0	$25.5	$25.5	$27.5				
451140	Musical Instrument and Supplies Stores	$7.0	$10.0	$10.0	$11.0				
451211	Book Stores	$7.0	$25.5	$25.5	$27.5				
451212	News Dealers and Newsstands	$7.0			$7.5				
Subsector 452 – General Merchandise Stores									
452111	Department Stores (except Discount Department Stores)	$27.0	$30.0	$30.0	$32.5 .				
452112	Discount Department Stores	$27.0			$29.5				
452910	Warehouse Clubs and Superstores	$27.0			$29.5				
452990	All Other General Merchandise Stores	$11.0	$30.0	$30.0	$32.5				
Subsector 453 – Miscellaneous Store Retailers									
453110	Florists	$7.0			$7.5				

Appendix. SBA's Size Standards Table Showing Changes to Size Standards

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453210	Office Supplies and Stationery Stores	$7.0	$30.0	$30.0	$32.5				
453220	Gift, Novelty and Souvenir Stores	$7.0			$7.5				
453310	Used Merchandise Stores	$7.0			$7.5				
453910	Pet and Pet Supplies Stores	$7.0	$19.0	$19.0	$20.5				
453920	Art Dealers	$7.0			$7.5				
453930	Manufactured (Mobile) Home Dealers	$13.0	$14.0	$14.0	$15.0				
453991	Tobacco Stores	$7.0			$7.5				
453998	All Other Miscellaneous Store Retailers (except Tobacco Stores)	$7.0			$7.5				
Subsector 454 – Nonstore Retailers									
454111	Electronic Shopping	$25.0	$30.0	$30.0	$32.5				
454112	Electronic Auctions	$25.0	$35.5	$35.5	$38.5				
454113	Mail-Order Houses	$25.0	$35.5	$35.5	$38.5				
454210	Vending Machine Operators	$7.0	$10.0	$10.0	$11.0				
454310	Fuel Dealers					50	100	100	
454390	Other Direct Selling Establishments	$7.0			$7.5				
SECTOR 48-49 – TRANSPORTATION AND WAREHOUSING									
Subsector 481 – Air Transportation									
481111	Scheduled Passenger Air Transportation					1,500		1,500	
481112	Scheduled Freight Air Transportation					1,500		1,500	
481211	Nonscheduled Chartered Passenger Air Transportation					1,500		1,500	
481211_Except	Offshore Marine Air Transportation Services	$28.0	Eliminate	Eliminated					
481212	Nonscheduled Chartered Freight Air Transportation					1,500		1,500	
481212_Except	Offshore Marine Air Transportation Services	$28.0	Eliminate	Eliminated					
481219	Other Nonscheduled Air Transportation	$7.0	$14.0	$14.0	$15.0				

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Subsector 482 – Rail Transportation									
482111	Line-Haul Railroads					1,500		1,500	
482112	Short Line Railroads					500	1,500	1,500	
Subsector 483 – Water Transportation[15]									Footnote 15 eliminated
483111	Deep Sea Freight Transportation					500		500	
483112	Deep Sea Passenger Transportation					500	1,500	1,500	
483113	Coastal and Great Lakes Freight Transportation					500	750	750	
483114	Coastal and Great Lakes Passenger Transportation					500		500	
483211	Inland Water Freight Transportation					500	750	750	
483212	Inland Water Passenger Transportation					500		500	
Subsector 484 – Truck Transportation									
484110	General Freight Trucking, Local	$25.5			$27.5				
484121	General Freight Trucking, Long-Distance, Truckload	$25.5			$27.5				
484122	General Freight Trucking, Long-Distance, Less Than Truckload	$25.5			$27.5				
484210	Used Household and Office Goods Moving	$25.5			$27.5				
484220	Specialized Freight (except Used Goods) Trucking, Local	$25.5			$27.5				
484230	Specialized Freight (except Used Goods) Trucking, Long-Distance	$25.5			$27.5				
Subsector 485 – Transit and Ground Passenger Transportation									
485111	Mixed Mode Transit Systems	$7.0	$14.0	$14.0	$15.0				
485112	Commuter Rail Systems	$7.0	$14.0	$14.0	$15.0				
485113	Bus and Other Motor Vehicle Transit Systems	$7.0	$14.0	$14.0	$15.0				

