



Federal Register

**Friday,
March 19, 2004**

Part II

Small Business Administration

**13 CFR Part 121
Small Business Size Standards;
Restructuring of Size Standards; Proposed
Rule**

SMALL BUSINESS ADMINISTRATION

13 CFR Part 121

RIN 3245-AF11

Small Business Size Standards; Restructuring of Size Standards

AGENCY: Small Business Administration (SBA).

ACTION: Proposed rule.

SUMMARY: The U.S. Small Business Administration (SBA) proposes to modify its small business size standards by establishing size standards in terms of the number of employees of a business concern for most industries and SBA programs. This change will reduce the number of different size standard levels and at the same time simplify size standards and their application to Federal Government programs. Under this proposal, size standards will range between 50 employees and 1,500 employees, depending on the industry or SBA program.

For a limited number of industries, SBA proposes to establish a maximum average annual receipts amount (referred to as a receipts cap) along with the employee-based size standard. Concerns in those industries that meet the employee-based size standard also cannot exceed a specific receipts cap to qualify as an eligible small business.

To further simplify size standards, SBA also proposes the following: (1) modify the size standard for the Surety Bond Guarantee (SBG) Program by replacing the \$6 million size standard with the requirement that the contractor meet the size standard for its primary industry; (2) extend the 125,000 barrels per calendar day component of the size standard for petroleum refiners beyond Federal Government procurement to all Federal small business programs using SBA's size standards; (3) eliminate the special size standard based on market share for tire manufacturers that applies to only Federal Government procurement; (4) modify three receipts-based size standards and one employee-based size standard for the sale or lease of Government property; and (5) revise

the nonmanufacturer size standard applicable to Federal procurements from 500 employees to 100 employees, the size standard that applies to wholesale trade businesses for all other SBA programs.

DATES: Comments must be received on or before May 18, 2004.

ADDRESSES: Send comments to Gary M. Jackson, Assistant Administrator for Size Standards, 409 Third Street, SW., Mail Code 6530, Washington DC 20416; by email to restructure.sizestandards@sba.gov; or by facsimile at (202) 205-6390. You may also submit comments to www.regulations.gov. Upon receipt of a written request under the Freedom of Information Act, SBA will make all public comments available.

FOR FURTHER INFORMATION CONTACT: Contact the SBA's Office of Size Standards at (202) 205-6618 or sizestandards@sba.gov.

SUPPLEMENTARY INFORMATION: SBA's 37 small business size standards have evolved over the past 40 years from a considerably smaller number that applied only to SBA's financial assistance programs and to Federal procurement programs. Presently, there are size standards for 1,151 industries and 11 special financial and procurement programs. Many of these size standards resulted from the expansion and development of new SBA programs, the increasing size and complexity of the U.S. economy, and demands from small businesses to address unique situations.

SBA's current size standards use two primary measures of business size—number of employees and average annual receipts. Financial assets, electric generation, and refining capacity are used for a few specialized industries. In addition, SBA's Small Business Investment Company (SBIC) and the Certified Development Company (CDC) Programs determine small business eligibility based on either the industry-based size standards or net worth and net income size standards.

The current structure of SBA's size standards has worked well. However,

several recurring criticisms suggest that SBA should consider improving their current structure. These criticisms raise questions about the complexity of determining if a business is small, the fairness of defining a business as small in some industries but not others, the influence of Federal procurement programs in establishing size standards, and the intentional misclassification of Federal contracts or the primary industry activity of a business to apply a different, and usually a much higher, size standard.

SBA's last comprehensive attempt to address size standards was in the late 1970s and early 1980s. Although SBA considered several approaches, it made only a few minor changes. The most important change replaced two sets of size standards, one for procurement programs and one for financial programs, with a single set for all programs. SBA also adjusted receipts-based size standards for inflation and formalized a methodology for evaluating size standards.

In the early 1990s, SBA proposed to streamline size standards with nine levels of size standards (four receipts-based size standards and five employee-based size standards) similar to one aspect of this proposed rule. Public comments tended to favor this approach. However, SBA determined that converting receipts-based size standards in effect at that time to one of four proposed receipts levels created a number of unacceptable anomalies and, therefore, did not adopt it as a final rule.

Currently, SBA's size standards consist of 37 different size levels which apply to 1,151 industries and 13 sub-industry activities in the North American Industry Classification System (NAICS). In addition, a size standard has been established for 11 financial and procurement programs. Thirty size standards are based on annual receipts, five are based on number of employees, and two are based on other measures. Table 1a below summarizes the current receipts-based size standards and Table 1b summarizes the current employee-based and other size standards.

TABLE 1a.—SIZE STANDARDS BASED ON ANNUAL RECEIPTS

| Range of receipts-based size standards | Number of different receipts-based size standards in the range | Number of industries covered by size standards in this range |
|--|--|--|
| \$48.5 million | 1 | 1 |
| \$21.5 million to \$30 million | 8 | 52 |
| \$12.5 million to \$21 million | 7 | 24 |

TABLE 1a.—SIZE STANDARDS BASED ON ANNUAL RECEIPTS—Continued

| Range of receipts-based size standards | Number of different receipts-based size standards in the range | Number of industries covered by size standards in this range |
|--|--|--|
| \$12 million | 1 | 24 |
| \$7 million to \$11 million | 7 | 46 |
| \$6 million | 1 | 337 |
| \$1.5 million to \$4 million | 4 | 18 |
| \$0.75 million | 1 | 46 |

TABLE 1b.—EMPLOYEE-BASED AND OTHER SIZE STANDARDS

| Size standard | Number of industries covered by the size standard |
|--------------------------------|---|
| 1,500 employees | 17 |
| 1,000 employees | 66 |
| 750 employees | 63 |
| 500 employees | 388 |
| 100 employees | 71 |
| \$150 million in assets | 6 |
| 4 million megawatt hours | 6 |

Most variations in size standards occur among those based on annual receipts. In many cases, a specific receipts-based size standard applies to only one or a few industries. SBA believes it can simplify size standards and make them less complicated by establishing a single size standard measure and reducing the number of different size standard levels. With fewer size standards, they will be clearer, more consistent, and easier to understand, resulting in less confusion to users, particularly the non-governmental users, such as small businesses. In addition, a single size measure eliminates a problem that some concerns encounter when they operate in different industries that have different size standard measures. The information technology industries provide a good example of this situation. Many information technology businesses provide both goods and services. Yet, SBA's size standards are based on number of employees for providers of computer and peripheral equipment and receipts for providers of computer services. Consequently, an information technology business may be small for one type of work but not small for a related activity.

Proposal to Use Employee-based Size Standards for All Industries

SBA proposes to restructure its size standards by establishing an employee-based size standard for each industry. The number of employees of a business

concern is its average number of persons employed for each pay period over the firm's latest 12 months and includes the employees of all affiliates. Any person on the payroll must be included as one employee regardless of hours worked or temporary status. The number of employees of a firm in business under 12 months is based on the average for each pay period it has been in business. For more information on how SBA calculates the employment size of a business, see 13 CFR 121.106.

The size standards currently based on number of employees will be retained at their current levels. This proposal converts the current size standards that are based on receipts, financial assets, or generating capacity to employee-based size standards. SBA proposes to establish an employee-based size standard which varies for each industry, but is limited to one of the following ten employee levels:

TABLE 2.—PROPOSED EMPLOYEE SIZE STANDARD LEVELS

| | | | | |
|-----|-----|-----|-------|-------|
| 50 | 100 | 150 | 200 | 300 |
| 400 | 500 | 750 | 1,000 | 1,500 |

SBA believes that fewer size standard levels also help to simplify size standards. In converting receipts-based size standards to employee-based size standards (described further below), five new employee size levels (50, 150, 200, 300, and 400) along with the current five employee size levels (100, 500, 750, 1,000 and 1,500) results in employee-based size standards that equate to about the same number of eligible small businesses as does the current receipts-based size standards. A fewer number of employee size levels would result in a much larger number of businesses gaining or losing small business eligibility while a greater number of employee size levels would apply to only a small number of businesses and not simplify the size standards to the same degree.

Why the SBA Proposes Employee-Based Size Standards for All Industries

SBA believes that a single measure of size helps make size standards less complex. Having a single size measure simplifies the structure and enables SBA to establish fewer size standard levels. Under a structure composed of one size measure and fewer size standard levels, many small businesses that currently operate in several industries each with different size standards would in many cases be subject to only one or two different size standards under the proposed employee-based size standards. SBA believes that the benefits of simplification that come from having a single size measure outweigh the benefits of retaining multiple size measures.

Proposing number of employees as the only measure of business size departs from SBA's long tradition of using receipts and other non-employee size measures. SBA has generally utilized receipts as a preferred size measure because it constitutes the value of a concern's output. Other measures of size are used where receipts tend to skew the value added by a concern in the production of goods and services. For example, SBA uses number of employees to define a small manufacturing concern. For manufacturing, two manufacturers in the same industry with the same number of employees can generate significantly different receipts depending on the number of stages in their production operations. Receipts for a manufacturer in its final production stage include the value added by the manufacturer(s) in its earlier production stages. This is true even though the value added by the final manufacturer may be minor relative to the value of the final product. Because of this characteristic of manufacturing, number of employees has a stronger correlation to value added than do receipts.

Several aspects of employee-based size standards support SBA's decision to use them as the single measure of size

for all industries. The single best reason to do so is that they do not vary with changing economic conditions. Inflation, for example, has no direct impact on employee-based size standards. Similarly, rising costs unique to an industry have no direct impact on employee-based size standards. An ideal size standard would not affect eligibility, unless a company's level of real output of goods and services changes.

Employment also tends to be a more stable measure of business size. Businesses have economic incentives to maintain their workforce as business fluctuates to avoid recruitment and training costs. Using overtime can satisfy short-term increases in output until management is convinced that a permanent increase in business activity justifies adding personnel. Most businesses, especially small businesses, display a strong commitment to their employees and they are reluctant to change employment levels frequently in response to short-term business considerations.

Finally, number of employees is a widely accepted measure of business size. More than half of the present SBA size standards are expressed in employees. Although employment is an input into the production of goods and services, it generally accounts for a significant portion of total costs. A business's employment level is a representative indicator of its resources as well as its scale of operations. In one of the few studies conducted on an appropriate size standard measure, two researchers concluded that the number of employees of a business had a stronger correlation with the qualitative description of a small business (an approach to defining a small business preferred by many small business analysts) than did receipts. (See "Definition of Small Business," Scott Holmes and Brian Gibson, The University of Newcastle, April 5, 2001. The report is available at <http://www.smallbusiness.org.au/sbc/publications/sbc004a.htm>.)

How SBA Determined the Number of Employees for Size Standards With Annual Receipts and Other Size Measures

SBA developed criteria for deciding which of the ten employee size standard levels to apply to an industry that currently has a receipts-based size standard. These criteria were designed to convert a receipts-based size standard to an equivalent employee-based size standard. The primary tool used to calculate the equivalent employee size standard associated with a receipts-

based size standard is the receipts-to-employee ratio for an industry. Data to calculate these ratios were provided to the SBA by the U.S. Bureau of the Census in a special tabulation of the 1997 Economic Census (The 1997 Economic Census is available at <http://www.census.gov/epcd/www/econ97.html>). Since total receipts in an industry are provided along with employees in the industry, SBA was able to calculate receipts per employee ratios for almost all industries covered by this rule. These ratios were next adjusted 8.54% to account for inflation that occurred from 1997 to 2002 (the year in which receipts-based size standards were last adjusted for inflation). SBA used the chain-type price index for gross domestic product (GDP) (as published by the U.S. Department of Commerce, Bureau of Economic Analysis, and is available at <http://www.bea.gov/bea/ARTICLES/2003/10October/D-Pages/1003DpgC.pdf>), which is a broad measure of inflation for the economy as a whole. The resulting figure was divided into the present receipt-based size standard for the industry under review to calculate an employee equivalent size standard. This employee equivalent size standard was then rounded to the closest of the ten employee size standard levels to minimize the difference between the current receipts-based size standard and the calculated employee-based size standard.

The criteria also preserve the common size standard level that SBA currently has established for related industries. That is, for closely related industries that have the same receipts size standard, SBA has proposed an employee size standard that best represents an equivalent employee size standard for that group of industries, such as the computer services industries.

Below are the criteria and how SBA applied them to receipts-based size standards.

Selection of Employment Size Standard for Industries With a \$6 Million Size Standard

For industries with a \$6 million size standard, SBA had three considerations. The first consideration was whether to propose a 50 employee size standard for those industries. SBA's methodology for evaluating a size standard for a nonmanufacturing industry presumes that \$6 million in average annual receipts is an appropriate size standard. This size standard is generally referred to as the "nonmanufacturing anchor size standard." SBA considers a size

standard higher or lower than the anchor level as appropriate for an industry when the structural economic characteristics of the industry are significantly different from the typical nonmanufacturing industry. SBA has decided to retain the concept of an anchor size standard for the nonmanufacturing industries as part of its restructuring and simplification of size standards. However, SBA proposes that the anchor size standard will be expressed in number of employees rather than receipts. Based on the ratio of receipts to employees in the nonmanufacturing industries, 50 employees is the employee anchor size standard for the nonmanufacturing industries. SBA is proposing a 50 employee size standard for industries currently with a \$6 million size standard, unless the criteria discussed in the second and third considerations are present within an industry.

SBA's second consideration was whether the size standard should be higher than the 50 employee size standard anchor for industries where the conversion of receipts to employees produces a figure significantly above 50 employees. The SBA has decided to propose a size standard of 50 employees for industries where the conversion produces an equivalent size standard from 51 to 74 employees, since these levels round to the closest of the ten proposed employee size standards. For industries where the receipts to employees conversion results in a figure of 75 employees or more, the SBA selected a size standard above 50 employees, but only if other information justified the higher size standard. In these cases, a higher size standard is appropriate to (1) reflect the industrial structure of the industry, or (2) avoid a significant reduction in the number of small businesses currently eligible to compete for Federal procurements.¹

SBA's third consideration examined the relationship of the size standard with other size standards within an

¹ Federal procurement is an appropriate consideration because of the special support provided by SBA to small businesses through the 8(a) Business Development Program, the Small Disadvantaged Business Program, the HUBZone Program, the Small Business Set-Aside program and subcontracting programs. Not only has SBA implemented policies to assist small businesses to develop through these Federal procurement programs, but the businesses themselves have made economic and business decisions affecting their eligibility for these programs. The SBA wants to avoid taking away small business eligibility for Federal procurement programs from a large number of small businesses that could otherwise result from this size standards restructuring proposal. This consideration is limited to industries in which significant Federal Government contracting opportunities exist, or with approximately \$100 million or more in Federal contracting.

industry subsector or industry group (three-digit and four-digit NAICS codes, respectively). For several industries with a \$6 million size standard, SBA decided to propose a size standard greater than 50 employees in order to maintain the size standard relationship within their industry group (such as for the Land Subdivision and Land Development industry, NAICS 236110).

An example of the decision process utilizing the three criteria is Barber Shops (NAICS 81211), whose present size standard is \$6 million. Dividing \$6 million by the inflation-adjusted figure of \$34,700 receipts per employee resulted in the equivalent size standard of 172 employees. This level rounds to 150 employees using the preselected employee size standards. However, the SBA believes that a 150 employee size standard for barber shops is too high, and that the 50 employee proposed anchor size standard better matches the

industry structure for barber shops, as well as public perception of what constitutes a small business in this industry. This industry has one of the largest concentrations of very small businesses, where the average size barber shop is only three employees.

By contrast, the present size standard for the Other Airport Operations industry (NAICS 488119) has the same \$6 million anchor size standard. Dividing \$6 million by the \$56,969 receipts per employee resulted in the equivalent size standard of 105 employees, which the SBA rounded to 100 employees. The average size firm in this industry has 49 employees—more than four times the average size firm of 11 employees for the nonmanufacturing industries with a \$6 million size standard. In addition, the 50 employee anchor size standard would render approximately 50 currently defined small businesses ineligible to compete

for Federal procurements that require small business status. In FY 2002, the Federal Government awarded more than \$280 million in contract awards, with small businesses obtaining less than \$17 million in contracts. A 50 employee size standard would have the unintended result of further diminishing the participation of small businesses in Federal contracting within this industry activity.

Three hundred and thirty-seven industries have a size standard of \$6 million. In applying the above considerations, SBA proposes a 50 employee size standard for 315 industries, and a higher size standard for the remaining 21 industries. The chart below identifies the 21 industries with a size standard higher than 50 employees and the basis for proposing a higher size standard.

