

March 11, 2015

The Honorable Mo Brooks
U.S. House of Representatives
Washington, DC 20515

Dear Representative Brooks:

Thank you for your recent letter concerning the U. S. Small Business Administration's (SBA) September 10, 2014 (79 FR 53646) proposed rule to modify a number of employee based size standards for industries that are not part of Manufacturing, Wholesale Trade, or Retail Trade. Footnote 11(c) in the proposed rule provides, "For purposes of the Small Business Innovation Research (SBIR) program only, a different definition has been established by law. See § 121.701 of these regulations." You request that SBA clarify in the final rule that the size standards that SBA establishes for NAICS 541712 also apply to the SBIR Program.

The size standard for the SBIR Program is not part of this rulemaking. Proposed footnote 11(c) is virtually identical to the language in current footnote 11(b). As stated in the current and proposed footnote, the size standards for NAICS 541711 and 541712 do not apply to the SBIR Program. The size standard for the SBIR program is 500 employees (see 13 CFR 121.702(c)) regardless of the NAICS code assigned to a solicitation. SBA established the 500 employee size standard for the SBIR Program in 1983. See 48 Fed. Reg. 38794 (August 26, 1983). Any change to the size standard for the SBIR Program would require a separate rulemaking.

We appreciate your continued support of SBA and the Alabama small business community. If you or your staff have additional questions, please feel free to contact our Office of Congressional and Legislative Affairs at (202) 205-6700.

Sincerely,

Kenneth Dodds,
Director
Office of Policy, Planning and Liaison