Appendix. SBA's Size Standards Table Showing Changes to Size Standards

		RECEIPTS SIZE STANDARDS ($ MILLION)				EMPLOYEE SIZE STANDARDS			
NAICS Codes	NAICS Industry Description	Size Standards When Reviewed	Proposed Size Standards	Adopted Size Standards (if proposed for change)	Adjusted for inflation (current size standards)	Size Standards When reviewed	Proposed Size Standards	Adopted (if proposed for change)/ Current Size Standards	Remarks
485119	Other Urban Transit Systems	$7.0	$14.0	$14.0	$15.0				
485210	Interurban and Rural Bus Transportation	$7.0	$14.0	$14.0	$15.0				
485310	Taxi Service	$7.0	$14.0	$14.0	$15.0				
485320	Limousine Service	$7.0	$14.0	$14.0	$15.0				
485410	School and Employee Bus Transportation	$7.0	$14.0	$14.0	$15.0				
485510	Charter Bus Industry	$7.0	$14.0	$14.0	$15.0				
485991	Special Needs Transportation	$7.0	$14.0	$14.0	$15.0				
485999	All Other Transit and Ground Passenger Transportation	$7.0	$14.0	$14.0	$15.0				
Subsector 486 – Pipeline Transportation									
486110	Pipeline Transportation of Crude Oil					1,500		1,500	
486210	Pipeline Transportation of Natural Gas	$7.0	$25.5	$25.5	$27.5				
486910	Pipeline Transportation of Refined Petroleum Products					1,500		1,500	
486990	All Other Pipeline Transportation	$34.5			$37.5				
Subsector 487 – Scenic and Sightseeing Transportation									
487110	Scenic and Sightseeing Transportation, Land	$7.0			$7.5				
487210	Scenic and Sightseeing Transportation, Water	$7.0			$7.5				
487990	Scenic and Sightseeing Transportation, Other	$7.0			$7.5				
Subsector 488 – Support Activities for Transportation									
488111	Air Traffic Control	$7.0	$30.0	$30.0	$32.5				
488119	Other Airport Operations	$7.0	$30.0	$30.0	$32.5				
488190	Other Support Activities for Air Transportation	$7.0	$30.0	$30.0	$32.5				
488210	Support Activities for Rail Transportation	$7.0	$14.0	$14.0	$15.0				
488310	Port and Harbor Operations	$25.5	$35.5	$35.5	$38.5				

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NAICS Codes	NAICS Industry Description	Size Standards When Reviewed	Proposed Size Standards	Adopted Size Standards (if proposed for change)	Adjusted for inflation (current size standards)	Size Standards When reviewed	Proposed Size Standards	Adopted (if proposed for change)/ Current Size Standards	Remarks
488320	Marine Cargo Handling	$25.5	$35.5	$35.5	$38.5				
488330	Navigational Services to Shipping	$7.0	$35.5	$35.5	$38.5				
488390	Other Support Activities for Water Transportation	$7.0	$35.5	$35.5	$38.5				
488410	Motor Vehicle Towing	$7.0			$7.5				
488490	Other Support Activities for Road Transportation	$7.0			$7.5				
488510	Freight Transportation Arrangement[10]	$7.0	$14.0	$14.0	$15.0				
488510_ Except	Non-Vessel Owning Common Carriers and Household Goods Forwarders	$25.5			$27.5				
488991	Packing and Crating	$25.5			$27.5				
488999	All Other Support Activities for Transportation	$7.0			$7.5				
Subsector 491 – Postal Service									
491110	Postal Service	$7.0			$7.5				
Subsector 492 – Couriers and Messengers									
492110	Couriers and Express Delivery Services					1,500		1,500	
492210	Local Messengers and Local Delivery	$25.5			$27.5				
Subsector 493 – Warehousing and Storage									
493110	General Warehousing and Storage	$25.5			$27.5				
493120	Refrigerated Warehousing and Storage	$25.5			$27.5				
493130	Farm Product Warehousing and Storage	$25.5			$27.5				
493190	Other Warehousing and Storage	$25.5			$27.5				
SECTOR 51 – INFORMATION									
Subsector 511 – Publishing Industries (except Internet)									
511110	Newspaper Publishers					500	1000	1,000	
511120	Periodical Publishers					500	1000	1,000	
511130	Book Publishers					500	1000	1,000	
511140	Directory and Mailing List Publishers					500	1250	1,250	

Appendix. SBA's Size Standards Table Showing Changes to Size Standards

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511191	Greeting Card Publishers					500	1,500	1,500	
511199	All Other Publishers					500		500	
511210	Software Publishers	$25.0	$35.5	$35.5	$38.5				
Subsector 512 – Motion Picture and Sound Recording Industries									
512110	Motion Picture and Video Production	$29.5	$30.0	$30.0	$32.5				
512120	Motion Picture and Video Distribution	$29.5			$32.0				
512131	Motion Picture Theaters (except Drive -Ins)	$7.0	$35.5	$35.5	$38.5				
512132	Drive-In Motion Picture Theaters	$7.0			$7.5				
512191	Teleproduction and Other Postproduction Services	$29.5			$32.0				
512199	Other Motion Picture and Video Industries	$7.0	$19.0	$19.0	$20.5				
512210	Record Production	$7.0			$7.5				
512220	Integrated Record Production/Distribution					750	1,250	1,250	
512230	Music Publishers					500	750	750	
512240	Sound Recording Studios	$7.0			$7.5				
512290	Other Sound Recording Industries	$7.0	$10.0	$10.0	$11.0				
Subsector 515 – Broadcasting (except Internet)									
515111	Radio Networks	$7.0	$30.0	$30.0	$32.5				
515112	Radio Stations	$7.0	$35.5	$35.5	$38.5				
515120	Television Broadcasting	$14.0	$35.5	$35.5	$38.5				
515210	Cable and Other Subscription Programming	$15.0	$35.5	$35.5	$38.5				
Subsector 517 – Telecommunications									
517110	Wired Telecommunications Carriers					1,500		1,500	
517210	Wireless Telecommunications Carriers (except Satellite)					1,500		1,500	
517410	Satellite Telecommunications	$15.0	$30.0	$30.0	$32.5				
517911	Telecommunications Resellers					1,500		1,500	