TABLE 3.—INDUSTRIES CURRENTLY WITH A \$6 MILLION SIZE STANDARD THAT SBA PROPOSES A SIZE STANDARD HIGHER THAN 50 EMPLOYEES

| NAICS codes | NAICS industry | Proposed employee size standard | Reason for employee size standard different from anchor size standard |
|-------------|---|---------------------------------|---|
| 237210 | Land Subdivision | 200 | Common size standard for all industries in Subsector 237 and impact on Federal procurement. |
| 485111 | Mixed Mode Transit Systems | 100 | Common size standard for most transit industries (NAICS Subsector 485). |
| 485112 | Commuter Rail Systems | 100 | Common size standard for most transit industries. |
| 485113 | Bus and Other Motor Vehicle Transit Systems | 100 | High average firm size. |
| 485119 | Other Urban Transit Systems | 100 | Common size standard for most transit industries. |
| 485210 | Interurban and Rural Bus Transportation | 100 | High average firm size. |
| 485410 | School and Employee Bus Transportation | 100 | High average firm size and common size standard for most transit industries. |
| 485510 | Charter Bus Service | 100 | Common size standard for most transit industries. |
| 486210 | Pipeline Transportation of Natural Gas | 100 | High average firm size and common size standard with NAICS 486990, All Other Pipeline Transportation. |
| 488119 | Other Airport Operations | 100 | High average firm size and impact on Federal procurement. |
| 488190 | Other Support Activities for Air Transportation | 100 | Common size standard with NAICS 488119 and impact on Federal procurement. |
| 512131 | Motion Picture Theatres (except Drive-In) | 100 | High average firm size. |
| 518112 | Web Search Portals | 150 | Common size standard for all industries in Subsector 518 and impact on Federal procurement. |
| 561422 | Telemarketing Bureaus | 150 | High average firm size. |
| 621910 | Ambulance Services | 100 | High average firm size and common size standard with other ambulatory health services. |
| 711310 | Promoters of Performing Arts, Sports, & Similar Events with Facilities. | 100 | High average firm size. |
| 713110 | Amusement and Theme Parks | 100 | High average firm size. |
| 713920 | Skiing Facilities | 200 | High average firm size. |
| 721110 | Hotels (except Casino Hotels) and Motels | 100 | High average firm size and impact on Federal procurement. |
| 721120 | Casino Hotels | 100 | High average firm size and common size standard with hotels and motels. |
| 812930 | Parking Lots and Garages | 100 | High average firm size. |

Selection of Employment Size Standard for Industries Size Standards Above or Below \$6 Million

For industries that have a size standard below \$6 million, SBA has proposed 50 employees. This would establish the policy that any business with 50 or fewer employees is a small business regardless of its industry. Only a few industries would be affected by this proposal, and we strongly believe that the benefits of simplification outweigh any impact on SBA's programs or on other Federal small business programs.

For industries with a size standard above \$6 million, SBA calculated an equivalent employee size standard based on the ratio of receipts to employees. For example, the receipts per employee of a computer systems design firm is \$152,000. A firm of \$21 million equates to a firm with 127 employees. Because SBA is proposing to have size standards at one of ten employee levels, SBA rounded this figure to the nearest employee size standard, or 150 employees.

For most of these industries, SBA proposes the size standard resulting from the receipts per employee ratio. For closely related industries (those within the same 4-digit NAICS Industry Group or 3-digit NAICS Subsector) that currently have a common receipts-based size standard, SBA proposes a common employee-based size standard, even though a different size standard could be established for each closely related industry based on the receipts-to-employee calculation. SBA recognizes that small businesses are often eligible for SBA assistance in a number of closely related industries, and it simplifies size standards if closely related industries have the same size standard. An example of this pattern is the computer services industries in which businesses typically operate in at least several of the nine computer services industries. After reviewing the equivalent employee-based size standards for the nine computer services industries, SBA is recommending a common size standard of 150 employees for all nine computer services industries. Examples of other industries

where SBA proposes a common size standard include the consulting service industries, the trucking industries, the warehousing industries, and the waste management industries.

Summary of Proposed Employee Size Standards

In summary, the major factors influencing the proposed employee size standard are:

- A size standard of 50 employees generally applies when an industry receipt-based size standard is at the present anchor of \$6 million in average annual receipts or is less than \$6 million;
- An employee size standard above 50 employees applies to an industry with a \$6 million size standard if the calculated equivalent employee size standard is above 76 employees and industry structure, existing size standards relationships, or Federal procurement implications merited a size standard above 50 employees.
- An employee size standard for an industry above \$6 million is based on the calculated equivalent employee-based size standard.
- Exceptions to these rules occurred when SBA attempted to maintain traditional size standards relationships within closely related industries.

Selection of Employment Size Standard for Industries With Size Standards Based on Electric Generation and Financial Assets

The size standard for the industries involved in the generation, transmission, or distribution of electric energy (NAICS 221111–221122) is 4 million megawatts of total electric output (see footnote 1 of the table to size standards in § 121.210). The U.S. Bureau of the Census does not publish capacity data on businesses in this industry. SBA identified small electric utilities from the U.S. Department of Energy's publication "Financial Statistics of Investor-Owned Electric Utilities, 1996" (available at http://www.eia.doe.gov/cneaf/electricity/invest/invest_sum.html). SBA reviewed publicly available information, such as Security and Exchange Commission 10-K reports, to

determine the employment levels of small electric utilities. Based on this review, SBA is proposing a 1,000 employee size standard for the electrical generation, transmission, and distribution industries. At that employment size, electric utilities under the current 4 million megawatt size standard would continue to be defined as small without adding other electric utilities as small.

The size standard for the banking and other credit intermediation industries (NAICS 522110–522210, and 522293) is \$150 million in financial assets (see footnote 8 to the table of size standards in § 21.201). The U.S. Bureau of the Census does not publish industry financial data on the banking and credit industries. Using asset and employment data published by the Federal Deposit Insurance Corporation's Statistics on Depository Institutions (available at <http://www2.fdic.gov/SDI/main4.asp>), the average assets per employee of smaller banks is about \$2.5 million. Based on those data, a \$150 million bank would have, on average, about 60 employees. Applying the methodology described above, SBA is proposing a 50 employee size standard for banking and other credit intermediation industries since that is the nearest of the ten employee size standards proposed by this rule.

Proposal To Add a Maximum Average Annual Receipts Cap as an Additional Component of the Size Standard for Certain Industries

SBA further proposes that 31 industries will have a maximum average annual receipts amount (referred to as a receipts cap) along with the employee-based size standard. To qualify as small, concerns in those industries would have to be no greater in size than the employee-based size standard and have average annual receipts less than the receipts cap amount. SBA proposes that 36 size standards in the following 31 industries have an annual receipts cap along with the proposed employee size standard. Table 4, below, lists those industries and SBA's proposed employee size standards and receipts caps.

TABLE 4.—INDUSTRIES WITH PROPOSED RECEIPTS CAPS

| NAICS codes | NAICS U.S. industry title | Proposed number of employees | Proposed maximum annual receipts (\$ million) |
|---------------|---------------------------------------|------------------------------|---|
| 115310 | Support Activities for Forestry | 50 | N/A |
| Except, | Forest Fire Suppression | 400 | \$20.0 |
| Except, | Fuels Management Services | 400 | \$20.0 |

TABLE 4.—INDUSTRIES WITH PROPOSED RECEIPTS CAPS—Continued

| NAICS codes | NAICS U.S. industry title | Proposed number of employees | Proposed maximum annual receipts (\$ million) |
|-------------|---|------------------------------|---|
| 236115 | New Single-Family Housing Construction (except Operative Builders) | 150 | \$35.0 |
| 236116 | New Multifamily Housing Construction (except Operative Builders) | 150 | \$35.0 |
| 236117 | New Housing Operative Builders | 150 | \$35.0 |
| 236118 | Residential Remodelers | 150 | \$35.0 |
| 236210 | Industrial Building Construction | 150 | \$35.0 |
| 236220 | Commercial and Institutional Building Construction | 150 | \$35.0 |
| 237110 | Water and Sewer Line and Related Structures Construction | 200 | \$35.0 |
| 237120 | Oil and Gas Pipeline and Related Structures Construction | 200 | \$35.0 |
| 237130 | Power and Communication Line and Related Structures Construction | 200 | \$35.0 |
| 237210 | Land Subdivision | 200 | \$35.0 |
| 237310 | Highway, Street, and Bridge Construction | 200 | \$35.0 |
| 237990 | Other Heavy and Civil Engineering Construction | 200 | \$35.0 |
| Except, | Dredging and Surface Cleanup Activities | 150 | \$22.0 |
| 518210 | Data Processing, Hosting, and Related Services | 150 | \$30.0 |
| 541310 | Architectural Services | 50 | \$7.0 |
| 541330 | Engineering Services | 50 | \$7.0 |
| Except, | Military and Aerospace Equipment and Military Weapons | 200 | \$30.0 |
| Except, | Contracts and Subcontracts for Engineering Services Awarded Under the National Energy Policy Act of 1992. | 200 | \$30.0 |
| Except, | Marine Engineering and Naval Architecture | 150 | \$30.0 |
| 541511 | Custom Computer Programming Services | 150 | \$30.0 |
| 541512 | Computer Systems Design Services | 150 | \$30.0 |
| 541513 | Computer Facilities Management Services | 150 | \$30.0 |
| 541519 | Other Computer Related Services | 150 | \$30.0 |
| 541611 | Administrative Management and General Management Consulting Services | 50 | \$10.0 |
| 541612 | Human Resources and Executive Search Consulting Services | 50 | \$10.0 |
| 541613 | Marketing Consulting Services | 50 | \$10.0 |
| 541614 | Process, Physical Distribution and Logistics Consulting Services | 50 | \$10.0 |
| 541618 | Other Management Consulting Services | 50 | \$10.0 |
| 541620 | Environmental Consulting Services | 50 | \$10.0 |
| 541690 | Other Scientific and Technical Consulting Services | 50 | \$10.0 |
| 541990 | All Other Professional, Scientific and Technical Services | 50 | \$10.0 |
| 561110 | Office Administrative Services | 50 | \$10.0 |
| 561210 | Facilities Support Services | 400 | \$40.0 |
| 611519 | Other Technical and Trade Schools | 50 | N/A |
| Except, | Job Corps Centers | 400 | \$30.0 |

In some industries, businesses have more latitude in deciding whether to hire employees to perform work or to subcontract the work to others. For example, general contractors can decide what and how much construction work to perform themselves and what work to subcontract to others. Under an employee-based size standard, a business may exceed the size standard because it decided to perform more work in-house while another business performing the same level of work stays under the employee size standard because more work is subcontracted. Under SBA's Small Business Size Regulations, the employees of a subcontractor are not included in counting the number of employees of a business (unless affiliation was found between the business and subcontractor). SBA recognizes that such decisions and their implications on small business status are best made by the management of concerns that will be affected. SBA is concerned, however,

about cases where businesses operating in industries that have greater latitude in subcontracting significant portions of work purposely subcontract an unusual amount of work relative to customary industry practices to retain small business status. Because of this potential, SBA proposes to establish an average annual receipts cap along with employee size standards in the 31 industries listed in Table 4, above.

In the industries for which SBA proposes an employee-based size standard, it expects that most businesses which are small under the applicable employee size standard will also meet the corresponding receipts cap. The purpose of the receipts cap is to prevent businesses from creatively manipulating their employment levels to remain small. Without such a receipts cap requirement, SBA might otherwise, and inappropriately, provide large businesses with assistance that is intended for small businesses, and put

small businesses in the position of competing against businesses that by any consideration are not small. As discussed further below, the receipts cap will include almost all businesses under the employee size standard, but exclude those businesses that have an inordinate amount of receipts for their level of employment.

How the SBA Determined the Maximum Annual Receipts Cap Level for the Industry Activities in Table 4 (Above)

The methodology in determining the receipts caps was to first examine the size distribution of firms that are presently in SBA's Procurement Marketing and Access (PRO-Net) database which was merged with the Department of Defense Central Contractor Registration—the SBA's list of small businesses interested in doing business with the Federal Government. For each of the 31 industries under review, it has data on the number of

employees and the annual receipts of each firm in that database that is active in the industry. SBA analyzed employment and receipts data of small businesses near the proposed employee size standard. By calculating a receipts to employee ratio for each of these small businesses, and then multiplying that ratio by the proposed size standard in employees, the SBA was able to estimate at what point a small business would lose eligibility under a receipt cap if it were to expand to the new size standard limit based on employees. In other words, if a business has 110 employees, what level of receipts would it produce if it expanded to a proposed 150 employee size standard.

The proposed receipt caps were designed to permit a majority of the small businesses that are presently under the size standard to expand to the proposed employee-based size standard without exceeding the dollar caps. The receipts caps proposed generally range from 22% to 35% higher than the current receipts size standards for those industries with a size standard of \$15 million or higher, and from 67% to 74% higher than the current receipts size standard for those industries that have a receipts size standard of \$6 million or less. The only exemption to this analysis was for the newly established Job Corps Centers size standard (part of NAICS 611519). This sub-industry consists of a small number of businesses. The current receipts size standard fully captures all small businesses under the proposed employee size standard for this sub-industry category and is retained as the receipts cap.

Simplification of Other Program and Special Size Standards

SBA has established a number of size standards to meet the needs of specific programs or to address special Federal procurement considerations. SBA proposes to eliminate or modify six of these size standards in an attempt to further simplify size standards and to apply consistent size standards for all Federal Government programs and purposes.

1. Surety Bond Guarantee (SBG) Program size standard: SBA proposes that any construction (general or special trade) concern or a concern performing a contract for services is small provided it meets the size standard for the NAICS code for its primary industry. Currently, the size standard for the SBG Program is \$6 million for performing contracts for construction (general or special trades) or services (see 13 CFR 121.301(d)(1)).

Federal procurement regulations require a contractor to meet the size standard for the NAICS code that best describes the principal purposes of the procurement. Therefore, if a contractor bids and is successful as a prime contractor on a Federal procurement, it may qualify as a small business if it meets the size standard for the procurement, even if the size standard exceeds \$6 million. Further, § 121.305 states "A concern qualified as small for a particular procurement, including an 8(a) subcontract, is small for financial assistance directly and primarily relating to the performance of the particular procurement." SBA's SBG Program is a financial assistance program, and contractors awarded Federal contracts requiring a surety bond are therefore eligible for SBA's guarantee on the bond, if a guarantee is needed, including those with size standards in excess of \$6 million, provided the contractor meets the size standard for its industry.

However, for SBA to guarantee a surety bond involving a subcontract or a bond running to an obligee other than the Federal Government, such as a private owner or non-Federal political subdivision or agency, a contractor is not eligible for an SBA guarantee unless it meets the current \$6 million size standard. SBA believes this is inconsistent with the intent of its SBG Program because it does not provide assistance to small businesses otherwise eligible as small for SBA's other financial assistance programs. SBA proposes to eliminate the \$6 million size standard. SBA proposes, rather, that a contractor applying for SBA's guarantee meet the size standard for its primary industry for any bond (§ 121.301(d)). This is consistent with the intent of this proposed rule, which is to base all size standards on number of employees and have a single size standard for all programs.

2. Petroleum refining size standard: The size standard for the Petroleum Refineries industry (NAICS 324110) is 1,500 employees. In addition, for purposes of the Federal Government's procurement of refined petroleum products, the refiner may not have more than 125,000 barrels per calendar day (bpcd) capacity of petroleum-based inputs, including crude oil or bona fide feedstocks. This is included in Footnote 4 to SBA's current table of small business size standards. SBA increased the refining capacity from 75,000 bpcd to 125,000 bpcd, effective April 28, 2003 (see 68 FR 15047 dated March 28, 2003, available at <http://www.sba.gov/size/indexwhatsnew.html#petrol-fr>).

SBA proposes to extend the 125,000 bpcd size standard component to all Federal Government programs. Before the April 28, 2003 revision, SBA had progressively increased the refining capacity component over a number of years. In its last two rulemaking actions pertaining to the petroleum refining size standard, SBA's proposed rules included a request for comments on whether SBA should retain or eliminate the refining capacity component. SBA retained it because industry comments have always been very strong in favor of doing so. The petroleum refining industry has always affirmed that refining capacity is the single best measure of a refiner's size. Further, it is the same measure that the U.S. Department of Energy, Energy Information Administration, uses to assess the size of refiners and their refineries.

Before proposing to increase the refining capacity component, SBA studied the petroleum refining industry to analyze the effect that it would have on existing small businesses. The final rule increasing it to 125,000 bpcd did not increase the number of small businesses, nor did any small businesses lose eligibility. That is, there was no change in the number of small refiners. There were other reasons for the rule, more fully described in the **Federal Register** notice cited above. This proposed change (footnote 5, § 121.201) is consistent with SBA's intention to simplify size standards, by having a single size standard apply to an industry for all Federal Government programs and purposes.

Because the remaining eligibility requirements for petroleum refiners are Federal procurement specific, and not part of the size standard, SBA does not propose to extend them to other Federal programs.

3. Tire manufacturing size standard: The size standard for the Tire Manufacturing (except Retreading) industry (NAICS 326211) is 1,000 employees. For the Federal Government's procurement of pneumatic tires under this NAICS code and within Census Classification codes 30111 and 30112, SBA has established an alternative size standard based on a concern's share of the worldwide tire market (see Footnote 5 to SBA's current table of size standards). Tire manufacturers satisfying the provisions of this alternative size standard exceed 1,000 employees in size. SBA implemented these requirements effective January 18, 1967 (see 31 FR 15737). SBA believes, based on Federal procurement data, that this footnote is no longer necessary. A review of Federal

contract awards in fiscal years 2001 and 2002 found that all small businesses receiving tire supply contracts met the current 1,000 employee size standard. SBA therefore proposes to eliminate this alternative size standard.

4. Sales or lease of Federal Government property: SBA proposes to modify the following three receipts-based and one employee-based size standards that pertain to programs involving the sale and lease of Federal Government property:

(a) Size standards for sales or leases of Government property: The current size standard for concerns not primarily engaged in manufacturing is \$6 million (see § 121.502(a)(2)). SBA proposes to establish a size standard of 50 employees for those concerns. This is consistent with the intent of this proposed rule, which is to base all size standards on number of employees. Also, this proposal is consistent with the criteria to propose a 50 employee size standard for industries that currently have a \$6 million size standard unless certain conditions exist. SBA does not believe industry or procurement factors exist to warrant a different size standard.