Appendix. SBA's Size Standards Table Showing Changes to Size Standards

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517919	All Other Telecommunications	$25.0	$30.0	$30.0	$32.5				
Subsector 518 –Data Processing, Hosting, and Related Services									
518210	Data Processing, Hosting, and Related Services	$25.0	$30.0	$30.0	$32.5				
Subsector 519 – Other Information Services									
519110	News Syndicates	$7.0	$25.5	$25.5	$27.5				
519120	Libraries and Archives	$7.0	$14.0	$14.0	$15.0				
519130	Internet Publishing and Broadcasting and Web Search Portals					500	1,000	1,000	
519190	All Other Information Services	$7.0	$25.5	$25.5	$27.5				
SECTOR 52 – FINANCE AND INSURANCE									
Subsector 522 – Credit Intermediation and Related Activities									
522110	Commercial Banking[8]	$175 mil. in assets	$500 mil. in assets	$500 mil. in assets	$550 mil. in assets[8]				
522120	Savings Institutions[8]	$175 mil. in assets	$500 mil. in assets	$500 mil. in assets	$550 mil. in assets[8]				
522130	Credit Unions[8]	$175 mil. in assets	$500 mil. in assets	$500 mil. in assets	$550 mil. in assets[8]				
522190	Other Depository Credit Intermediation[8]	$175 mil. in assets	$500 mil. in assets	$500 mil. in assets	$550 mil. in assets[8]				
522210	Credit Card Issuing[8]	$175 mil. in assets	$500 mil. in assets	$500 mil. in assets	$550 mil. in assets[8]				
522220	Sales Financing	$7.0	$35.5	$35.5	$38.5				
522291	Consumer Lending	$7.0	$35.5	$35.5	$38.5				
522292	Real Estate Credit	$7.0	$35.5	$35.5	$38.5				
522293	International Trade Financing[8]	$175 mil. in assets	$35.5	$35.5	$38.5				
522294	Secondary Market Financing	$7.0	$35.5	$35.5	$38.5				
522298	All Other Nondepository Credit Intermediation	$7.0	$35.5	$35.5	$38.5				

Appendix. SBA's Size Standards Table Showing Changes to Size Standards

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522310	Mortgage and Nonmortgage Loan Brokers	$7.0			$7.5				
522320	Financial Transactions, Reserve, and Clearinghouse Activities	$7.0	$35.5	$35.5	$38.5				
522390	Other Activities Related to Credit Intermediation	$7.0	$19.0	$19.0	$20.5				
Subsector 523 – Financial Investments and Related Activities									
523110	Investment Banking and Securities Dealing	$7.0	$35.5	$35.5	$38.5				
523120	Securities Brokerage	$7.0	$35.5	$35.5	$38.5				
523130	Commodity Contracts Dealing	$7.0	$35.5	$35.5	$38.5				
523140	Commodity Contracts Brokerage	$7.0	$35.5	$35.5	$38.5				
523210	Securities and Commodity Exchanges	$7.0	$35.5	$35.5	$38.5				
523910	Miscellaneous Intermediation	$7.0	$35.5	$35.5	$38.5				
523920	Portfolio Management	$7.0	$35.5	$35.5	$38.5				
523930	Investment Advice	$7.0	$35.5	$35.5	$38.5				
523991	Trust, Fiduciary and Custody Activities	$7.0	$35.5	$35.5	$38.5				
523999	Miscellaneous Financial Investment Activities	$7.0	$35.5	$35.5	$38.5				
Subsector 524 – Insurance Carriers and Related Activities									
524113	Direct Life Insurance Carriers	$7.0	$35.5	$35.5	$38.5				
524114	Direct Health and Medical Insurance Carriers	$7.0	$35.5	$35.5	$38.5				
524126	Direct Property and Casualty Insurance Carriers					1,500		1,500	
524127	Direct Title Insurance Carriers	$7.0	$35.5	$35.5	$38.5				
524128	Other Direct Insurance (except Life, Health and Medical) Carriers	$7.0	$35.5	$35.5	$38.5				
524130	Reinsurance Carriers	$7.0	$35.5	$35.5	$38.5				
524210	Insurance Agencies and Brokerages	$7.0			$7.5				
524291	Claims Adjusting	$7.0	$19.0	$19.0	$20.5				

Appendix. SBA's Size Standards Table Showing Changes to Size Standards

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524292	Third Party Administration of Insurance and Pension Funds	$7.0	$30.0	$30.0	$32.5				
524298	All Other Insurance Related Activities	$7.0	$14.0	$14.0	$15.0				
Subsector 525 – Funds, Trusts and Other Financial Vehicles									
525110	Pension Funds	$7.0	$30.0	$30.0	$32.5				
525120	Health and Welfare Funds	$7.0	$30.0	$30.0	$32.5				
525190	Other Insurance Funds	$7.0	$30.0	$30.0	$32.5				
525910	Open-End Investment Funds	$7.0	$30.0	$30.0	$32.5				
525920	Trusts, Estates, and Agency Accounts	$7.0	$30.0	$30.0	$32.5				
525930	Real Estate Investments Funds	$7.0	$30.0	Eliminated					Deleted in NAICS 2007
525990	Other Financial Vehicles	$7.0	$30.0	$30.0	$32.5				
SECTOR 53 – REAL ESTATE AND RENTAL AND LEASING									
Subsector 531 – Real Estate									
531110	Lessors of Residential Buildings and Dwellings[9]	$7.0	$25.5	$25.5	$27.5				
531120	Lessors of Nonresidential Buildings (except Miniwarehouses)[9]	$7.0	$25.5	$25.5	$27.5				
531130	Lessors of Miniwarehouses and Self Storage Units[9]	$25.5			$27.5				
531190	Lessors of Other Real Estate Property[9]	$7.0	$25.5	$25.5	$27.5				
531190_Except	Leasing of Building Space to Federal Government by Owners[9]	$20.5	$35.5	$35.5	Eliminated				Footnote 9 amended to reflect that the "exception" also applies to NAICS 531110, 531120 and 531130, not just NAICS 531190.
531210	Offices of Real Estate Agents and Brokers[10]	$2.0	$7.0	$7.0	$7.5				
531311	Residential Property Managers	$2.0	$7.0	$7.0	$7.5				
531312	Nonresidential Property Managers	$2.0	$7.0	$7.0	$7.5				

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531320	Offices of Real Estate Appraisers	$2.0	$7.0	$7.0	$7.5				
531390	Other Activities Related to Real Estate	$2.0	$7.0	$7.0	$7.5				
Subsector 532 – Rental and Leasing Services									
532111	Passenger Car Rental	$25.5	$35.5	$35.5	$38.5				
532112	Passenger Car Leasing	$25.5	$35.5	$35.5	$38.5				
532120	Truck, Utility Trailer, and RV (Recreational Vehicle) Rental and Leasing	$25.5	$35.5	$35.5	$38.5				
532210	Consumer Electronics and Appliances Rental	$7.0	$35.5	$35.5	$38.5				
532220	Formal Wear and Costume Rental	$7.0	$19.0	$19.0	$20.5				
532230	Video Tape and Disc Rental	$7.0	$25.5	$25.5	$27.5				
532291	Home Health Equipment Rental	$7.0	$30.0	$30.0	$32.5				
532292	Recreational Goods Rental	$7.0			$7.5				
532299	All Other Consumer Goods Rental	$7.0			$7.5				
532310	General Rental Centers	$7.0			$7.5				
532411	Commercial Air, Rail, and Water Transportation Equipment Rental and Leasing	$7.0	$30.0	$30.0	$32.5				
532412	Construction, Mining and Forestry Machinery and Equipment Rental and Leasing	$12.5	$30.0	$30.0	$32.5				
532420	Office Machinery and Equipment Rental and Leasing	$25.5	$30.0	$30.0	$32.5				
532490	Other Commercial and Industrial Machinery and Equipment Rental and Leasing	$7.0	$30.0	$30.0	$32.5				
Subsector 533 – Lessors of Nonfinancial Intangible Assets (except Copyrighted Works)									
533110	Lessors of Nonfinancial Intangible Assets (except Copyrighted Works)	$7.0	$35.5	$35.5	$38.5				

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SECTOR 54 – PROFESSIONAL, SCIENTIFIC AND TECHNICAL SERVICES									
Subsector 541 – Professional, Scientific and Technical Services									
541110	Offices of Lawyers	$7.0	$10.0	$10.0	$11.0				
541191	Title Abstract and Settlement Offices	$7.0	$10.0	$10.0	$11.0				
541199	All Other Legal Services	$7.0	$10.0	$10.0	$11.0				
541211	Offices of Certified Public Accountants	$8.5	$14.0	$19.0	$20.5				
541213	Tax Preparation Services	$7.0	$14.0	$19.0	$20.5				
541214	Payroll Services	$8.5	$14.0	$19.0	$20.5				
541219	Other Accounting Services	$8.5	$14.0	$19.0	$20.5				
541310	Architectural Services	$4.5	$19.0	$7.0	$7.5				
541320	Landscape Architectural Services	$7.0	$19.0	$7.0	$7.5				
541330	Engineering Services	$4.5	$19.0	$14.0	$15.0				
541330_a_ Except	Military and Aerospace Equipment and Military Weapons	$27.0	$27.0	$35.5	$38.5				
541330_b_ Except	Contracts and Subcontracts for Engineering Services Awarded Under the National Energy Policy Act of 1992	$27.0	$27.0	$35.5	$38.5				
541330_c_ Except	Marine Engineering and Naval Architecture	$18.5	$25.5	$35.5	$38.5				
541340	Drafting Services	$7.0	$19.0	$7.0	$7.5				
541340_ Except	Map Drafting Services	$4.5	Eliminate	Eliminated					
541350	Building Inspection Services	$7.0	$19.0	$7.0	$7.5				
541360	Geophysical Surveying and Mapping Services	$4.5	$19.0	$14.0	$15.0				
541370	Surveying and Mapping (except Geophysical) Services	$4.5	$19.0	$14.0	$15.0				
541380	Testing Laboratories	$12.0	$19.0	$14.0	$15.0				
541410	Interior Design Services	$7.0	$7.0	$7.0	$7.5				
541420	Industrial Design Services	$7.0	$7.0	$7.0	$7.5				