(b) Size standards for the purchase of Government-owned Special Salvage Timber: To purchase Government-owned Special Salvage Timber from the U.S. Forest Service or the U.S. Bureau of Land Management, a concern, with its affiliates, can have no more than 25 employees during any of its pay periods for the last twelve months, and must meet other requirements as well (see § 121.508). SBA proposes to increase this size standard to 50 employees. SBA believes that applying the 50 employee anchor size standard as a minimum size standard is warranted to achieve its overall goal of simplicity and uniformity among the various size standards. SBA does not propose to amend any other parts of § 121.508, since they are Federal procurement specific requirements and not part of the size standard.

(c) Size standard for leasing of Government land for coal mining: Under the current size standard, a concern, together with its affiliates, may have no more than 250 employees (see § 121.509(a)). SBA proposes increasing this to 300 employees. Retaining 250 employees as a size standard would increase the number of size standards overall (from 10 to 11), and this would be the only 250 employee size standard. SBA has decided to round up this size standard to the 300 employee level instead of rounding down to 250 employees to avoid eliminating eligibility of currently defined small businesses for this program.

(d) Size standard for stockpile purchases: Under the current standard, a concern, together with its affiliates, may not have average annual receipts that exceed \$48.5 million (§ 121.512(b)). SBA proposes to establish a size standard of 400 employees for those concerns. Based on the ratio of receipts to employees of businesses with \$48.5 million or less in receipts (\$109,000 receipts per employee), this size standard equates to 445 employees. Four hundred employees is the closest of the 10 employee-based size standards proposed in this rule. SBA believes that the proposed size standard would not eliminate the eligibility of currently defined small businesses for this program.

5. Nonmanufacturer size standard: The SBA proposes to revise the nonmanufacturer size standard from 500 employees to 100 employees. A nonmanufacturer is a business that provides a manufactured product to the Federal Government that it itself did not manufacture (see § 121.406(b)). Substantially all nonmanufacturers are in industries categorized within the Wholesale Trade industries (NAICS Sector 42). A size standard of 100 employees applies to wholesalers for SBA and Federal Government programs, except for Federal procurement programs. Therefore, to further the simplification of small business size standards, the SBA is proposing to eliminate the special 500 employee nonmanufacturer size standard by applying the 100 employee size standard for Wholesale Trade to Federal procurement programs.

SBA continues to believe that 100 employees is an appropriate size standard for the Wholesale Trade Sector. The average size of a wholesaler is 16 employees. Wholesalers with fewer than 100 employees comprise 97% of all wholesalers, employ about 50% of all employees, and generate one-third of total industry receipts. The relatively small share of total industry receipts generated by small wholesalers, however, reflects the significantly higher receipts per employee generated by larger wholesalers in the industry than by small wholesalers. Given the industry share of firms and employment of wholesalers with fewer than 100 employees, SBA believes a current Wholesale Trade Sector size standard of 100 employees would be an appropriate size standard.

Exceptions to the SBA's Proposal To Simplify Size Standards by Basing All of Them on Number of Employees

This proposed rule does not change three size standards, because they are

either established by statute or reflect unique program objectives. To ensure that the public is aware of the reasons for not modifying these size standards, SBA explains why it does not propose to modify the following:

1. Agricultural Enterprises: The Small Business Act (15 U.S.C. 632(a)(1)) states in section 3(a)(1) "an agricultural enterprise shall be deemed to be a small business concern if it (including its affiliates) has annual receipts not in excess of \$750,000." This provision applies to concerns in the Crop Production (NAICS Subsector 111) and Animal Production (NAICS Subsector 112) industries. SBA has no authority to modify this Congressionally-mandated size standard.

2. Net Worth/Net Income: Size standards based on the net worth and net income of a business concern are an alternative to SBA's industry-based size standards for the CDC and SBIC financial assistance programs authorized under Title III and Title V of the Small Business Investment Act (Pub. L. 100-107). That is, an applicant may qualify as a small business if it meets the size standard for its primary industry or the net worth and net income size standards. For the CDC program, an applicant must meet either: (a) SBA's size standard established for its primary industry activity; or (b) have tangible net worth not in excess of \$7 million and average net income after Federal income taxes for its two preceding completed fiscal years not in excess of \$2.5 million (§ 121.301(b)). For assistance under SBA's SBIC Program, an applicant must meet either: (a) SBA's size standard established for its primary industry activity; or, (b) with its affiliates, have tangible net worth not in excess of \$18 million and average net income after Federal income taxes for its two preceding completed fiscal years not in excess of \$6 million (§ 121.301(c)).

The alternative net worth and net income size standards for the CDC and SBIC programs have been in place for many years and have worked well in serving the intended beneficiaries. Most small businesses qualifying under the net worth and net income size standards also qualify under the industry-based size standards. However, the option to qualify as small under the industry-based size standards ensures that a small business eligible for other SBA programs is also eligible for assistance under the CDC and SBIC Programs. Therefore, SBA believes that the net worth and net income size standards should be retained for these programs.

Impact on Small Business Eligibility of the Proposed Rule

This proposed rule would change the 514 size standards that are based on receipts, financial assets, or electric generation. As discussed above, the proposed conversion of these receipts-based size standards to employee-based size standards attempts to establish an employment level that is generally equivalent to the receipts-based size standard. Because of variation within industries, some businesses will gain or lose small business eligibility. The decision to establish only ten employee size standard levels also results in some businesses gaining or losing small business eligibility. An analysis of the impact of the proposed rule on small business eligibility shows that a relatively small number of businesses will be affected. Out of approximately 4.4 million businesses in the industries with revised size standards, 35,200 businesses could gain and 34,100 could lose small business eligibility, with the net effect of 1,110 additional businesses defined as small. The 69,300 businesses affected by this proposal represent 1.6% of the 4.4 million businesses in industries with changing size standards. The regulatory impact and regulatory flexibility analyses discussed below describe the impact of this proposal in greater detail.

Alternatives to This Proposed Rule

SBA considered a number of alternative approaches to simplify and restructure its size standards. These are briefly described below. SBA welcomes comments on these alternatives or other alternatives to restructure and simplify size standards.

1. Retain the existing employee-based size standards, while reducing the 30 receipts-based size standards to a fewer number of size standard levels, such as four to eight different receipts size standards. This approach is similar to SBA's proposals of December 31, 1992 (57 FR 62522) and September 2, 1993 (58 FR 46573), which SBA did not adopt as final rules. As discussed above in this proposed rule, SBA believes a single size measure (with a receipts size standards cap for a limited number of industries) represents a less complicated set of size standards.

2. Establish size standards by industry category that would generally be based on NAICS Industry Sectors or Subsectors, such as the size standards of the three Construction Subsectors. Under this approach, SBA could establish a size standard by number of employees and/or receipts for each industry group, and size standards

across industries would vary considerably less. This approach would limit SBA's ability to fully assess the need for distinct size standards for specific industries, especially in the Professional, Scientific, and Technical Services Industry Sector.

3. Base all size standards on number of employees, with no receipts cap component. SBA discusses above in this proposed rule why it believes a receipts cap along with an employee size standard is needed for certain industries.

Request for Comments

SBA requests comments on its proposal to simplify and restructure size standards. Specifically, SBA requests comments on the following issues:

1. Are SBA's small business size standards complex, confusing or difficult to use? If so, please describe to what extent the proposed rule addresses this concern.

2. Should all small business size standards be based on number of employees?

3. Do the proposed size standards essentially maintain the level of small business eligibility within an industry that currently exists under the current receipts-based size standards?

4. Should there be a receipts cap component for those industries where subcontracting and outsourcing opportunities may allow a business to remain small but generate an unusually large amount of receipts?

5. Is it appropriate to apply an additional receipts cap requirement for the 31 industries in Table 4, above? Are there other industries that SBA should have a receipts cap?

6. Are the proposed receipts cap levels an appropriate or acceptable way to exclude large businesses?

7. Is one or more of the alternatives that SBA considered preferable to the proposed rule? If so, please explain why. What would be the impact of SBA's adopting one of the alternatives in place of the proposed rule?

8. Should SBA modify the size standard for its SBG Program and require that any construction (general or special trade) concern or concern performing a contract for services is small provided it meets the size standard for its primary industry?

9. Should SBA extend to all Federal Programs the 125,000 bpcd component of the size standard applicable to the Federal Government's procurement of refined petroleum, as described above?

10. Should the SBA eliminate the 500 employee size standard for nonmanufacturers applicable to Federal procurement programs and apply the

Wholesale Trade Sector size standard of 100 employees?

11. Should SBA eliminate the special market share size standard for tire manufacturers, as described above?

12. Does the expanded use of employee-based size standards result in additional burdens on businesses verifying small business status or on Federal agencies that use SBA's size standards? These issues are discussed as part of SBA's regulatory impact and regulatory flexibility analyses of this proposed rule (see following two sections).

Compliance With Executive Orders 12866, 12988, and 13132, the Regulatory Flexibility Act (5 U.S.C. 601-612), and the Paperwork Reduction Act (44 U.S.C. Ch. 35)

The Office of Management and Budget (OMB) has determined that this rule is a significant regulatory action for purposes of Executive Order 12866. Size standards determine which businesses are eligible for Federal small business programs. This is not a major rule under the Congressional Review Act, 5 U.S.C. 800. For purposes of Executive Order 12988, SBA has determined that this rule is drafted, to the extent practicable, in accordance with the standards set forth in that order. For purposes of Executive Order 13132, SBA has determined that this rule does not have any federalism implications warranting the preparation of a Federalism Assessment.

For purposes of the Paperwork Reduction Act, 44 U.S.C. Ch. 35, SBA has determined that this rule would not impose new reporting or record keeping requirements. It is important to note, however, that while there are no new reporting and record keeping requirements, the size status of a business in industries that currently have a receipts-based size standard will no longer be based on a concern's Federal Income Tax returns, except for those industries whose size standards have receipts caps. Rather, proof of eligibility as a small business will be a concern's payroll records for the period of measurement specified in § 121.106. SBA acknowledges that, in the event it must determine a business' employment size status, it may be more difficult to verify the accuracy of the payroll records submitted. At times, SBA may request a business provide more information to substantiate its employment information. SBA estimates that it takes four hours, on average, to complete an "Application for Small Business Size Determination" (SBA Form 355, OMB Approval No. 3245-0101). SBA invites comments on

whether using employee-based size standards for new industries would be significantly more burdensome on small businesses and result in additional time to complete SBA Form 355. If so, how could SBA reduce the burden?

Regulatory Impact Analysis

1. Need for This Regulatory Action

Small business size standards have become complicated and burdensome for many users. Because size standards have become more complex over time, SBA believes that they should be made more uniform and easier to use. SBA believes that these simplified size standards will be less of a hindrance to small businesses that would like to participate in Federal small business programs and to personnel involved in small business Federal procurement and lending programs.

SBA is chartered to aid and assist small businesses through a variety of financial, procurement, business development, and advocacy programs. To effectively assist intended beneficiaries of these programs, SBA must establish distinct definitions by which businesses are deemed small businesses. The Small Business Act (Act) gives the SBA Administrator responsibility for establishing small business definitions. The Act also requires that small business definitions vary to reflect industry differences. The supplementary information to this proposed rule explains how SBA proposes to modify size standards, and why it believes that establishing employee-based size standards for all industries will be simpler while defining small businesses as equally well as the current structure.

2. Potential Benefits and Costs of This Regulatory Action

Small businesses will benefit because they will find it easier to use the small business size standards to determine if they are a small business. Also, there will be more common size standards among similar industries. Because size standards will be perceived as being less confusing and more straightforward, more small businesses will be encouraged to participate in Federal Government small business programs.

Other users of SBA's small business size standards, such as Federal Government Contracting Officers and commercial lenders that participate in SBA's financial assistance programs, will also benefit. There will be fewer size standards and they will be able to apply them more easily to their needs, and provide better and faster service to small businesses in need of assistance.

In the Federal Government, SBA's size standards are used for procurement programs, the Small Business Innovation Research Program (SBIR), loan programs, and regulatory flexibility analyses; plus, agencies use the size standards for other programmatic purposes. Currently, six agencies use small business size standards for various programs specific to their agencies. After discussions with each of these agencies, SBA believes that this proposed revision of its size standards would not negatively impact any of the program objectives of these agencies. Three agencies viewed positively the objective of simplifying size standards.

The U.S. Department of Transportation pointed out that certain Federal, state and local disadvantaged businesses enterprise (DBE) programs administer programs to certify businesses as small DBEs. Most of the businesses seeking DBE certification come from the construction and services industries that currently have receipts-based size standards. The change to employee size standards from receipts size standards will require applicants for small DBE certification to state their size in terms of number of employees. If a certification office questions the employment size of an applicant, the applicant will have to substantiate their employment size based on payroll records. A review of payroll records is a more time-consuming process than reviewing an applicant's Federal Income Tax return when questions arise concerning the applicant's receipts size. SBA believes that in most cases, the additional time to request and evaluate an applicant's employment size will not be substantial. SBA requests comments on the use of employee size standards on the DBE certification process and how to minimize an additional burden, if any, on the DBE process.

If an agency believes that a size standard different from an SBA's size standard is appropriate for its programs, it must contact SBA. If the agency seeks to change size standards in a general rulemaking context, then the agency should contact SBA's Office of Size Standards (see 13 CFR 121.901-904). If the agency seeks to change size standards for the purposes of its analysis under the Regulatory Flexibility Act (RFA), then the agency should contact SBA's Office of Advocacy (Advocacy) pursuant to section 601(3) of the RFA. Section 601(3) of the RFA requires the agency to consult with Advocacy and provide opportunity for public comment when it uses a different size standard for the RFA analysis.

Additional costs to the Federal Government will be negligible, if any. There will be approximately 1,100 additional small businesses under the proposed restructured size standards. This is less than 0.03% of the businesses in the affected industries. SBA believes that there will be a savings to the Federal Government because there will be fewer size standards, all having employee-based measures, which will reduce administrative costs.

In this rule, the SBA also proposes to revise the nonmanufacturer size standard from 500 employees to 100 employees. The great majority of nonmanufacturers are categorized under Wholesale Trade Sector (NAICS Sector 42) in which the size standard for all industries is 100 employees, except for Federal procurements. To further the simplification, SBA is proposing the same size standard of 100 employees for Federal procurement for wholesale trade industries under the nonmanufacturer size standard. This shift from a 500 employee size standard to one of 100 employees is estimated to affect 744 firms active in Federal procurement based on the SBA's Pro-Net data base of firms interested in doing business with the Federal Government. This data base includes a total of 30,700 firms in the wholesale trade NAICS codes, and a percentage loss of 2.4% would occur if the 100 employee size standard were finalized.

SBA estimates that there will be little distributional effects if this proposed rule is adopted. Small business size standards primarily serve Federal Government agencies in their procurement programs. Federal prime contractors also use them in their subcontracting plans. Since there will be less than a 0.03% increase in newly eligible small businesses, it is possible that a very limited amount of the Federal contracts will transfer from non-small businesses to small businesses.

The proposed revision to the current size standard structure is consistent with SBA's statutory mandate to assist small business. This regulatory action promotes the Administration's objectives. One of SBA's goals in support of the Administration's objectives is to help individual small businesses succeed through fair and equitable access to capital and credit. Reviewing and modifying size standards, when appropriate, ensures that intended beneficiaries have access to small business programs designed to assist them. Size standards do not interfere with State, local, or tribal governments in the exercise of their government functions. In a few cases, State and local governments and

political subdivisions have voluntarily adopted SBA's size standards for their programs to eliminate the need to establish an administrative mechanism to develop their own size standards.

Initial Regulatory Flexibility Analysis

Under the RFA, this rule, if finalized, could have a significant impact on a substantial number of small entities because 35,200 businesses could gain and 34,100 could lose small business eligibility for Federal Government programs. SBA estimates that the net effect will be approximately 1,100 more eligible small businesses than at present. Immediately below, SBA sets forth an initial regulatory flexibility analysis of this rule addressing the following: (1) Need for and objective of the rule; (2) description and estimate of the number of small entities to which the rule will apply; (3) projected reporting, record keeping, and other compliance requirements of the rule; (4) relevant Federal rules that may duplicate, overlap, or conflict with the rule; and (5) alternatives to allow the Agency to accomplish its regulatory objectives while minimizing the impact on small entities.

1. Need for and Objective of the Rule

Small business size standards have become complicated and difficult to apply for many users. Because size standards have become so complex and confusing, SBA believes size standards should be more uniform and consistent, easier to use, and more reliable. SBA believes that these simplified size standards will be less of a hindrance to small businesses that would like to participate in Federal small business programs. In addition, it will reduce perceived impediments for providers of small business assistance who use them, such as personnel involved in Federal procurement and commercial lending, and possibly increase small business participation in Federal programs.

2. Description and Estimate of the Number of Small Entities To Which the Rule Will Apply

The SBA estimates that the simplification of size standards by converting receipt-based size standards to employee-based size standards will have a net impact of increasing the number of businesses eligible for SBA assistance by 1,100 firms. This includes an additional 35,200 businesses in 196 industries and the loss of 34,100 businesses in 229 industries. Overall, the SBA estimates that a total of 69,300 businesses could be impacted by this rule in terms of eligibility for SBA's programs. Since approximately 4.4

million businesses are active in industries covered by this rule, SBA estimates that 1.6% of businesses could be affected. However, the great majority of these businesses are not involved in SBA's programs in any one year, and the actual impact is likely to be only a small proportion of the 69,300 estimate. SBA's guaranteed loan program, for example, generated approximately 55,000 loans in FY 2002, indicating that just over one percent of eligible small businesses seek out SBA financial assistance in a given year. The SBA's PRO-Net database of small businesses interested in Federal procurement includes approximately 200,000 businesses—again, only a small proportion (about 4%) of businesses considered small by the SBA. Overall, SBA estimates that fewer than 3,000 businesses out of 4.4 million firms will be directly affected if these proposed changes were to be finalized, and that about half of these businesses would gain eligibility while the other half would lose eligibility.