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541430	Graphic Design Services	$7.0	$7.0	$7.0	$7.5				
541490	Other Specialized Design Services	$7.0	$7.0	$7.0	$7.5				
541511	Custom Computer Programming Services	$25.0	$25.5	$25.5	$27.5				
541512	Computer Systems Design Services	$25.0	$25.5	$25.5	$27.5				
541513	Computer Facilities Management Services	$25.0	$25.5	$25.5	$27.5				
541519	Other Computer Related Services	$25.0	$25.5	$25.5	$27.5				
541519_Except	Information Technology Value Added Resellers[18]					150	Eliminate	150	Footnote 18 amended to require ITVAR contracts to comply with nonmanufacturer rule or manufacturing performance requirements.
541611	Administrative Management and General Management Consulting Services	$7.0	$14.0	$14.0	$15.0				
541612	Human Resources Consulting Services	$7.0	$14.0	$14.0	$15.0				
541613	Marketing Consulting Services	$7.0	$14.0	$14.0	$15.0				
541614	Process, Physical Distribution and Logistics Consulting Services	$7.0	$14.0	$14.0	$15.0				
541618	Other Management Consulting Services	$7.0	$14.0	$14.0	$15.0				
541620	Environmental Consulting Services	$7.0	$14.0	$14.0	$15.0				
541690	Other Scientific and Technical Consulting Services	$7.0	$14.0	$14.0	$15.0				
541711	Research and Development in Biotechnology[11]					500	1,000	1,000	
541712	Research and Development in the Physical, Engineering, and Life Sciences (except Biotechnology)[11]					500	1,000	1,000	Footnote 11 amended for clarity.

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541712_a Except	Aircraft, Aircraft Engine and Engine Parts					1,500 1,000	1,500	1,500	Aircraft exception had 1,500 employees. Aircraft Engines and Aircraft Parts had 1,000 employees.
541712_b Except	Other Aircraft Parts and Auxiliary Equipment					1,000	1,250	1,250	
541712_c Except	Guided Missiles and Space Vehicles, Their Propulsion Units and Propulsion Parts					1,000	1,250	1,250	
541720	Research and Development in the Social Sciences and Humanities	$7.0	$19.0	$19.0	$20.5				
541810	Advertising Agencies[10]	$7.0	$14.0	$14.0	$15.0				
541820	Public Relations Agencies	$7.0	$14.0	$14.0	$15.0				
541830	Media Buying Agencies	$7.0	$14.0	$14.0	$15.0				
541840	Media Representatives	$7.0	$14.0	$14.0	$15.0				
541850	Outdoor Advertising	$7.0	$14.0	$14.0	$15.0				
541860	Direct Mail Advertising	$7.0	$14.0	$14.0	$15.0				
541870	Advertising Material Distribution Services	$7.0	$14.0	$14.0	$15.0				
541890	Other Services Related to Advertising	$7.0	$14.0	$14.0	$15.0				
541910	Marketing Research and Public Opinion Polling	$7.0	$7.0	$14.0	$15.0				
541921	Photography Studios, Portrait	$7.0	$7.0	$7.0	$7.5				
541922	Commercial Photography	$7.0	$7.0	$7.0	$7.5				
541930	Translation and Interpretation Services	$7.0	$7.0	$7.0	$7.5				
541940	Veterinary Services	$7.0	$7.0	$7.0	$7.5				
541990	All Other Professional, Scientific and Technical Services	$7.0	$7.0	$14.0	$15.0				
SECTOR 55 – MANAGEMENT OF COMPANIES AND ENTERPRISES									
Subsector 551 – Management of Companies and Enterprises									
551111	Offices of Bank Holding Companies	$7.0	$19.0	$19.0	$20.5				

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551112	Offices of Other Holding Companies	$7.0	$19.0	$19.0	$20.5				
SECTOR 56 – ADMINISTRATIVE AND SUPPORT, WASTE MANAGEMENT AND REMEDIATION SERVICES									
Subsector 561 – Administrative and Support Services									
561110	Office Administrative Services	$7.0			$7.5				
561210	Facilities Support Services[12]	$35.5			$38.5				
561311	Employment Placement Agencies	$7.0	$25.5	$25.5	$27.5				
561312	Executive Search Services	$7.0	$25.5	$25.5	$27.5				
561320	Temporary Help Services	$13.5	$25.5	$25.5	$27.5				
561330	Professional Employer Organizations	$13.5	$25.5	$25.5	$27.5				
561410	Document Preparation Services	$7.0	$14.0	$14.0	$15.0				
561421	Telephone Answering Services	$7.0	$14.0	$14.0	$15.0				
561422	Telemarketing Bureaus and Other contact Centers	$7.0	$14.0	$14.0	$15.0				
561431	Private Mail Centers	$7.0	$14.0	$14.0	$15.0				
561439	Other Business Service Centers (including Copy Shops)	$7.0	$14.0	$14.0	$15.0				
561440	Collection Agencies	$7.0	$14.0	$14.0	$15.0				
561450	Credit Bureaus	$7.0	$14.0	$14.0	$15.0				
561491	Repossession Services	$7.0	$14.0	$14.0	$15.0				
561492	Court Reporting and Stenotype Services	$7.0	$14.0	$14.0	$15.0				
561499	All Other Business Support Services	$7.0	$14.0	$14.0	$15.0				
561510	Travel Agencies[10]	$3.5	$19.0	$19.0	$20.5				
561520	Tour Operators[10]	$7.0	$19.0	$19.0	$20.5				
561591	Convention and Visitors Bureaus	$7.0	$19.0	$19.0	$20.5				
561599	All Other Travel Arrangement and Reservation Services	$7.0	$19.0	$19.0	$20.5				
561611	Investigation Services	$12.5	$19.0	$19.0	$20.5				
561612	Security Guards and Patrol Services	$18.5	$19.0	$19.0	$20.5				
561613	Armored Car Services	$12.5	$19.0	$19.0	$20.5				