Although the overall impact will be small relative to the number of businesses with revised size standards, certain industries will be impacted more than others. In particular, the SBA notes that the two restaurant industries, Full Service Restaurants (NAICS 722110) and Limited Service Restaurants (NAICS 722211), have the largest number of businesses losing eligibility for SBA assistance if this rule were to be finalized. In total, these two industries would lose about 14,600 businesses out of 272,000 businesses in both industries, a loss of 5.4% of the total. This stems from SBA's moving from a \$6 million size standard to a 50 employee size standard in these industries. However, even under the new anchor size standard of 50 employees, 252,000 out of 272,000 businesses in these two restaurant industries would remain small and eligible for SBA assistance, almost 93% of the total. Other industries with relatively higher proportion of small businesses that could lose eligibility include Child Day Care Services (NAICS 624410), with a loss of 3.1% of businesses; Golf Courses and Country Clubs (NAICS 7138910), with a loss of 10.7% of businesses; Vocational Rehabilitation Services (NAICS 624310), with a loss of 20.7% of businesses; and Fitness and Recreational Sports Centers (NAICS 713940), with a loss of 5.4% of businesses. Among industries gaining eligibility, the biggest impact is Offices of Real Estate Agents and Brokers (NAICS 531210), with an additional 3,600 businesses out of a total of 54,700, or 6.6%.

Overall, SBA estimates that most industries will experience a very small impact from this rule relative to the total number of businesses that are active in industries covered by this rule. Among industries for which the SBA has industry data provided by the U.S. Bureau of the Census, there are a total of 440 industries with 4.4 million businesses, or approximately 10,000 businesses in the average industry. Of these 440 industries, 198 would have a total impact of fewer than 20 businesses, while 288 would have a total impact of fewer than 50 businesses.

Also in this rule, the SBA proposes to revise the nonmanufacturer size standard from 500 employees to 100 employees. The great majority of nonmanufacturers are categorized under Wholesale Trade Sector (NAICS Sector 42) in which the size standard for all industries is 100 employees, except for Federal procurements. To further the simplification, SBA is proposing the same size standard of 100 employees for Federal procurements for wholesale trade industries under the nonmanufacturer size standard. This shift from a 500 employee size standard to one of 100 employees is estimated to affect 744 firms active in Federal procurement based on the SBA's PRO-Net data base of firms interested in doing business with the Federal Government. This data base includes a total of 30,700 firms in the wholesale trade NAICS codes, and a percentage loss of 2.4% would occur if the 100 employee size standard were finalized.

3. Projected Reporting, Record Keeping, and Other Compliance Requirements of the Rule

The new table with all size standards based on number of employees does not impose any additional reporting, record keeping, or compliance requirements on small entities. Users may need to revise existing data bases that use current size standards. However, this is true anytime SBA changes or otherwise modifies a size standard. For example, a much more extensive change occurred when SBA converted from the Standard Industrial Classification (SIC) system to NAICS effective October 1, 2000, and later adopted, effective October 1, 2002, the U.S. Office of Management and Budget's 2002 modifications to NAICS. SBA was not made aware of any user problems with those actions.

It is important to note, however, that while there are no new reporting and record keeping requirements, the size status of a business in industries that currently have a receipts-size standard will no longer be based on a concern's Federal Income Tax returns, except for

those industries whose size standards have receipts caps. Rather, proof of eligibility as a small business will be a concern's payroll records for the period of measurement specified in § 121.106. SBA acknowledges that, in the event it must determine a business' employment size status, it may be more difficult to verify the accuracy of the payroll records submitted. At times, SBA may request a business to provide more information to substantiate its employment information. SBA estimates that it takes four hours, on average, to complete an "Application for Small Business Size Determination" (SBA Form 355). SBA invites comments as to whether using employee-based size standards for new industries would be significantly more burdensome on small businesses and result in additional time to complete a SBA Form 355 and, if so, how SBA could reduce the burden.

4. Relevant Federal Rules That May Duplicate, Overlap, or Conflict With the Rule

In the Federal Government, SBA's size standards are used for procurement programs, the SBIR Program, loan programs, and regulatory flexibility analysis; plus, agencies use the size standards for other programmatic purposes. Currently, six agencies use small business size standards for various programs specific to their agencies. After discussions with each of these agencies, SBA believes that this proposed revision of its size standards will not negatively impact any of the program objectives of these agencies. Three agencies viewed positively the objective of simplifying size standards.

The U.S. Department of Transportation pointed out that certain Federal, state, and local governments administer programs to certify businesses as small disadvantaged business enterprises (DBE). Most of the businesses seeking DBE certification come from the construction and services

industries that currently have receipts-based size standards. The change to employee size standards from receipts size standards will require applicants for small DBE certification to state their size in terms of number of employees. If a certification office questions the employment size of an applicant, the applicant will have to substantiate its employment size based on payroll records. A review of payroll records is a more time-consuming process than reviewing an applicant's Federal Income Tax return when questions arise concerning the applicant's receipts size. SBA believes that in most cases, the additional time to request and evaluate an applicant's employment size will not be substantial. SBA requests comments on the use of employee size standards on the DBE certification process and how to minimize an additional burden, if any, on the DBE process.

5. Alternatives To Allow the Agency To Accomplish Its Regulatory Objectives While Minimizing the Impact on Small Entities

As discussed above in the **SUPPLEMENTARY INFORMATION**, there are three alternatives to the proposed rule: (a) Retain the existing employee-based size standards, while reducing the 30 receipts-based size standards to a fewer number of size standard levels, such as four to eight different receipts size standards; (b) establish size standards by industry category that would generally be based on NAICS Industry Sectors or Subsectors, such as the size standards of the three Construction Subsectors; and (c) base all size standards on number of employees, with no receipts cap component.

SBA believes the proposed size standards based on number of employees will simplify size standards and will likely have a minimal adverse impact on small entities. The other alternatives SBA considered would achieve fewer benefits in terms of

simplifying size standards or have a much greater impact on the number of businesses either gaining or losing small business eligibility.

List of Subjects in 13 CFR Part 121

Administrative practice and procedure, Government procurement, Government property, Grant programs—business, Individuals with disabilities, Loan programs—business, Reporting and recordkeeping requirements, Small businesses.

For the reasons set forth in the preamble, SBA proposes to amend part 13 CFR Part 121.

PART 121—SMALL BUSINESS SIZE REGULATIONS

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

Authority: 15 U.S.C. 632(a), 634(b)(6), 636(b), 637(a), 644(c), and 662(5); and Sec. 304, Pub. L. 103–403, 108 Stat. 4175, 4188, Pub. L. 106–24, 113 Stat. 39.

2. Revise § 121.201 to read as follows:

3. *§ 121.201 What size standards has SBA identified by North American Industry Classification System codes?*

The size standards set forth in this section apply to all SBA programs unless otherwise specified in this part. The size standards themselves are expressed in number of employees. Some of the NAICS industries have an additional maximum annual receipts amount. For those NAICS industries with additional annual receipts amounts, the business concern must not exceed the employee-based size standard and the annual receipts amount to qualify as a small business. The number of employees and annual receipts amount are together a single size standard, and they indicate the maximum allowed for a concern, together with its affiliates, to be considered a small business.

| NAICS codes | NAICS U.S. industry title | Size standards in number of employees | Maximum average annual receipts (\$ million) |
|-------------|---------------------------|---------------------------------------|--|
|-------------|---------------------------|---------------------------------------|--|

Sector 11—Agriculture, Forestry, Fishing and Hunting

Subsector 111—Crop Production

| | | | |
|--------|---------------------------------------|--|--------|
| 111110 | Soybean Farming | | \$0.75 |
| 111120 | Oilseed (except Soybean) Farming | | \$0.75 |
| 111130 | Dry Pea and Bean Farming | | \$0.75 |
| 111140 | Wheat Farming | | \$0.75 |
| 111150 | Corn Farming | | \$0.75 |
| 111160 | Rice Farming | | \$0.75 |
| 111191 | Oilseed and Grain Combination Farming | | \$0.75 |
| 111199 | All Other Grain Farming | | \$0.75 |
| 111211 | Potato Farming | | \$0.75 |

| NAICS codes | NAICS U.S. industry title | Size standards in number of employees | Maximum average annual receipts (\$ million) |
|-------------|---|---------------------------------------|--|
| 111219 | Other Vegetable (except Potato) and Melon Farming | | \$0.75 |
| 111310 | Orange Groves | | \$0.75 |
| 111320 | Citrus (except Orange) Groves | | \$0.75 |
| 111331 | Apple Orchards | | \$0.75 |
| 111332 | Grape Vineyards | | \$0.75 |
| 111333 | Strawberry Farming | | \$0.75 |
| 111334 | Berry (except Strawberry) Farming | | \$0.75 |
| 111335 | Tree Nut Farming | | \$0.75 |
| 111336 | Fruit and Tree Nut Combination Farming | | \$0.75 |
| 111339 | Other Noncitrus Fruit Farming | | \$0.75 |
| 111411 | Mushroom Production | | \$0.75 |
| 111419 | Other Food Crops Grown Under Cover | | \$0.75 |
| 111421 | Nursery and Tree Production | | \$0.75 |
| 111422 | Floriculture Production | | \$0.75 |
| 111910 | Tobacco Farming | | \$0.75 |
| 111920 | Cotton Farming | | \$0.75 |
| 111930 | Sugarcane Farming | | \$0.75 |
| 111940 | Hay Farming | | \$0.75 |
| 111991 | Sugar Beet Farming | | \$0.75 |
| 111992 | Peanut Farming | | \$0.75 |
| 111998 | All Other Miscellaneous Crop Farming | | \$0.75 |

Subsector 112—Animal Production

| | | | |
|--------|---|----|--------|
| 112111 | Beef Cattle Ranching and Farming | | \$0.75 |
| 112112 | Cattle Feedlots | 50 | \$0.75 |
| 112120 | Dairy Cattle and Milk Production | | \$0.75 |
| 112210 | Hog and Pig Farming | | \$0.75 |
| 112310 | Chicken Egg Production | 50 | \$0.75 |
| 112320 | Broilers and Other Meat Type Chicken Production | | \$0.75 |
| 112330 | Turkey Production | | \$0.75 |
| 112340 | Poultry Hatcheries | | \$0.75 |
| 112390 | Other Poultry Production | | \$0.75 |
| 112410 | Sheep Farming | | \$0.75 |
| 112420 | Goat Farming | | \$0.75 |
| 112511 | Finfish Farming and Fish Hatcheries | | \$0.75 |
| 112512 | Shellfish Farming | | \$0.75 |
| 112519 | Other Animal Aquaculture | | \$0.75 |
| 112910 | Apiculture | | \$0.75 |
| 112920 | Horse and Other Equine Production | | \$0.75 |
| 112930 | Fur-Bearing Animal and Rabbit Production | | \$0.75 |
| 112990 | All Other Animal Production | | \$0.75 |

Subsector 113—Forestry and Logging

| | | | |
|--------|---|-----|--|
| 113110 | Timber Tract Operations | 50 | |
| 113210 | Forest Nurseries and Gathering of Forest Products | 50 | |
| 113310 | Logging | 500 | |

Subsector 114—Fishing, Hunting and Trapping

| | | | |
|--------|----------------------|----|--|
| 114111 | Finfish Fishing | 50 | |
| 114112 | Shellfish Fishing | 50 | |
| 114119 | Other Marine Fishing | 50 | |
| 114210 | Hunting and Trapping | 50 | |

Subsector 115—Support Activities for Agriculture and Forestry

| | | | |
|---------|---|------------------|---------------------|
| 115111 | Cotton Ginning | 50 | |
| 115112 | Soil Preparation, Planting, and Cultivating | 50 | |
| 115113 | Crop Harvesting, Primarily by Machine | 50 | |
| 115114 | Postharvest Crop Activities (except Cotton Ginning) | 50 | |
| 115115 | Farm Labor Contractors and Crew Leaders | 50 | |
| 115116 | Farm Management Services | 50 | |
| 115210 | Support Activities for Animal Production | 50 | |
| 115310 | Support Activities for Forestry | 50 | |
| Except, | Forest Fire Suppression ¹ | ¹ 400 | ¹ \$20.0 |
| Except, | Fuels Management Services ¹ | ¹ 400 | ¹ \$20.0 |

| NAICS codes | NAICS U.S. industry title | Size standards in number of employees | Maximum average annual receipts (\$ million) |
|---|--|---------------------------------------|--|
| Sector 21—Mining | | | |
| Subsector 211—Oil and Gas Extraction | | | |
| 211111 | Crude Petroleum and Natural Gas Extraction | 500 | ..... |
| 211112 | Natural Gas Liquid Extraction | 500 | ..... |
| Subsector 212—Mining (except Oil and Gas) | | | |
| 212111 | Bituminous Coal and Lignite Surface Mining | 500 | ..... |
| 212112 | Bituminous Coal Underground Mining | 500 | ..... |
| 212113 | Anthracite Mining | 500 | ..... |
| 212210 | Iron Ore Mining | 500 | ..... |
| 212221 | Gold Ore Mining | 500 | ..... |
| 212222 | Silver Ore Mining | 500 | ..... |
| 212231 | Lead Ore and Zinc Ore Mining | 500 | ..... |
| 212234 | Copper Ore and Nickel Ore Mining | 500 | ..... |
| 212291 | Uranium-Radium-Vanadium Ore Mining | 500 | ..... |
| 212299 | All Other Metal Ore Mining | 500 | ..... |
| 212311 | Dimension Stone Mining and Quarrying | 500 | ..... |
| 212312 | Crushed and Broken Limestone Mining and Quarrying | 500 | ..... |
| 212313 | Crushed and Broken Granite Mining and Quarrying | 500 | ..... |
| 212319 | Other Crushed and Broken Stone Mining and Quarrying | 500 | ..... |
| 212321 | Construction Sand and Gravel Mining | 500 | ..... |
| 212322 | Industrial Sand Mining | 500 | ..... |
| 212324 | Kaolin and Ball Clay Mining | 500 | ..... |
| 212325 | Clay and Ceramic and Refractory Minerals Mining | 500 | ..... |
| 212391 | Potash, Soda, and Borate Mineral Mining | 500 | ..... |
| 212392 | Phosphate Rock Mining | 500 | ..... |
| 212393 | Other Chemical and Fertilizer Mineral Mining | 500 | ..... |
| 212399 | All Other Nonmetallic Mineral Mining | 500 | ..... |
| Subsector 213—Support Activities for Mining | | | |
| 213111 | Drilling Oil and Gas Wells | 500 | ..... |
| 213112 | Support Activities for Oil and Gas Operations | 50 | ..... |
| 213113 | Support Activities for Coal Mining | 50 | ..... |
| 213114 | Support Activities for Metal Mining | 50 | ..... |
| 213115 | Support Activities for Nonmetallic Minerals (except Fuels) | 50 | ..... |
| Sector 22—Utilities | | | |
| Subsector 221—Utilities | | | |
| 221111 | Hydroelectric Power Generation | 1,000 | ..... |
| 221112 | Fossil Fuel Electric Power Generation | 1,000 | ..... |
| 221113 | Nuclear Electric Power Generation | 1,000 | ..... |
| 221119 | Other Electric Power Generation | 1,000 | ..... |
| 221121 | Electric Bulk Power Transmission and Control | 1,000 | ..... |
| 221122 | Electric Power Distribution | 1,000 | ..... |
| 221210 | Natural Gas Distribution | 500 | ..... |
| 221310 | Water Supply and Irrigation Systems | 50 | ..... |
| 221320 | Sewage Treatment Facilities | 50 | ..... |
| 221330 | Steam and Air-Conditioning Supply | 50 | ..... |
| Sector 23—Construction | | | |
| Subsector 236—Construction of Buildings | | | |
| 236115 | New Single-Family Housing Construction (except Operative Builders) | 150 | \$35.0 |
| 236116 | New Multifamily Housing Construction (except Operative Builders) | 150 | \$35.0 |
| 236117 | New Housing Operative Builders | 150 | \$35.0 |
| 236118 | Residential Remodelers | 150 | \$35.0 |
| 236210 | Industrial Building Construction | 150 | \$35.0 |
| 236220 | Commercial and Institutional Building Construction | 150 | \$35.0 |
| Subsector 237—Heavy and Civil Engineering Construction | | | |
| 237110 | Water and Sewer Line and Related Structures Construction | 200 | \$35.0 |
| 237120 | Oil and Gas Pipeline and Related Structures Construction | 200 | \$35.0 |
| 237130 | Power and Communication Line and Related Structures Construction | 200 | \$35.0 |

| NAICS codes | NAICS U.S. industry title | Size standards in number of employees | Maximum average annual receipts (\$ million) |
|---------------|--|---------------------------------------|--|
| 237210 | Land Subdivision | 200 | \$35.0 |
| 237310 | Highway, Street, and Bridge Construction | 200 | \$35.0 |
| 237990 | Other Heavy and Civil Engineering Construction | 200 | \$35.0 |
| Except, | Dredging and Surface Cleanup Activities ² | ² 150 | ² \$22.0 |

Subsector 238—Specialty Trade Contractors

| | | | |
|---------------|--|------------------|-------|
| 238110 | Poured Concrete Foundation and Structure Contractors | 100 | ..... |
| 238120 | Structural Steel and Precast Concrete Contractors | 100 | ..... |
| 238130 | Framing Contractors | 100 | ..... |
| 238140 | Masonry Contractors | 100 | ..... |
| 238150 | Glass and Glazing Contractors | 100 | ..... |
| 238160 | Roofing Contractors | 100 | ..... |
| 238170 | Siding Contractors | 100 | ..... |
| 238190 | Other Foundation, Structure, and Building Exterior Contractors | 100 | ..... |
| 238210 | Electrical Contractors | 100 | ..... |
| 238220 | Plumbing, Heating, and Air-Conditioning Contractors | 100 | ..... |
| 238290 | Other Building Equipment Contractors | 100 | ..... |
| 238310 | Drywall and Insulation Contractors | 100 | ..... |
| 238320 | Painting and Wall Covering Contractors | 100 | ..... |
| 238330 | Flooring Contractors | 100 | ..... |
| 238340 | Tile and Terrazzo Contractors | 100 | ..... |
| 238350 | Finish Carpentry Contractors | 100 | ..... |
| 238390 | Other Building Finishing Contractors | 100 | ..... |
| 238910 | Site Preparation Contractors | 100 | ..... |
| 238990 | All Other Specialty Trade Contractors | 100 | ..... |
| Except, | Building and Property Specialty Trade Services ³ | ³ 100 | ..... |

Sectors 31—33—Manufacturing**Subsector 311—Food Manufacturing**

| | | | |
|--------------|--|------------------|-------|
| 311111 | Dog and Cat Food Manufacturing | 500 | ..... |
| 311119 | Other Animal Food Manufacturing | 500 | ..... |
| 311211 | Flour Milling | 500 | ..... |
| 311212 | Rice Milling | 500 | ..... |
| 311213 | Malt Manufacturing | 500 | ..... |
| 311221 | Wet Corn Milling | 750 | ..... |
| 311222 | Soybean Processing | 500 | ..... |
| 311223 | Other Oilseed Processing | 1,000 | ..... |
| 311225 | Fats and Oils Refining and Blending | 1,000 | ..... |
| 311230 | Breakfast Cereal Manufacturing | 1,000 | ..... |
| 311311 | Sugarcane Mills | 500 | ..... |
| 311312 | Cane Sugar Refining | 750 | ..... |
| 311313 | Beet Sugar Manufacturing | 750 | ..... |
| 311320 | Chocolate and Confectionery Manufacturing from Cacao Beans | 500 | ..... |
| 311330 | Confectionery Manufacturing from Purchased Chocolate | 500 | ..... |
| 311340 | Non-Chocolate Confectionery Manufacturing | 500 | ..... |
| 311411 | Frozen Fruit, Juice and Vegetable Manufacturing | 500 | ..... |
| 311412 | Frozen Specialty Food Manufacturing | 500 | ..... |
| 311421 | Fruit and Vegetable Canning ⁴ | ⁴ 500 | ..... |
| 311422 | Specialty Canning | 1,000 | ..... |
| 311423 | Dried and Dehydrated Food Manufacturing | 500 | ..... |
| 311511 | Fluid Milk Manufacturing | 500 | ..... |
| 311512 | Creamery Butter Manufacturing | 500 | ..... |
| 311513 | Cheese Manufacturing | 500 | ..... |
| 311514 | Dry, Condensed, and Evaporated Dairy Product Manufacturing | 500 | ..... |
| 311520 | Ice Cream and Frozen Dessert Manufacturing | 500 | ..... |
| 311611 | Animal (except Poultry) Slaughtering | 500 | ..... |
| 311612 | Meat Processed from Carcasses | 500 | ..... |
| 311613 | Rendering and Meat By-product Processing | 500 | ..... |
| 311615 | Poultry Processing | 500 | ..... |
| 311711 | Seafood Canning | 500 | ..... |
| 311712 | Fresh and Frozen Seafood Processing | 500 | ..... |
| 311811 | Retail Bakeries | 500 | ..... |
| 311812 | Commercial Bakeries | 500 | ..... |
| 311813 | Frozen Cakes, Pies, and Other Pastries Manufacturing | 500 | ..... |
| 311821 | Cookie and Cracker Manufacturing | 750 | ..... |
| 311822 | Flour Mixes and Dough Manufacturing from Purchased Flour | 500 | ..... |
| 311823 | Dry Pasta Manufacturing | 500 | ..... |
| 311830 | Tortilla Manufacturing | 500 | ..... |

| NAICS codes | NAICS U.S. industry title | Size standards in number of employees | Maximum average annual receipts (\$ million) |
|--------------|---|---|--|
| 311911 | Roasted Nuts and Peanut Butter Manufacturing | 500 | ..... |
| 311919 | Other Snack Food Manufacturing | 500 | ..... |
| 311920 | Coffee and Tea Manufacturing | 500 | ..... |
| 311930 | Flavoring Syrup and Concentrate Manufacturing | 500 | ..... |
| 311941 | Mayonnaise, Dressing and Other Prepared Sauce Manufacturing | 500 | ..... |
| 311942 | Spice and Extract Manufacturing | 500 | ..... |
| 311991 | Perishable Prepared Food Manufacturing | 500 | ..... |
| 311999 | All Other Miscellaneous Food Manufacturing | 500 | ..... |

Subsector 312—Beverage and Tobacco Product Manufacturing

| | | | |
|--------------|---|-------|-------|
| 312111 | Soft Drink Manufacturing | 500 | ..... |
| 312112 | Bottled Water Manufacturing | 500 | ..... |
| 312113 | Ice Manufacturing | 500 | ..... |
| 312120 | Breweries | 500 | ..... |
| 312130 | Wineries | 500 | ..... |
| 312140 | Distilleries | 750 | ..... |
| 312210 | Tobacco Stemming and Redrying | 500 | ..... |
| 312221 | Cigarette Manufacturing | 1,000 | ..... |
| 312229 | Other Tobacco Product Manufacturing | 500 | ..... |

Subsector 313—Textile Mills

| | | | |
|--------------|---|-------|-------|
| 313111 | Yarn Spinning Mills | 500 | ..... |
| 313112 | Yarn Texturizing, Throwing and Twisting Mills | 500 | ..... |
| 313113 | Thread Mills | 500 | ..... |
| 313210 | Broadwoven Fabric Mills | 1,000 | ..... |
| 313221 | Narrow Fabric Mills | 500 | ..... |
| 313222 | Schiffli Machine Embroidery | 500 | ..... |
| 313230 | Nonwoven Fabric Mills | 500 | ..... |
| 313241 | Weft Knit Fabric Mills | 500 | ..... |
| 313249 | Other Knit Fabric and Lace Mills | 500 | ..... |
| 313311 | Broadwoven Fabric Finishing Mills | 1,000 | ..... |
| 313312 | Textile and Fabric Finishing (except Broadwoven Fabric) Mills | 500 | ..... |
| 313320 | Fabric Coating Mills | 1,000 | ..... |

Subsector 314—Textile Product Mills

| | | | |
|--------------|---|-------|-------|
| 314110 | Carpet and Rug Mills | 500 | ..... |
| 314121 | Curtain and Drapery Mills | 500 | ..... |
| 314129 | Other Household Textile Product Mills | 500 | ..... |
| 314911 | Textile Bag Mills | 500 | ..... |
| 314912 | Canvas and Related Product Mills | 500 | ..... |
| 314991 | Rope, Cordage and Twine Mills | 500 | ..... |
| 314992 | Tire Cord and Tire Fabric Mills | 1,000 | ..... |
| 314999 | All Other Miscellaneous Textile Product Mills | 500 | ..... |

Subsector 315—Apparel Manufacturing

| | | | |
|--------------|--|-----|-------|
| 315111 | Sheer Hosiery Mills | 500 | ..... |
| 315119 | Other Hosiery and Sock Mills | 500 | ..... |
| 315191 | Outerwear Knitting Mills | 500 | ..... |
| 315192 | Underwear and Nightwear Knitting Mills | 500 | ..... |
| 315211 | Men's and Boys' Cut and Sew Apparel Contractors | 500 | ..... |
| 315212 | Women's, Girls', and Infants' Cut and Sew Apparel Contractors | 500 | ..... |
| 315221 | Men's and Boys' Cut and Sew Underwear and Nightwear Manufacturing | 500 | ..... |
| 315222 | Men's and Boys' Cut and Sew Suit, Coat and Overcoat Manufacturing | 500 | ..... |
| 315223 | Men's and Boys' Cut and Sew Shirt (except Work Shirt) Manufacturing | 500 | ..... |
| 315224 | Men's and Boys' Cut and Sew Trouser, Slack and Jean Manufacturing | 500 | ..... |
| 315225 | Men's and Boys' Cut and Sew Work Clothing Manufacturing | 500 | ..... |
| 315228 | Men's and Boys' Cut and Sew Other Outerwear Manufacturing | 500 | ..... |
| 315231 | Women's and Girls' Cut and Sew Lingerie, Loungewear and Nightwear Manufacturing | 500 | ..... |
| 315232 | Women's and Girls' Cut and Sew Blouse and Shirt Manufacturing | 500 | ..... |
| 315233 | Women's and Girls' Cut and Sew Dress Manufacturing | 500 | ..... |
| 315234 | Women's and Girls' Cut and Sew Suit, Coat, Tailored Jacket and Skirt Manufacturing | 500 | ..... |
| 315239 | Women's and Girls' Cut and Sew Other Outerwear Manufacturing | 500 | ..... |
| 315291 | Infants' Cut and Sew Apparel Manufacturing | 500 | ..... |
| 315292 | Fur and Leather Apparel Manufacturing | 500 | ..... |
| 315299 | All Other Cut and Sew Apparel Manufacturing | 500 | ..... |
| 315991 | Hat, Cap and Millinery Manufacturing | 500 | ..... |
| 315992 | Glove and Mitten Manufacturing | 500 | ..... |

| NAICS codes | NAICS U.S. industry title | Size standards in number of employees | Maximum average annual receipts (\$ million) |
|--------------|---|---------------------------------------|--|
| 315993 | Men's and Boys' Neckwear Manufacturing | 500 | ..... |
| 315999 | Other Apparel Accessories and Other Apparel Manufacturing | 500 | ..... |

Subsector 316—Leather and Allied Product Manufacturing

| | | | |
|--------------|--|-------|-------|
| 316110 | Leather and Hide Tanning and Finishing | 500 | ..... |
| 316211 | Rubber and Plastics Footwear Manufacturing | 1,000 | ..... |
| 316212 | House Slipper Manufacturing | 500 | ..... |
| 316213 | Men's Footwear (except Athletic) Manufacturing | 500 | ..... |
| 316214 | Women's Footwear (except Athletic) Manufacturing | 500 | ..... |
| 316219 | Other Footwear Manufacturing | 500 | ..... |
| 316991 | Luggage Manufacturing | 500 | ..... |
| 316992 | Women's Handbag and Purse Manufacturing | 500 | ..... |
| 316993 | Personal Leather Good (except Women's Handbag and Purse) Manufacturing | 500 | ..... |
| 316999 | All Other Leather Good Manufacturing | 500 | ..... |

Subsector 321—Wood Product Manufacturing

| | | | |
|--------------|---|-----|-------|
| 321113 | Sawmills | 500 | ..... |
| 321114 | Wood Preservation | 500 | ..... |
| 321211 | Hardwood Veneer and Plywood Manufacturing | 500 | ..... |
| 321212 | Softwood Veneer and Plywood Manufacturing | 500 | ..... |
| 321213 | Engineered Wood Member (except Truss) Manufacturing | 500 | ..... |
| 321214 | Truss Manufacturing | 500 | ..... |
| 321219 | Reconstituted Wood Product Manufacturing | 500 | ..... |
| 321911 | Wood Window and Door Manufacturing | 500 | ..... |
| 321912 | Cut Stock, Resawing Lumber, and Planing | 500 | ..... |
| 321918 | Other Millwork (including Flooring) | 500 | ..... |
| 321920 | Wood Container and Pallet Manufacturing | 500 | ..... |
| 321991 | Manufactured Home (Mobile Home) Manufacturing | 500 | ..... |
| 321992 | Prefabricated Wood Building Manufacturing | 500 | ..... |
| 321999 | All Other Miscellaneous Wood Product Manufacturing | 500 | ..... |

Subsector 322—Paper Manufacturing

| | | | |
|--------------|--|-----|-------|
| 322110 | Pulp Mills | 750 | ..... |
| 322121 | Paper (except Newsprint) Mills | 750 | ..... |
| 322122 | Newsprint Mills | 750 | ..... |
| 322130 | Paperboard Mills | 750 | ..... |
| 322211 | Corrugated and Solid Fiber Box Manufacturing | 500 | ..... |
| 322212 | Folding Paperboard Box Manufacturing | 750 | ..... |
| 322213 | Setup Paperboard Box Manufacturing | 500 | ..... |
| 322214 | Fiber Can, Tube, Drum, and Similar Products Manufacturing | 500 | ..... |
| 322215 | Non-Folding Sanitary Food Container Manufacturing | 750 | ..... |
| 322221 | Coated and Laminated Packaging Paper and Plastics Film Manufacturing | 500 | ..... |
| 322222 | Coated and Laminated Paper Manufacturing | 500 | ..... |
| 322223 | Plastics, Foil, and Coated Paper Bag Manufacturing | 500 | ..... |
| 322224 | Uncoated Paper and Multiwall Bag Manufacturing | 500 | ..... |
| 322225 | Laminated Aluminum Foil Manufacturing for Flexible Packaging Uses | 500 | ..... |
| 322226 | Surface-Coated Paperboard Manufacturing | 500 | ..... |
| 322231 | Die-Cut Paper and Paperboard Office Supplies Manufacturing | 500 | ..... |
| 322232 | Envelope Manufacturing | 500 | ..... |
| 322233 | Stationery, Tablet, and Related Product Manufacturing | 500 | ..... |
| 322291 | Sanitary Paper Product Manufacturing | 500 | ..... |
| 322299 | All Other Converted Paper Product Manufacturing | 500 | ..... |

Subsector 323—Printing and Related Support Activities

| | | | |
|--------------|---|-----|-------|
| 323110 | Commercial Lithographic Printing | 500 | ..... |
| 323111 | Commercial Gravure Printing | 500 | ..... |
| 323112 | Commercial Flexographic Printing | 500 | ..... |
| 323113 | Commercial Screen Printing | 500 | ..... |
| 323114 | Quick Printing | 500 | ..... |
| 323115 | Digital Printing | 500 | ..... |
| 323116 | Manifold Business Forms Printing | 500 | ..... |
| 323117 | Books Printing | 500 | ..... |
| 323118 | Blankbook, Loose-leaf Binder and Device Manufacturing | 500 | ..... |
| 323119 | Other Commercial Printing | 500 | ..... |
| 323121 | Tradebinding and Related Work | 500 | ..... |
| 323122 | Prepress Services | 500 | ..... |