Appendix. SBA's Size Standards Table Showing Changes to Size Standards

		RECEIPTS SIZE STANDARDS ($ MILLION)				EMPLOYEE SIZE STANDARDS			
NAICS Codes	NAICS Industry Description	Size Standards When Reviewed	Proposed Size Standards	Adopted Size Standards (if proposed for change)	Adjusted for inflation (current size standards)	Size Standards When reviewed	Proposed Size Standards	Adopted (if proposed for change)/ Current Size Standards	Remarks
561621	Security Systems Services (except Locksmiths)	$19.0	$12.5	$19.0	$20.5				
561622	Locksmiths	$7.0	$19.0	$19.0	$20.5				
561710	Exterminating and Pest Control Services	$7.0	$10.0	$10.0	$11.0				
561720	Janitorial Services	$16.5			$18.0				
561730	Landscaping Services	$7.0			$7.5				
561740	Carpet and Upholstery Cleaning Services	$4.5	$5.0	$5.0	$5.5				
561790	Other Services to Buildings and Dwellings	$7.0			$7.5				
561910	Packaging and Labeling Services	$7.0	$10.0	$10.0	$11.0				
561920	Convention and Trade Show Organizers[10]	$7.0	$10.0	$10.0	$11.0				
561990	All Other Support Services	$7.0	$10.0	$10.0	$11.0				
Subsector 562 – Waste Management and Remediation Services									
562111	Solid Waste Collection	$12.5	$35.5	$35.5	$38.5				
562112	Hazardous Waste Collection	$12.5	$35.5	$35.5	$38.5				
562119	Other Waste Collection	$12.5	$35.5	$35.5	$38.5				
562211	Hazardous Waste Treatment and Disposal	$12.5	$35.5	$35.5	$38.5				
562212	Solid Waste Landfill	$12.5	$35.5	$35.5	$38.5				
562213	Solid Waste Combustors and Incinerators	$12.5	$35.5	$35.5	$38.5				
562219	Other Nonhazardous Waste Treatment and Disposal	$12.5	$35.5	$35.5	$38.5				
562910	Remediation Services	$14.0	$19.0	$19.0	$20.5				
562910_ Except	Environmental Remediation Services[14]					500	1,250	750	
562920	Materials Recovery Facilities	$12.5	$19.0	$19.0	$20.5				
562991	Septic Tank and Related Services	$7.0			$7.5				

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562998	All Other Miscellaneous Waste Management Services	$7.0			$7.5				
SECTOR 61 – EDUCATIONAL SERVICES									
Subsector 611 – Educational Services									
611110	Elementary and Secondary Schools	$7.0	$10.0	$10.0	$11.0				
611210	Junior Colleges	$7.0	$19.0	$19.0	$20.5				
611310	Colleges, Universities and Professional Schools	$7.0	$25.5	$25.5	$27.5				
611410	Business and Secretarial Schools	$7.0			$7.5				
611420	Computer Training	$7.0	$10.0	$10.0	$11.0				
611430	Professional and Management Development Training	$7.0	$10.0	$10.0	$11.0				
611511	Cosmetology and Barber Schools	$7.0			$7.5				
611512	Flight Training	$25.5			$27.5				
611513	Apprenticeship Training	$7.0			$7.5				
611519	Other Technical and Trade Schools	$7.0	$14.0	$14.0	$15.0				
611519_ Except	Job Corps Centers[16]	$35.5			$38.5				
611610	Fine Arts Schools	$7.0			$7.5				
611620	Sports and Recreation Instruction	$7.0			$7.5				
611630	Language Schools	$7.0	$10.0	$10.0	$11.0				
611691	Exam Preparation and Tutoring	$7.0			$7.5				
611692	Automobile Driving Schools	$7.0			$7.5				
611699	All Other Miscellaneous Schools and Instruction	$7.0	$10.0	$10.0	$11.0				
611710	Educational Support Services	$7.0	$14.0	$14.0	$15.0				
SECTOR 62 – HEALTH CARE AND SOCIAL ASSISTANCE									
Subsector 621 – Ambulatory Health Care Services									
621111	Offices of Physicians (except Mental Health Specialists)	$10.0			$11.0				

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621112	Offices of Physicians, Mental Health Specialists	$10.0			$11.0				
621210	Offices of Dentists	$7.0			$7.5				
621310	Offices of Chiropractors	$7.0			$7.5				
621320	Offices of Optometrists	$7.0			$7.5				
621330	Offices of Mental Health Practitioners (except Physicians)	$7.0			$7.5				
621340	Offices of Physical, Occupational and Speech Therapists and Audiologists	$7.0			$7.5				
621391	Offices of Podiatrists	$7.0			$7.5				
621399	Offices of All Other Miscellaneous Health Practitioners	$7.0			$7.5				
621410	Family Planning Centers	$10.0			$11.0				
621420	Outpatient Mental Health and Substance Abuse Centers	$10.0	$14.0	$14.0	$15.0				
621491	HMO Medical Centers	$10.0	$30.0	$30.0	$32.5				
621492	Kidney Dialysis Centers	$34.5	$35.5	$35.5	$38.5				
621493	Freestanding Ambulatory Surgical and Emergency Centers	$10.0	$14.0	$14.0	$15.0				
621498	All Other Outpatient Care Centers	$10.0	$19.0	$19.0	$20.5				
621511	Medical Laboratories	$13.5	$30.0	$30.0	$32.5				
621512	Diagnostic Imaging Centers	$13.5	$14.0	$14.0	$15.0				
621610	Home Health Care Services	$13.5	$14.0	$14.0	$15.0				
621910	Ambulance Services	$7.0	$14.0	$14.0	$15.0				
621991	Blood and Organ Banks	$10.0	$30.0	$30.0	$32.5				
621999	All Other Miscellaneous Ambulatory Health Care Services	$10.0	$14.0	$14.0	$15.0				
Subsector 622 – Hospitals									
622110	General Medical and Surgical Hospitals	$34.5	$35.5	$35.5	$38.5				
622210	Psychiatric and Substance Abuse Hospitals	$34.5	$35.5	$35.5	$38.5				