| NAICS codes | NAICS U.S. industry title | Size standards in number of employees | Maximum average annual receipts (\$ million) |
|---|--|---|--|
| Subsector 324—Petroleum and Coal Products Manufacturing | | | |
| 324110 | Petroleum Refineries ⁵ | ⁵ 1,500 ..... | ..... |
| 324121 | Asphalt Paving Mixture and Block Manufacturing | 500 ..... | ..... |
| 324122 | Asphalt Shingle and Coating Materials Manufacturing | 750 ..... | ..... |
| 324191 | Petroleum Lubricating Oil and Grease Manufacturing | 500 ..... | ..... |
| 324199 | All Other Petroleum and Coal Products Manufacturing | 500 ..... | ..... |
| Subsector 325—Chemical Manufacturing | | | |
| 325110 | Petrochemical Manufacturing | 1,000 ..... | ..... |
| 325120 | Industrial Gas Manufacturing | 1,000 ..... | ..... |
| 325131 | Inorganic Dye and Pigment Manufacturing | 1,000 ..... | ..... |
| 325132 | Synthetic Organic Dye and Pigment Manufacturing | 750 ..... | ..... |
| 325181 | Alkalies and Chlorine Manufacturing | 1,000 ..... | ..... |
| 325182 | Carbon Black Manufacturing | 500 ..... | ..... |
| 325188 | All Other Basic Inorganic Chemical Manufacturing | 1,000 ..... | ..... |
| 325191 | Gum and Wood Chemical Manufacturing | 500 ..... | ..... |
| 325192 | Cyclic Crude and Intermediate Manufacturing | 750 ..... | ..... |
| 325193 | Ethyl Alcohol Manufacturing | 1,000 ..... | ..... |
| 325199 | All Other Basic Organic Chemical Manufacturing | 1,000 ..... | ..... |
| 325211 | Plastics Material and Resin Manufacturing | 750 ..... | ..... |
| 325212 | Synthetic Rubber Manufacturing | 1,000 ..... | ..... |
| 325221 | Cellulosic Organic Fiber Manufacturing | 1,000 ..... | ..... |
| 325222 | Noncellulosic Organic Fiber Manufacturing | 1,000 ..... | ..... |
| 325311 | Nitrogenous Fertilizer Manufacturing | 1,000 ..... | ..... |
| 325312 | Phosphatic Fertilizer Manufacturing | 500 ..... | ..... |
| 325314 | Fertilizer (Mixing Only) Manufacturing | 500 ..... | ..... |
| 325320 | Pesticide and Other Agricultural Chemical Manufacturing | 500 ..... | ..... |
| 325411 | Medicinal and Botanical Manufacturing | 750 ..... | ..... |
| 325412 | Pharmaceutical Preparation Manufacturing | 750 ..... | ..... |
| 325413 | In-Vitro Diagnostic Substance Manufacturing | 500 ..... | ..... |
| 325414 | Biological Product (except Diagnostic) Manufacturing | 500 ..... | ..... |
| 325510 | Paint and Coating Manufacturing | 500 ..... | ..... |
| 325520 | Adhesive Manufacturing | 500 ..... | ..... |
| 325611 | Soap and Other Detergent Manufacturing | 750 ..... | ..... |
| 325612 | Polish and Other Sanitation Good Manufacturing | 500 ..... | ..... |
| 325613 | Surface Active Agent Manufacturing | 500 ..... | ..... |
| 325620 | Toilet Preparation Manufacturing | 500 ..... | ..... |
| 325910 | Printing Ink Manufacturing | 500 ..... | ..... |
| 325920 | Explosives Manufacturing | 750 ..... | ..... |
| 325991 | Custom Compounding of Purchased Resins | 500 ..... | ..... |
| 325992 | Photographic Film, Paper, Plate and Chemical Manufacturing | 500 ..... | ..... |
| 325998 | All Other Miscellaneous Chemical Product and Preparation Manufacturing | 500 ..... | ..... |
| Subsector 326—Plastics and Rubber Products Manufacturing | | | |
| 326111 | Unsupported Plastics Bag Manufacturing | 500 ..... | ..... |
| 326112 | Unsupported Plastics Packaging Film and Sheet Manufacturing | 500 ..... | ..... |
| 326113 | Unsupported Plastics Film and Sheet (except Packaging) Manufacturing | 500 ..... | ..... |
| 326121 | Unsupported Plastics Profile Shapes Manufacturing | 500 ..... | ..... |
| 326122 | Plastics Pipe and Pipe Fitting Manufacturing | 500 ..... | ..... |
| 326130 | Laminated Plastics Plate, Sheet and Shape Manufacturing | 500 ..... | ..... |
| 326140 | Polystyrene Foam Product Manufacturing | 500 ..... | ..... |
| 326150 | Urethane and Other Foam Product (except Polystyrene) Manufacturing | 500 ..... | ..... |
| 326160 | Plastics Bottle Manufacturing | 500 ..... | ..... |
| 326191 | Plastics Plumbing Fixture Manufacturing | 500 ..... | ..... |
| 326192 | Resilient Floor Covering Manufacturing | 750 ..... | ..... |
| 326199 | All Other Plastics Product Manufacturing | 500 ..... | ..... |
| 326211 | Tire Manufacturing (except Retreading) | 1,000 ..... | ..... |
| 326212 | Tire Retreading | 500 ..... | ..... |
| 326220 | Rubber and Plastics Hoses and Belting Manufacturing | 500 ..... | ..... |
| 326291 | Rubber Product Manufacturing for Mechanical Use | 500 ..... | ..... |
| 326299 | All Other Rubber Product Manufacturing | 500 ..... | ..... |
| Subsector 327—Nonmetallic Mineral Product Manufacturing | | | |
| 327111 | Vitreous China Plumbing Fixture and China and Earthenware Bathroom Accessories Manufacturing | 750 ..... | ..... |
| 327112 | Vitreous China, Fine Earthenware and Other Pottery Product Manufacturing | 500 ..... | ..... |
| 327113 | Porcelain Electrical Supply Manufacturing | 500 ..... | ..... |

| NAICS codes | NAICS U.S. industry title | Size standards in number of employees | Maximum average annual receipts (\$ million) |
|-------------|---|---------------------------------------|--|
| 327121 | Brick and Structural Clay Tile Manufacturing | 500 | |
| 327122 | Ceramic Wall and Floor Tile Manufacturing | 500 | |
| 327123 | Other Structural Clay Product Manufacturing | 500 | |
| 327124 | Clay Refractory Manufacturing | 500 | |
| 327125 | Nonclay Refractory Manufacturing | 750 | |
| 327211 | Flat Glass Manufacturing | 1,000 | |
| 327212 | Other Pressed and Blown Glass and Glassware Manufacturing | 750 | |
| 327213 | Glass Container Manufacturing | 750 | |
| 327215 | Glass Product Manufacturing Made of Purchased Glass | 500 | |
| 327310 | Cement Manufacturing | 750 | |
| 327320 | Ready-Mix Concrete Manufacturing | 500 | |
| 327331 | Concrete Block and Brick Manufacturing | 500 | |
| 327332 | Concrete Pipe Manufacturing | 500 | |
| 327390 | Other Concrete Product Manufacturing | 500 | |
| 327410 | Lime Manufacturing | 500 | |
| 327420 | Gypsum Product Manufacturing | 1,000 | |
| 327910 | Abrasive Product Manufacturing | 500 | |
| 327991 | Cut Stone and Stone Product Manufacturing | 500 | |
| 327992 | Ground or Treated Mineral and Earth Manufacturing | 500 | |
| 327993 | Mineral Wool Manufacturing | 750 | |
| 327999 | All Other Miscellaneous Nonmetallic Mineral Product Manufacturing | 500 | |

Subsector 331—Primary Metal Manufacturing

| | | | |
|--------|---|-------|--|
| 331111 | Iron and Steel Mills | 1,000 | |
| 331112 | Electrometallurgical Ferroalloy Product Manufacturing | 750 | |
| 331210 | Iron and Steel Pipe and Tube Manufacturing from Purchased Steel | 1,000 | |
| 331221 | Cold-Rolled Steel Shape Manufacturing | 1,000 | |
| 331222 | Steel Wire Drawing | 1,000 | |
| 331311 | Alumina Refining | 1,000 | |
| 331312 | Primary Aluminum Production | 1,000 | |
| 331314 | Secondary Smelting and Alloying of Aluminum | 750 | |
| 331315 | Aluminum Sheet, Plate and Foil Manufacturing | 750 | |
| 331316 | Aluminum Extruded Product Manufacturing | 750 | |
| 331319 | Other Aluminum Rolling and Drawing | 750 | |
| 331411 | Primary Smelting and Refining of Copper | 1,000 | |
| 331419 | Primary Smelting and Refining of Nonferrous Metal (except Copper and Aluminum) | 750 | |
| 331421 | Copper Rolling, Drawing and Extruding | 750 | |
| 331422 | Copper Wire (except Mechanical) Drawing | 1,000 | |
| 331423 | Secondary Smelting, Refining, and Alloying of Copper | 750 | |
| 331491 | Nonferrous Metal (except Copper and Aluminum) Rolling, Drawing and Extruding | 750 | |
| 331492 | Secondary Smelting, Refining, and Alloying of Nonferrous Metal (except Copper and Aluminum) | 750 | |
| 331511 | Iron Foundries | 500 | |
| 331512 | Steel Investment Foundries | 500 | |
| 331513 | Steel Foundries (except Investment) | 500 | |
| 331521 | Aluminum Die-Casting Foundries | 500 | |
| 331522 | Nonferrous (except Aluminum) Die-Casting Foundries | 500 | |
| 331524 | Aluminum Foundries (except Die-Casting) | 500 | |
| 331525 | Copper Foundries (except Die-Casting) | 500 | |
| 331528 | Other Nonferrous Foundries (except Die-Casting) | 500 | |

Subsector 332—Fabricated Metal Product Manufacturing

| | | | |
|--------|--|-----|--|
| 332111 | Iron and Steel Forging | 500 | |
| 332112 | Nonferrous Forging | 500 | |
| 332114 | Custom Roll Forming | 500 | |
| 332115 | Crown and Closure Manufacturing | 500 | |
| 332116 | Metal Stamping | 500 | |
| 332117 | Powder Metallurgy Part Manufacturing | 500 | |
| 332211 | Cutlery and Flatware (except Precious) Manufacturing | 500 | |
| 332212 | Hand and Edge Tool Manufacturing | 500 | |
| 332213 | Saw Blade and Handsaw Manufacturing | 500 | |
| 332214 | Kitchen Utensil, Pot and Pan Manufacturing | 500 | |
| 332311 | Prefabricated Metal Building and Component Manufacturing | 500 | |
| 332312 | Fabricated Structural Metal Manufacturing | 500 | |
| 332313 | Plate Work Manufacturing | 500 | |
| 332321 | Metal Window and Door Manufacturing | 500 | |
| 332322 | Sheet Metal Work Manufacturing | 500 | |
| 332323 | Ornamental and Architectural Metal Work Manufacturing | 500 | |
| 332410 | Power Boiler and Heat Exchanger Manufacturing | 500 | |

| NAICS codes | NAICS U.S. industry title | Size standards in number of employees | Maximum average annual receipts (\$ million) |
|-------------|--|---------------------------------------|--|
| 332420 | Metal Tank (Heavy Gauge) Manufacturing | 500 | |
| 332431 | Metal Can Manufacturing | 1,000 | |
| 332439 | Other Metal Container Manufacturing | 500 | |
| 332510 | Hardware Manufacturing | 500 | |
| 332611 | Spring (Heavy Gauge) Manufacturing | 500 | |
| 332612 | Spring (Light Gauge) Manufacturing | 500 | |
| 332618 | Other Fabricated Wire Product Manufacturing | 500 | |
| 332710 | Machine Shops | 500 | |
| 332721 | Precision Turned Product Manufacturing | 500 | |
| 332722 | Bolt, Nut, Screw, Rivet and Washer Manufacturing | 500 | |
| 332811 | Metal Heat Treating | 750 | |
| 332812 | Metal Coating, Engraving (except Jewelry and Silverware), and Allied Services to Manufacturers | 500 | |
| 332813 | Electroplating, Plating, Polishing, Anodizing and Coloring | 500 | |
| 332911 | Industrial Valve Manufacturing | 500 | |
| 332912 | Fluid Power Valve and Hose Fitting Manufacturing | 500 | |
| 332913 | Plumbing Fixture Fitting and Trim Manufacturing | 500 | |
| 332919 | Other Metal Valve and Pipe Fitting Manufacturing | 500 | |
| 332991 | Ball and Roller Bearing Manufacturing | 750 | |
| 332992 | Small Arms Ammunition Manufacturing | 1,000 | |
| 332993 | Ammunition (except Small Arms) Manufacturing | 1,500 | |
| 332994 | Small Arms Manufacturing | 1,000 | |
| 332995 | Other Ordnance and Accessories Manufacturing | 500 | |
| 332996 | Fabricated Pipe and Pipe Fitting Manufacturing | 500 | |
| 332997 | Industrial Pattern Manufacturing | 500 | |
| 332998 | Enameled Iron and Metal Sanitary Ware Manufacturing | 750 | |
| 332999 | All Other Miscellaneous Fabricated Metal Product Manufacturing | 500 | |

Subsector 333—Machinery Manufacturing⁶

| | | | |
|--------|---|-------|--|
| 333111 | Farm Machinery and Equipment Manufacturing | 500 | |
| 333112 | Lawn and Garden Tractor and Home Lawn and Garden Equipment Manufacturing | 500 | |
| 333120 | Construction Machinery Manufacturing | 750 | |
| 333131 | Mining Machinery and Equipment Manufacturing | 500 | |
| 333132 | Oil and Gas Field Machinery and Equipment Manufacturing | 500 | |
| 333210 | Sawmill and Woodworking Machinery Manufacturing | 500 | |
| 333220 | Plastics and Rubber Industry Machinery Manufacturing | 500 | |
| 333291 | Paper Industry Machinery Manufacturing | 500 | |
| 333292 | Textile Machinery Manufacturing | 500 | |
| 333293 | Printing Machinery and Equipment Manufacturing | 500 | |
| 333294 | Food Product Machinery Manufacturing | 500 | |
| 333295 | Semiconductor Machinery Manufacturing | 500 | |
| 333298 | All Other Industrial Machinery Manufacturing | 500 | |
| 333311 | Automatic Vending Machine Manufacturing | 500 | |
| 333312 | Commercial Laundry, Drycleaning and Pressing Machine Manufacturing | 500 | |
| 333313 | Office Machinery Manufacturing | 1,000 | |
| 333314 | Optical Instrument and Lens Manufacturing | 500 | |
| 333315 | Photographic and Photocopying Equipment Manufacturing | 500 | |
| 333319 | Other Commercial and Service Industry Machinery Manufacturing | 500 | |
| 333411 | Air Purification Equipment Manufacturing | 500 | |
| 333412 | Industrial and Commercial Fan and Blower Manufacturing | 500 | |
| 333414 | Heating Equipment (except Warm Air Furnaces) Manufacturing | 500 | |
| 333415 | Air-Conditioning and Warm Air Heating Equipment and Commercial and Industrial Refrigeration Equipment Manufacturing | 750 | |
| 333511 | Industrial Mold Manufacturing | 500 | |
| 333512 | Machine Tool (Metal Cutting Types) Manufacturing | 500 | |
| 333513 | Machine Tool (Metal Forming Types) Manufacturing | 500 | |
| 333514 | Special Die and Tool, Die Set, Jig and Fixture Manufacturing | 500 | |
| 333515 | Cutting Tool and Machine Tool Accessory Manufacturing | 500 | |
| 333516 | Rolling Mill Machinery and Equipment Manufacturing | 500 | |
| 333518 | Other Metalworking Machinery Manufacturing | 500 | |
| 333611 | Turbine and Turbine Generator Set Unit Manufacturing | 1,000 | |
| 333612 | Speed Changer, Industrial High-Speed Drive and Gear Manufacturing | 500 | |
| 333613 | Mechanical Power Transmission Equipment Manufacturing | 500 | |
| 333618 | Other Engine Equipment Manufacturing | 1,000 | |
| 333911 | Pump and Pumping Equipment Manufacturing | 500 | |
| 333912 | Air and Gas Compressor Manufacturing | 500 | |
| 333913 | Measuring and Dispensing Pump Manufacturing | 500 | |
| 333921 | Elevator and Moving Stairway Manufacturing | 500 | |
| 333922 | Conveyor and Conveying Equipment Manufacturing | 500 | |
| 333923 | Overhead Traveling Crane, Hoist and Monorail System Manufacturing | 500 | |

| NAICS codes | NAICS U.S. industry title | Size standards in number of employees | Maximum average annual receipts (\$ million) |
|--------------|--|---------------------------------------|--|
| 333924 | Industrial Truck, Tractor, Trailer and Stacker Machinery Manufacturing | 750 ..... | ..... |
| 333991 | Power-Driven Hand Tool Manufacturing | 500 ..... | ..... |
| 333992 | Welding and Soldering Equipment Manufacturing | 500 ..... | ..... |
| 333993 | Packaging Machinery Manufacturing | 500 ..... | ..... |
| 333994 | Industrial Process Furnace and Oven Manufacturing | 500 ..... | ..... |
| 333995 | Fluid Power Cylinder and Actuator Manufacturing | 500 ..... | ..... |
| 333996 | Fluid Power Pump and Motor Manufacturing | 500 ..... | ..... |
| 333997 | Scale and Balance (except Laboratory) Manufacturing | 500 ..... | ..... |
| 333999 | All Other Miscellaneous General Purpose Machinery Manufacturing | 500 ..... | ..... |

Subsector 334—Computer and Electronic Product Manufacturing⁶

| | | | |
|--------------|--|-------------|-------|
| 334111 | Electronic Computer Manufacturing | 1,000 ..... | ..... |
| 334112 | Computer Storage Device Manufacturing | 1,000 ..... | ..... |
| 334113 | Computer Terminal Manufacturing | 1,000 ..... | ..... |
| 334119 | Other Computer Peripheral Equipment Manufacturing | 1,000 ..... | ..... |
| 334210 | Telephone Apparatus Manufacturing | 1,000 ..... | ..... |
| 334220 | Radio and Television Broadcasting and Wireless Communications Equipment Manufacturing | 750 ..... | ..... |
| 334290 | Other Communications Equipment Manufacturing | 750 ..... | ..... |
| 334310 | Audio and Video Equipment Manufacturing | 750 ..... | ..... |
| 334411 | Electron Tube Manufacturing | 750 ..... | ..... |
| 334412 | Bare Printed Circuit Board Manufacturing | 500 ..... | ..... |
| 334413 | Semiconductor and Related Device Manufacturing | 500 ..... | ..... |
| 334414 | Electronic Capacitor Manufacturing | 500 ..... | ..... |
| 334415 | Electronic Resistor Manufacturing | 500 ..... | ..... |
| 334416 | Electronic Coil, Transformer, and Other Inductor Manufacturing | 500 ..... | ..... |
| 334417 | Electronic Connector Manufacturing | 500 ..... | ..... |
| 334418 | Printed Circuit Assembly (Electronic Assembly) Manufacturing | 500 ..... | ..... |
| 334419 | Other Electronic Component Manufacturing | 500 ..... | ..... |
| 334510 | Electromedical and Electrotherapeutic Apparatus Manufacturing | 500 ..... | ..... |
| 334511 | Search, Detection, Navigation, Guidance, Aeronautical, and Nautical System and Instrument Manufacturing | 750 ..... | ..... |
| 334512 | Automatic Environmental Control Manufacturing for Residential, Commercial and Appliance Use | 500 ..... | ..... |
| 334513 | Instruments and Related Products Manufacturing for Measuring, Displaying, and Controlling Industrial Process Variables | 500 ..... | ..... |
| 334514 | Totalizing Fluid Meter and Counting Device Manufacturing | 500 ..... | ..... |
| 334515 | Instrument Manufacturing for Measuring and Testing Electricity and Electrical Signals | 500 ..... | ..... |
| 334516 | Analytical Laboratory Instrument Manufacturing | 500 ..... | ..... |
| 334517 | Irradiation Apparatus Manufacturing | 500 ..... | ..... |
| 334518 | Watch, Clock, and Part Manufacturing | 500 ..... | ..... |
| 334519 | Other Measuring and Controlling Device Manufacturing | 500 ..... | ..... |
| 334611 | Software Reproducing | 500 ..... | ..... |
| 334612 | Prerecorded Compact Disc (except Software), Tape, and Record Reproducing | 750 ..... | ..... |
| 334613 | Magnetic and Optical Recording Media Manufacturing | 1,000 ..... | ..... |