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622310	Specialty (except Psychiatric and Substance Abuse) Hospitals	$34.5	$35.5	$35.5	$38.5				
Subsector 623 – Nursing and Residential Care Facilities									
623110	Nursing Care Facilities (Skilled Nursing Facilities)	$13.5	$25.5	$25.5	$27.5				
623210	Residential Intellectual and Developmental Disability Facilities	$10.0	$14.0	$14.0	$15.0				
623220	Residential Mental Health and Substance Abuse Facilities	$7.0	$14.0	$14.0	$15.0				
623311	Continuing Care Retirement Communities	$13.5	$25.5	$25.5	$27.5				
623312	Assisted Living Facilities for the Elderly	$7.0	$10.0	$10.0	$11.0				
623990	Other Residential Care Facilities	$7.0	$10.0	$10.0	$11.0				
Subsector 624 – Social Assistance									
624110	Child and Youth Services	$7.0	$10.0	$10.0	$11.0				
624120	Services for the Elderly and Persons with Disabilities	$7.0	$10.0	$10.0	$11.0				
624190	Other Individual and Family Services	$7.0	$10.0	$10.0	$11.0				
624210	Community Food Services	$7.0	$10.0	$10.0	$11.0				
624221	Temporary Shelters	$7.0	$10.0	$10.0	$11.0				
624229	Other Community Housing Services	$7.0	$14.0	$14.0	$15.0				
624230	Emergency and Other Relief Services	$7.0	$30.0	$30.0	$32.5				
624310	Vocational Rehabilitation Services	$7.0	$10.0	$10.0	$11.0				
624410	Child Day Care Services	$7.0			$7.5				
SECTOR 71 – ARTS, ENTERTAINMENT AND RECREATION									
Subsector 711 – Performing Arts, Spectator Sports and Related Industries									
711110	Theater Companies and Dinner Theaters	$7.0	$19.0	$19.0	$20.5				
711120	Dance Companies	$7.0	$10.0	$10.0	$11.0				
711130	Musical Groups and Artists	$7.0	$10.0	$10.0	$11.0				

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711190	Other Performing Arts Companies	$7.0	$25.5	$25.5	$27.5				
711211	Sports Teams and Clubs	$7.0	$35.5	$35.5	$38.5				
711212	Race Tracks	$7.0	$35.5	$35.5	$38.5				
711219	Other Spectator Sports	$7.0	$10.0	$10.0	$11.0				
711310	Promoters of Performing Arts, Sports and Similar Events with Facilities	$7.0	$30.0	$30.0	$32.5				
711320	Promoters of Performing Arts, Sports and Similar Events without Facilities	$7.0	$14.0	$14.0	$15.0				
711410	Agents and Managers for Artists, Athletes, Entertainers and Other Public Figures	$7.0	$10.0	$10.0	$11.0				
711510	Independent Artists, Writers, and Performers	$7.0			$7.5				
Subsector 712 – Museums, Historical Sites and Similar Institutions									
712110	Museums	$7.0	$25.5	$25.5	$27.5				
712120	Historical Sites	$7.0			$7.5				
712130	Zoos and Botanical Gardens	$7.0	$25.5	$25.5	$27.5				
712190	Nature Parks and Other Similar Institutions	$7.0			$7.5				
Subsector 713 – Amusement, Gambling and Recreation Industries									
713110	Amusement and Theme Parks	$7.0	$35.5	$35.5	$38.5				
713120	Amusement Arcades	$7.0			$7.5				
713210	Casinos (except Casino Hotels)	$7.0	$25.5	$25.5	$27.5				
713290	Other Gambling Industries	$7.0	$30.0	$30.0	$32.5				
713910	Golf Courses and Country Clubs	$7.0	$14.0	$14.0	$15.0				
713920	Skiing Facilities	$7.0	$25.5	$25.5	$27.5				
713930	Marinas	$7.0			$7.5				
713940	Fitness and Recreational Sports Centers	$7.0			$7.5				
713950	Bowling Centers	$7.0			$7.5				