Subsector 335—Electrical Equipment, Appliance and Component Manufacturing⁶

| | | | |
|--------------|--|-------------|-------|
| 335110 | Electric Lamp Bulb and Part Manufacturing | 1,000 ..... | ..... |
| 335121 | Residential Electric Lighting Fixture Manufacturing | 500 ..... | ..... |
| 335122 | Commercial, Industrial and Institutional Electric Lighting Fixture Manufacturing | 500 ..... | ..... |
| 335129 | Other Lighting Equipment Manufacturing | 500 ..... | ..... |
| 335211 | Electric Housewares and Household Fan Manufacturing | 750 ..... | ..... |
| 335212 | Household Vacuum Cleaner Manufacturing | 750 ..... | ..... |
| 335221 | Household Cooking Appliance Manufacturing | 750 ..... | ..... |
| 335222 | Household Refrigerator and Home Freezer Manufacturing | 1,000 ..... | ..... |
| 335224 | Household Laundry Equipment Manufacturing | 1,000 ..... | ..... |
| 335228 | Other Major Household Appliance Manufacturing | 500 ..... | ..... |
| 335311 | Power, Distribution and Specialty Transformer Manufacturing | 750 ..... | ..... |
| 335312 | Motor and Generator Manufacturing | 1,000 ..... | ..... |
| 335313 | Switchgear and Switchboard Apparatus Manufacturing | 750 ..... | ..... |
| 335314 | Relay and Industrial Control Manufacturing | 750 ..... | ..... |
| 335911 | Storage Battery Manufacturing | 500 ..... | ..... |
| 335912 | Primary Battery Manufacturing | 1,000 ..... | ..... |
| 335921 | Fiber Optic Cable Manufacturing | 1,000 ..... | ..... |
| 335929 | Other Communication and Energy Wire Manufacturing | 1,000 ..... | ..... |
| 335931 | Current-Carrying Wiring Device Manufacturing | 500 ..... | ..... |
| 335932 | Noncurrent-Carrying Wiring Device Manufacturing | 500 ..... | ..... |
| 335991 | Carbon and Graphite Product Manufacturing | 750 ..... | ..... |
| 335999 | All Other Miscellaneous Electrical Equipment and Component Manufacturing | 500 ..... | ..... |

| NAICS codes | NAICS U.S. industry title | Size standards in number of employees | Maximum average annual receipts (\$ million) |
|---|--|---------------------------------------|--|
| Subsector 336—Transportation Equipment Manufacturing⁷ | | | |
| 336111 | Automobile Manufacturing | 1,000 | |
| 336112 | Light Truck and Utility Vehicle Manufacturing | 1,000 | |
| 336120 | Heavy Duty Truck Manufacturing | 1,000 | |
| 336211 | Motor Vehicle Body Manufacturing | 1,000 | |
| 336212 | Truck Trailer Manufacturing | 500 | |
| 336213 | Motor Home Manufacturing | 1,000 | |
| 336214 | Travel Trailer and Camper Manufacturing | 500 | |
| 336311 | Carburetor, Piston, Piston Ring and Valve Manufacturing | 500 | |
| 336312 | Gasoline Engine and Engine Parts Manufacturing | 750 | |
| 336321 | Vehicular Lighting Equipment Manufacturing | 500 | |
| 336322 | Other Motor Vehicle Electrical and Electronic Equipment Manufacturing | 750 | |
| 336330 | Motor Vehicle Steering and Suspension Components (except Spring) Manufacturing | 750 | |
| 336340 | Motor Vehicle Brake System Manufacturing | 750 | |
| 336350 | Motor Vehicle Transmission and Power Train Parts Manufacturing | 750 | |
| 336360 | Motor Vehicle Seating and Interior Trim Manufacturing | 500 | |
| 336370 | Motor Vehicle Metal Stamping | 500 | |
| 336391 | Motor Vehicle Air-Conditioning Manufacturing | 750 | |
| 336399 | All Other Motor Vehicle Parts Manufacturing | 750 | |
| 336411 | Aircraft Manufacturing | 1,500 | |
| 336412 | Aircraft Engine and Engine Parts Manufacturing | 1,000 | |
| 336413 | Other Aircraft Part and Auxiliary Equipment Manufacturing ⁷ | ⁷ 1,000 | |
| 336414 | Guided Missile and Space Vehicle Manufacturing | 1,000 | |
| 336415 | Guided Missile and Space Vehicle Propulsion Unit and Propulsion Unit Parts Manufacturing | 1,000 | |
| 336419 | Other Guided Missile and Space Vehicle Parts and Auxiliary Equipment Manufacturing | 1,000 | |
| 336510 | Railroad Rolling Stock Manufacturing | 1,000 | |
| 336611 | Ship Building and Repairing | 1,000 | |
| 336612 | Boat Building | 500 | |
| 336991 | Motorcycle, Bicycle and Parts Manufacturing | 500 | |
| 336992 | Military Armored Vehicle, Tank and Tank Component Manufacturing | 1,000 | |
| 336999 | All Other Transportation Equipment Manufacturing | 500 | |
| Subsector 337—Furniture and Related Product Manufacturing | | | |
| 337110 | Wood Kitchen Cabinet and Counter Top Manufacturing | 500 | |
| 337121 | Upholstered Household Furniture Manufacturing | 500 | |
| 337122 | Nonupholstered Wood Household Furniture Manufacturing | 500 | |
| 337124 | Metal Household Furniture Manufacturing | 500 | |
| 337125 | Household Furniture (except Wood and Metal) Manufacturing | 500 | |
| 337127 | Institutional Furniture Manufacturing | 500 | |
| 337129 | Wood Television, Radio, and Sewing Machine Cabinet Manufacturing | 500 | |
| 337211 | Wood Office Furniture Manufacturing | 500 | |
| 337212 | Custom Architectural Woodwork and Millwork Manufacturing | 500 | |
| 337214 | Office Furniture (except Wood) Manufacturing | 500 | |
| 337215 | Showcase, Partition, Shelving, and Locker Manufacturing | 500 | |
| 337910 | Mattress Manufacturing | 500 | |
| 337920 | Blind and Shade Manufacturing | 500 | |
| Subsector 339—Miscellaneous Manufacturing | | | |
| 339111 | Laboratory Apparatus and Furniture Manufacturing | 500 | |
| 339112 | Surgical and Medical Instrument Manufacturing | 500 | |
| 339113 | Surgical Appliance and Supplies Manufacturing | 500 | |
| 339114 | Dental Equipment and Supplies Manufacturing | 500 | |
| 339115 | Ophthalmic Goods Manufacturing | 500 | |
| 339116 | Dental Laboratories | 500 | |
| 339911 | Jewelry (except Costume) Manufacturing | 500 | |
| 339912 | Silverware and Hollowware Manufacturing | 500 | |
| 339913 | Jewelers' Material and Lapidary Work Manufacturing | 500 | |
| 339914 | Costume Jewelry and Novelty Manufacturing | 500 | |
| 339920 | Sporting and Athletic Goods Manufacturing | 500 | |
| 339931 | Doll and Stuffed Toy Manufacturing | 500 | |
| 339932 | Game, Toy, and Children's Vehicle Manufacturing | 500 | |
| 339941 | Pen and Mechanical Pencil Manufacturing | 500 | |
| 339942 | Lead Pencil and Art Good Manufacturing | 500 | |
| 339943 | Marking Device Manufacturing | 500 | |
| 339944 | Carbon Paper and Inked Ribbon Manufacturing | 500 | |
| 339950 | Sign Manufacturing | 500 | |
| 339991 | Gasket, Packing, and Sealing Device Manufacturing | 500 | |
| 339992 | Musical Instrument Manufacturing | 500 | |

| NAICS codes | NAICS U.S. industry title | Size standards in number of employees | Maximum average annual receipts (\$ million) |
|--------------|--|---------------------------------------|--|
| 339993 | Fastener, Button, Needle and Pin Manufacturing | 500 | ..... |
| 339994 | Broom, Brush and Mop Manufacturing | 500 | ..... |
| 339995 | Burial Casket Manufacturing | 500 | ..... |
| 339999 | All Other Miscellaneous Manufacturing | 500 | ..... |

Sector 42—Wholesale Trade

Subsector 423—Merchant Wholesalers, Durable Goods

| | | | |
|--------------|---|-----|-------|
| 423110 | Automobile and Other Motor Vehicle Merchant Wholesalers | 100 | ..... |
| 423120 | Motor Vehicle Supplies and New Parts Merchant Wholesalers | 100 | ..... |
| 423130 | Tire and Tube Merchant Wholesalers | 100 | ..... |
| 423140 | Motor Vehicle Parts (Used) Merchant Wholesalers | 100 | ..... |
| 423210 | Furniture Merchant Wholesalers | 100 | ..... |
| 423220 | Home Furnishing Merchant Wholesalers | 100 | ..... |
| 423310 | Lumber, Plywood, Millwork, and Wood Panel Merchant Wholesalers | 100 | ..... |
| 423320 | Brick, Stone, and Related Construction Material Merchant Wholesalers | 100 | ..... |
| 423330 | Roofing, Siding, and Insulation Material Merchant Wholesalers | 100 | ..... |
| 423390 | Other Construction Material Merchant Wholesalers | 100 | ..... |
| 423410 | Photographic Equipment and Supplies Merchant Wholesalers | 100 | ..... |
| 423420 | Office Equipment Merchant Wholesalers | 100 | ..... |
| 423430 | Computer and Computer Peripheral Equipment and Software Merchant Wholesalers | 100 | ..... |
| 423440 | Other Commercial Equipment Merchant Wholesalers | 100 | ..... |
| 423450 | Medical, Dental, and Hospital Equipment and Supplies Merchant Wholesalers | 100 | ..... |
| 423460 | Ophthalmic Goods Merchant Wholesalers | 100 | ..... |
| 423490 | Other Professional Equipment and Supplies Merchant Wholesalers | 100 | ..... |
| 423510 | Metal Service Centers and Other Metal Merchant Wholesalers | 100 | ..... |
| 423520 | Coal and Other Mineral and Ore Merchant Wholesalers | 100 | ..... |
| 423610 | Electrical Apparatus and Equipment, Wiring Supplies, and Related Equipment Merchant Wholesalers | 100 | ..... |
| 423620 | Electrical and Electronic Appliance, Television, and Radio Set Merchant Wholesalers | 100 | ..... |
| 423690 | Other Electronic Parts and Equipment Merchant Wholesalers | 100 | ..... |
| 423710 | Hardware Merchant Wholesalers | 100 | ..... |
| 423720 | Plumbing and Heating Equipment and Supplies (Hydronics) Merchant Wholesalers | 100 | ..... |
| 423730 | Warm Air Heating and Air-Conditioning Equipment and Supplies Merchant Wholesalers | 100 | ..... |
| 423740 | Refrigeration Equipment and Supplies Merchant Wholesalers | 100 | ..... |
| 423810 | Construction and Mining (except Oil Well) Machinery and Equipment Merchant Wholesalers | 100 | ..... |
| 423820 | Farm and Garden Machinery and Equipment Merchant Wholesalers | 100 | ..... |
| 423830 | Industrial Machinery and Equipment Merchant Wholesalers | 100 | ..... |
| 423840 | Industrial Supplies Merchant Wholesalers | 100 | ..... |
| 423850 | Service Establishment Equipment and Supplies Merchant Wholesalers | 100 | ..... |
| 423860 | Transportation Equipment and Supplies (except Motor Vehicle) Merchant Wholesalers | 100 | ..... |
| 423910 | Sporting and Recreational Goods and Supplies Merchant Wholesalers | 100 | ..... |
| 423920 | Toy and Hobby Goods and Supplies Merchant Wholesalers | 100 | ..... |
| 423930 | Recyclable Material Merchant Wholesalers | 100 | ..... |
| 423940 | Jewelry, Watch, Precious Stone, and Precious Metal Merchant Wholesalers | 100 | ..... |
| 423990 | Other Miscellaneous Durable Goods Merchant Wholesalers | 100 | ..... |

Subsector 424—Merchant Wholesalers, Nondurable Goods

| | | | |
|--------------|---|-----|-------|
| 424110 | Printing and Writing Paper Merchant Wholesalers | 100 | ..... |
| 424120 | Stationary and Office Supplies Merchant Wholesalers | 100 | ..... |
| 424130 | Industrial and Personal Service Paper Merchant Wholesalers | 100 | ..... |
| 424210 | Drugs and Druggists' Sundries Merchant Wholesalers | 100 | ..... |
| 424310 | Piece Goods, Notions, and Other Dry Goods Merchant Wholesalers | 100 | ..... |
| 424320 | Men's and Boys' Clothing and Furnishings Merchant Wholesalers | 100 | ..... |
| 424330 | Women's, Children's, and Infants' Clothing and Accessories Merchant Wholesalers | 100 | ..... |
| 424340 | Footwear Merchant Wholesalers | 100 | ..... |
| 424410 | General Line Grocery Merchant Wholesalers | 100 | ..... |
| 424420 | Packaged Frozen Food Merchant Wholesalers | 100 | ..... |
| 424430 | Dairy Product (except Dried or Canned) Merchant Wholesalers | 100 | ..... |
| 424440 | Poultry and Poultry Product Merchant Wholesalers | 100 | ..... |
| 424450 | Confectionery Merchant Wholesalers | 100 | ..... |
| 424460 | Fish and Seafood Merchant Wholesalers | 100 | ..... |
| 424470 | Meat and Meat Product Merchant Wholesalers | 100 | ..... |
| 424480 | Fresh Fruit and Vegetable Merchant Wholesalers | 100 | ..... |
| 424490 | Other Grocery and Related Products Merchant Wholesalers | 100 | ..... |
| 424510 | Grain and Field Bean Merchant Wholesalers | 100 | ..... |
| 424520 | Livestock Merchant Wholesalers | 100 | ..... |
| 424590 | Other Farm Product Raw Material Merchant Wholesalers | 100 | ..... |
| 424610 | Plastics Materials and Basic Forms and Shapes Merchant Wholesalers | 100 | ..... |

| NAICS codes | NAICS U.S. industry title | Size standards in number of employees | Maximum average annual receipts (\$ million) |
|--|--|---------------------------------------|--|
| 424690 | Other Chemical and Allied Products Merchant Wholesalers | 100 | ..... |
| 424710 | Petroleum Bulk Stations and Terminals | 100 | ..... |
| 424720 | Petroleum and Petroleum Products Merchant Wholesalers (except Bulk Stations and Terminals) | 100 | ..... |
| 424810 | Beer and Ale Merchant Wholesalers | 100 | ..... |
| 424820 | Wine and Distilled Alcoholic Beverage Merchant Wholesalers | 100 | ..... |
| 424910 | Farm Supplies Merchant Wholesalers | 100 | ..... |
| 424920 | Book, Periodical, and Newspaper Merchant Wholesalers | 100 | ..... |
| 424930 | Flower, Nursery Stock, and Florists' Supplies Merchant Wholesalers | 100 | ..... |
| 424940 | Tobacco and Tobacco Product Merchant Wholesalers | 100 | ..... |
| 424950 | Paint, Varnish, and Supplies Merchant Wholesalers | 100 | ..... |
| 424990 | Other Miscellaneous Nondurable Goods Merchant Wholesalers | 100 | ..... |
| Subsector 425—Wholesale Electronic Markets and Agents and Brokers | | | |
| 425110 | Business to Business Electronic Markets | 100 | ..... |
| 425120 | Wholesale Trade Agents and Brokers | 100 | ..... |
| Sectors 44–45—Retail Trade | | | |
| Subsector 441—Motor Vehicle and Parts Dealers | | | |
| 441110 | New Car Dealers | 50 | ..... |
| 441120 | Used Car Dealers | 50 | ..... |
| 441210 | Recreational Vehicle Dealers | 50 | ..... |
| 441221 | Motorcycle Dealers | 50 | ..... |
| 441222 | Boat Dealers | 50 | ..... |
| 441229 | All Other Motor Vehicle Dealers | 50 | ..... |
| 441310 | Automotive Parts and Accessories Stores | 50 | ..... |
| 441320 | Tire Dealers | 50 | ..... |
| Subsector 442—Furniture and Home Furnishings Stores | | | |
| 442110 | Furniture Stores | 50 | ..... |
| 442210 | Floor Covering Stores | 50 | ..... |
| 442291 | Window Treatment Stores | 50 | ..... |
| 442299 | All Other Home Furnishings Stores | 50 | ..... |
| Subsector 443—Electronics and Appliance Stores | | | |
| 443111 | Household Appliance Stores | 50 | ..... |
| 443112 | Radio, Television and Other Electronics Stores | 50 | ..... |
| 443120 | Computer and Software Stores | 50 | ..... |
| 443130 | Camera and Photographic Supplies Stores | 50 | ..... |
| Subsector 444—Building Material and Garden Equipment and Supplies Dealers | | | |
| 444110 | Home Centers | 50 | ..... |
| 444120 | Paint and Wallpaper Stores | 50 | ..... |
| 444130 | Hardware Stores | 50 | ..... |
| 444190 | Other Building Material Dealers | 50 | ..... |
| 444210 | Outdoor Power Equipment Stores | 50 | ..... |
| 444220 | Nursery and Garden Centers | 50 | ..... |
| Subsector 445—Food and Beverage Stores | | | |
| 445110 | Supermarkets and Other Grocery (except Convenience) Stores | 150 | ..... |
| 445120 | Convenience Stores | 150 | ..... |
| 445210 | Meat Markets | 50 | ..... |
| 445220 | Fish and Seafood Markets | 50 | ..... |
| 445230 | Fruit and Vegetable Markets | 50 | ..... |
| 445291 | Baked Goods Stores | 50 | ..... |
| 445292 | Confectionery and Nut Stores | 50 | ..... |
| 445299 | All Other Specialty Food Stores | 50 | ..... |
| 445310 | Beer, Wine and Liquor Stores | 50 | ..... |
| Subsector 446—Health and Personal Care Stores | | | |
| 446110 | Pharmacies and Drug Stores | 50 | ..... |
| 446120 | Cosmetics, Beauty Supplies and Perfume Stores | 50 | ..... |
| 446130 | Optical Goods Stores | 50 | ..... |