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713990	All Other Amusement and Recreation Industries	$7.0			$7.5				
SECTOR 72 – ACCOMMODATION AND FOOD SERVICES									
Subsector 721 – Accommodation									
721110	Hotels (except Casino Hotels) and Motels	$7.0	$30.0	$30.0	$32.5				
721120	Casino Hotels	$7.0	$30.0	$30.0	$32.5				
721191	Bed-and-Breakfast Inns	$7.0			$7.5				
721199	All Other Traveler Accommodation	$7.0			$7.5				
721211	RV (Recreational Vehicle) Parks and Campgrounds	$7.0			$7.5				
721214	Recreational and Vacation Camps (except Campgrounds)	$7.0			$7.5				
721310	Rooming and Boarding Houses	$7.0			$7.5				
Subsector 722 – Food Services and Drinking Places									
722310	Food Service Contractors	$20.5	$35.5	$35.5	$38.5				
722320	Caterers	$7.0			$7.5				
722330	Mobile Food Services	$7.0			$7.5				
722410	Drinking Places (Alcoholic Beverages)	$7.0			$7.5				
722511	Full-Service Restaurants	$7.00			$7.50				NAICS 722110 changed to 722511 in NAICS 2012
722513	Limited-Service Restaurants	$7.0	$10.0	$10.0	$11.0				NAICS 722111 changed to 722513 in NAICS 2012
722514	Cafeterias, Grill Buffets, and Buffets	$7.0	$22.5	$25.5	$27.5				NAICS 722112 changed to 722514 in NAICS 2012
722515	Snack and Nonalcoholic Beverage Bars	$7.0			$7.5				NAICS 722113 changed to 722515 in NAICS 2012

Appendix. SBA's Size Standards Table Showing Changes to Size Standards

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SECTOR 81 – OTHER SERVICES									
Subsector 811 – Repair and Maintenance									
811111	General Automotive Repair	$7.0			$7.5				
811112	Automotive Exhaust System Repair	$7.0			$7.5				
811113	Automotive Transmission Repair	$7.0			$7.5				
811118	Other Automotive Mechanical and Electrical Repair and Maintenance	$7.0			$7.5				
811121	Automotive Body, Paint and Interior Repair and Maintenance	$7.0			$7.5				
811122	Automotive Glass Replacement Shops	$7.0	$10.0	$10.0	$11.0				
811191	Automotive Oil Change and Lubrication Shops	$7.0			$7.5				
811192	Car Washes	$7.0			$7.5				
811198	All Other Automotive Repair and Maintenance	$7.0			$7.5				
811211	Consumer Electronics Repair and Maintenance	$7.0			$7.5				
811212	Computer and Office Machine Repair and Maintenance	$25.0	$25.5	$25.5	$27.5				
811213	Communication Equipment Repair and Maintenance	$7.0	$10.0	$10.0	$11.0				
811219	Other Electronic and Precision Equipment Repair and Maintenance	$7.0	$19.0	$19.0	$20.5				
811310	Commercial and Industrial Machinery and Equipment (except Automotive and Electronic) Repair and Maintenance	$7.0			$7.5				
811411	Home and Garden Equipment Repair and Maintenance	$7.0			$7.5				
811412	Appliance Repair and Maintenance	$7.0	$14.0	$14.0	$15.0				
811420	Reupholstery and Furniture Repair	$7.0			$7.5				

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811430	Footwear and Leather Goods Repair	$7.0			$7.5				
811490	Other Personal and Household Goods Repair and Maintenance	$7.0			$7.5				
Subsector 812 – Personal and Laundry Services									
812111	Barber Shops	$7.0			$7.5				
812112	Beauty Salons	$7.0			$7.5				
812113	Nail Salons	$7.0			$7.5				
812191	Diet and Weight Reducing Centers	$7.0	$19.0	$19.0	$20.5				
812199	Other Personal Care Services	$7.0			$7.5				
812210	Funeral Homes and Funeral Services	$7.0			$7.5				
812220	Cemeteries and Crematories	$7.0	$19.0	$19.0	$20.5				
812310	Coin-Operated Laundries and Drycleaners	$7.0			$7.5				
812320	Drycleaning and Laundry Services (except Coin-Operated)	$4.5	$5.0	$5.0	$5.5				
812331	Linen Supply	$14.0	$30.0	$30.0	$32.5				
812332	Industrial Launderers	$14.0	$35.5	$35.5	$38.5				
812910	Pet Care (except Veterinary) Services	$7.0			$7.5				
812921	Photofinishing Laboratories (except One-Hour)	$7.0	$19.0	$19.0	$20.5				
812922	One-Hour Photofinishing	$7.0	$14.0	$14.0	$15.0				
812930	Parking Lots and Garages	$7.0	$35.5	$35.5	$38.5				
812990	All Other Personal Services	$7.0			$7.5				
Subsector 813 – Religious, Grantmaking, Civic, Professional and Similar Organizations									
813110	Religious Organizations	$7.0			$7.5				
813211	Grantmaking Foundations	$7.0	$30.0	$30.0	$32.5				
813212	Voluntary Health Organizations	$7.0	$25.5	$25.5	$27.5				
813219	Other Grantmaking and Giving Services	$7.0	$35.5	$35.5	$38.5				
813311	Human Rights Organizations	$7.0	$25.5	$25.5	$27.5				

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813312	Environment, Conservation and Wildlife Organizations	$7.0	$14.0	$14.0	$15.0				
813319	Other Social Advocacy Organizations	$7.0			$7.5				
813410	Civic and Social Organizations	$7.0			$7.5				
813910	Business Associations	$7.0			$7.5				
813920	Professional Organizations	$7.0	$14.0	$14.0	$15.0				
813930	Labor Unions and Similar Labor Organizations	$7.0			$7.5				
813940	Political Organizations	$7.0			$7.5				
813990	Other Similar Organizations (except Business, Professional, Labor, and Political Organizations)	$7.0			$7.5				
SECTOR 92 – PUBLIC ADMINISTRATION									
	(Small business size standards are not established for this Sector. Establishments in the Public Administration Sector are Federal, state, and local government agencies which administer and oversee government programs and activities that are not performed by private establishments.)								