| NAICS codes | NAICS U.S. industry title | Size standards in number of employees | Maximum average annual receipts (\$ million) |
|--|---|---------------------------------------|--|
| 446191 | Food (Health) Supplement Stores | 50 | ..... |
| 446199 | All Other Health and Personal Care Stores | 50 | ..... |
| Subsector 447—Gasoline Stations | | | |
| 447110 | Gasoline Stations with Convenience Stores | 100 | ..... |
| 447190 | Other Gasoline Stations | 50 | ..... |
| Subsector 448—Clothing and Clothing Accessories Stores | | | |
| 448110 | Men's Clothing Stores | 50 | ..... |
| 448120 | Women's Clothing Stores | 50 | ..... |
| 448130 | Children's and Infants' Clothing Stores | 50 | ..... |
| 448140 | Family Clothing Stores | 50 | ..... |
| 448150 | Clothing Accessories Stores | 50 | ..... |
| 448190 | Other Clothing Stores | 50 | ..... |
| 448210 | Shoe Stores | 50 | ..... |
| 448310 | Jewelry Stores | 50 | ..... |
| 448320 | Luggage and Leather Goods Stores | 50 | ..... |
| Subsector 451—Sporting Good, Hobby, Book and Music Stores | | | |
| 451110 | Sporting Goods Stores | 50 | ..... |
| 451120 | Hobby, Toy and Game Stores | 50 | ..... |
| 451130 | Sewing, Needlework and Piece Goods Stores | 50 | ..... |
| 451140 | Musical Instrument and Supplies Stores | 50 | ..... |
| 451211 | Book Stores | 50 | ..... |
| 451212 | News Dealers and Newsstands | 50 | ..... |
| 451220 | Prerecorded Tape, Compact Disc and Record Stores | 50 | ..... |
| Subsector 452—General Merchandise Stores | | | |
| 452111 | Department Stores (except Discount Department Stores) | 150 | ..... |
| 452112 | Discount Department Stores | 150 | ..... |
| 452910 | Warehouse Clubs and Superstores | 150 | ..... |
| 452990 | All Other General Merchandise Stores | 100 | ..... |
| Subsector 453—Miscellaneous Store Retailers | | | |
| 453110 | Florists | 50 | ..... |
| 453210 | Office Supplies and Stationery Stores | 50 | ..... |
| 453220 | Gift, Novelty and Souvenir Stores | 50 | ..... |
| 453310 | Used Merchandise Stores | 50 | ..... |
| 453910 | Pet and Pet Supplies Stores | 50 | ..... |
| 453920 | Art Dealers | 50 | ..... |
| 453930 | Manufactured (Mobile) Home Dealers | 50 | ..... |
| 453991 | Tobacco Stores | 50 | ..... |
| 453998 | All Other Miscellaneous Store Retailers (except Tobacco Stores) | 50 | ..... |
| Subsector 454—Nonstore Retailers | | | |
| 454111 | Electronic Shopping | 50 | ..... |
| 454112 | Electronic Auctions | 50 | ..... |
| 454113 | Mail-Order Houses | 50 | ..... |
| 454210 | Vending Machine Operators | 50 | ..... |
| 454311 | Heating Oil Dealers | 50 | ..... |
| 454312 | Liquefied Petroleum Gas (Bottled Gas) Dealers | 50 | ..... |
| 454319 | Other Fuel Dealers | 50 | ..... |
| 454390 | Other Direct Selling Establishments | 50 | ..... |
| Sectors 48–49—Transportation | | | |
| Subsector 481—Air Transportation | | | |
| 481111 | Scheduled Passenger Air Transportation | 1,500 | ..... |
| 481112 | Scheduled Freight Air Transportation | 1,500 | ..... |
| 481211 | Nonscheduled Chartered Passenger Air Transportation | 1,500 | ..... |
| Except, | Offshore Marine Air Transportation Services | 150 | ..... |
| 481212 | Nonscheduled Chartered Freight Air Transportation | 1,500 | ..... |
| Except, | Offshore Marine Air Transportation Services | 150 | ..... |
| 481219 | Other Nonscheduled Air Transportation | 50 | ..... |

| NAICS codes | NAICS U.S. industry title | Size standards in number of employees | Maximum average annual receipts (\$ million) |
|--|---|---------------------------------------|--|
| Subsector 482—Rail Transportation | | | |
| 482111 | Line-Haul Railroads | 1,500 ..... | ..... |
| 482112 | Short Line Railroads | 500 ..... | ..... |
| Subsector 483—Water Transportation⁸ | | | |
| 483111 | Deep Sea Freight Transportation | 500 ..... | ..... |
| 483112 | Deep Sea Passenger Transportation | 500 ..... | ..... |
| 483113 | Coastal and Great Lakes Freight Transportation | 500 ..... | ..... |
| 483114 | Coastal and Great Lakes Passenger Transportation | 500 ..... | ..... |
| 483211 | Inland Water Freight Transportation | 500 ..... | ..... |
| 483212 | Inland Water Passenger Transportation | 500 ..... | ..... |
| Subsector 484—Truck Transportation | | | |
| 484110 | General Freight Trucking, Local | 200 ..... | ..... |
| 484121 | General Freight Trucking, Long-Distance, Truckload | 200 ..... | ..... |
| 484122 | General Freight Trucking, Long-Distance, Less Than Truckload | 200 ..... | ..... |
| 484210 | Used Household and Office Goods Moving | 200 ..... | ..... |
| 484220 | Specialized Freight (except Used Goods) Trucking, Local | 200 ..... | ..... |
| 484230 | Specialized Freight (except Used Goods) Trucking, Long-Distance | 200 ..... | ..... |
| Subsector 485—Transit and Ground Passenger Transportation | | | |
| 485111 | Mixed Mode Transit Systems | 100 ..... | ..... |
| 485112 | Commuter Rail Systems | 100 ..... | ..... |
| 485113 | Bus and Motor Vehicle Transit Systems | 100 ..... | ..... |
| 485119 | Other Urban Transit Systems | 100 ..... | ..... |
| 485210 | Interurban and Rural Bus Transportation | 100 ..... | ..... |
| 485310 | Taxi Service | 50 ..... | ..... |
| 485320 | Limousine Service | 50 ..... | ..... |
| 485410 | School and Employee Bus Transportation | 100 ..... | ..... |
| 485510 | Charter Bus Industry | 100 ..... | ..... |
| 485991 | Special Needs Transportation | 50 ..... | ..... |
| 485999 | All Other Transit and Ground Passenger Transportation | 50 ..... | ..... |
| Subsector 486—Pipeline Transportation | | | |
| 486110 | Pipeline Transportation of Crude Oil | 1,500 ..... | ..... |
| 486210 | Pipeline Transportation of Natural Gas | 100 ..... | ..... |
| 486910 | Pipeline Transportation of Refined Petroleum Products | 1,500 ..... | ..... |
| 486990 | All Other Pipeline Transportation | 100 ..... | ..... |
| Subsector 487—Scenic and Sightseeing Transportation | | | |
| 487110 | Scenic and Sightseeing Transportation, Land | 50 ..... | ..... |
| 487210 | Scenic and Sightseeing Transportation, Water | 50 ..... | ..... |
| 487990 | Scenic and Sightseeing Transportation, Other | 50 ..... | ..... |
| Subsector 488—Support Activities for Transportation | | | |
| 488111 | Air Traffic Control | 50 ..... | ..... |
| 488119 | Other Airport Operations | 100 ..... | ..... |
| 488190 | Other Support Activities for Air Transportation | 100 ..... | ..... |
| 488210 | Support Activities for Rail Transportation | 50 ..... | ..... |
| 488310 | Port and Harbor Operations | 200 ..... | ..... |
| 488320 | Marine Cargo Handling | 200 ..... | ..... |
| 488330 | Navigational Services to Shipping | 50 ..... | ..... |
| 488390 | Other Support Activities for Water Transportation | 50 ..... | ..... |
| 488410 | Motor Vehicle Towing | 50 ..... | ..... |
| 488490 | Other Support Activities for Road Transportation | 50 ..... | ..... |
| 488510 | Freight Transportation Arrangement | 50 ..... | ..... |
| 488991 | Packing and Crating | 100 ..... | ..... |
| 488999 | All Other Support Activities for Transportation | 50 ..... | ..... |
| Subsector 491—Postal Service | | | |
| 491110 | Postal Service | 50 ..... | ..... |
| Subsector 492—Couriers and Messengers | | | |

| NAICS codes | NAICS U.S. industry title | Size standards in number of employees | Maximum average annual receipts (\$ million) |
|---|--|---------------------------------------|--|
| 492110 | Couriers | 1,500 | ..... |
| 492210 | Local Messengers and Local Delivery | 200 | ..... |
| Subsector 493—Warehousing and Storage | | | |
| 493110 | General Warehousing and Storage | 200 | ..... |
| 493120 | Refrigerated Warehousing and Storage | 200 | ..... |
| 493130 | Farm Product Warehousing and Storage | 200 | ..... |
| 493190 | Other Warehousing and Storage | 200 | ..... |
| Sector 51—Information | | | |
| Subsector 511—Publishing Industries (except Internet) | | | |
| 511110 | Newspaper Publishers | 500 | ..... |
| 511120 | Periodical Publishers | 500 | ..... |
| 511130 | Book Publishers | 500 | ..... |
| 511140 | Directory and Mailing List Publishers | 500 | ..... |
| 511191 | Greeting Card Publishers | 500 | ..... |
| 511199 | All Other Publishers | 500 | ..... |
| 511210 | Software Publishers | 150 | ..... |
| Subsector 512—Motion Picture and Sound Recording Industries | | | |
| 512110 | Motion Picture and Video Production | 100 | ..... |
| 512120 | Motion Picture and Video Distribution | 100 | ..... |
| 512131 | Motion Picture Theaters (except Drive-Ins) | 100 | ..... |
| 512132 | Drive-In Motion Picture Theaters | 50 | ..... |
| 512191 | Teleproduction and Other Postproduction Services | 100 | ..... |
| 512199 | Other Motion Picture and Video Industries | 50 | ..... |
| 512210 | Record Production | 50 | ..... |
| 512220 | Integrated Record Production/Distribution | 750 | ..... |
| 512230 | Music Publishers | 500 | ..... |
| 512240 | Sound Recording Studios | 50 | ..... |
| 512290 | Other Sound Recording Industries | 50 | ..... |
| Subsector 515—Broadcasting (except Internet) | | | |
| 515111 | Radio Networks | 50 | ..... |
| 515112 | Radio Stations | 50 | ..... |
| 515120 | Television Broadcasting | 100 | ..... |
| 515210 | Cable and Other Subscription Programming | 100 | ..... |
| Subsector 516—Internet Publishing and Broadcasting | | | |
| 516110 | Internet Publishing and Broadcasting | 500 | ..... |
| Subsector 517—Telecommunications | | | |
| 517110 | Wired Telecommunications Carriers | 1,500 | ..... |
| 517211 | Paging | 1,500 | ..... |
| 517212 | Cellular and Other Wireless Telecommunications | 1,500 | ..... |
| 517310 | Telecommunications Resellers | 1,500 | ..... |
| 517410 | Satellite Telecommunications | 100 | ..... |
| 517510 | Cable and Other Program Distribution | 100 | ..... |
| 517910 | Other Telecommunications | 100 | ..... |
| Subsector 518—Internet Service Providers, Web Search Portals, and Data Processing Services | | | |
| 518111 | Internet Service Providers | 150 | ..... |
| 518112 | Web Search Portals | 150 | ..... |
| 518210 | Data Processing, Hosting, and Related Services | 150 | \$30.0 |
| Subsector 519—Other Information Services | | | |
| 519110 | News Syndicates | 50 | ..... |
| 519120 | Libraries and Archives | 50 | ..... |
| 519190 | All Other Information Services | 50 | ..... |

| NAICS codes | NAICS U.S. industry title | Size standards in number of employees | Maximum average annual receipts (\$ million) |
|---|---|---------------------------------------|--|
| Sector 52—Finance and Insurance | | | |
| Subsector 522—Credit Intermediation and Related Activities | | | |
| 522110 | Commercial Banking | 50 | |
| 522120 | Savings Institutions | 50 | |
| 522130 | Credit Unions | 50 | |
| 522190 | Other Depository Credit Intermediation | 50 | |
| 522210 | Credit Card Issuing | 50 | |
| 522220 | Sales Financing | 50 | |
| 522291 | Consumer Lending | 50 | |
| 522292 | Real Estate Credit | 50 | |
| 522293 | International Trade Financing | 50 | |
| 522294 | Secondary Market Financing | 50 | |
| 522298 | All Other Non-Depository Credit Intermediation | 50 | |
| 522310 | Mortgage and Nonmortgage Loan Brokers | 50 | |
| 522320 | Financial Transactions Processing, Reserve, and Clearing House Activities | 50 | |
| 522390 | Other Activities Related to Credit Intermediation | 50 | |
| Subsector 523—Financial Investments and Related Activities | | | |
| 523110 | Investment Banking and Securities Dealing | 50 | |
| 523120 | Securities Brokerage | 50 | |
| 523130 | Commodity Contracts Dealing | 50 | |
| 523140 | Commodity Contracts Brokerage | 50 | |
| 523210 | Securities and Commodity Exchanges | 50 | |
| 523910 | Miscellaneous Intermediation | 50 | |
| 523920 | Portfolio Management | 50 | |
| 523930 | Investment Advice | 50 | |
| 523991 | Trust, Fiduciary and Custody Activities | 50 | |
| 523999 | Miscellaneous Financial Investment Activities | 50 | |
| Subsector 524—Insurance Carriers and Related Activities | | | |
| 524113 | Direct Life Insurance Carriers | 50 | |
| 524114 | Direct Health and Medical Insurance Carriers | 50 | |
| 524126 | Direct Property and Casualty Insurance Carriers | 1,500 | |
| 524127 | Direct Title Insurance Carriers | 50 | |
| 524128 | Other Direct Insurance (except Life, Health and Medical) Carriers | 50 | |
| 524130 | Reinsurance Carriers | 50 | |
| 524210 | Insurance Agencies and Brokerages | 50 | |
| 524291 | Claims Adjusting | 50 | |
| 524292 | Third Party Administration of Insurance and Pension Funds | 50 | |
| 524298 | All Other Insurance Related Activities | 50 | |
| Subsector 525—Funds, Trusts and Other Financial Vehicles | | | |
| 525110 | Pension Funds | 50 | |
| 525120 | Health and Welfare Funds | 50 | |
| 525190 | Other Insurance Funds | 50 | |
| 525910 | Open-End Investment Funds | 50 | |
| 525920 | Trusts, Estates, and Agency Accounts | 50 | |
| 525930 | Real Estate Investment Trusts | 50 | |
| 525990 | Other Financial Vehicles | 50 | |
| Sector 53—Real Estate and Rental and Leasing | | | |
| Subsector 531—Real Estate | | | |
| 531110 | Lessors of Residential Buildings and Dwellings | 50 | |
| 531120 | Lessors of Nonresidential Buildings (except Miniwarehouses) | 50 | |
| 531130 | Lessors of Miniwarehouses and Self Storage Units | 150 | |
| 531190 | Lessors of Other Real Estate Property | 50 | |
| Except, | Leasing of Building Space to Federal Government by Owners ⁹ | ⁹ 150 | |
| 531210 | Offices of Real Estate Agents and Brokers | 50 | |
| 531311 | Residential Property Managers | 50 | |
| 531312 | Nonresidential Property Managers | 50 | |
| 531320 | Offices of Real Estate Appraisers | 50 | |
| 531390 | Other Activities Related to Real Estate | 50 | |
| Subsector 532—Rental and Leasing Services | | | |

| NAICS codes | NAICS U.S. industry title | Size standards in number of employees | Maximum average annual receipts (\$ million) |
|-------------|--|---------------------------------------|--|
| 532111 | Passenger Car Rental | 150 | |
| 532112 | Passenger Car Leasing | 150 | |
| 532120 | Truck, Utility Trailer, and RV (Recreational Vehicle) Rental and Leasing | 150 | |
| 532210 | Consumer Electronics and Appliances Rental | 50 | |
| 532220 | Formal Wear and Costume Rental | 50 | |
| 532230 | Video Tape and Disc Rental | 50 | |
| 532291 | Home Health Equipment Rental | 50 | |
| 532292 | Recreational Goods Rental | 50 | |
| 532299 | All Other Consumer Goods Rental | 50 | |
| 532310 | General Rental Centers | 50 | |
| 532411 | Commercial Air, Rail, and Water Transportation Equipment Rental and Leasing | 50 | |
| 532412 | Construction, Mining and Forestry Machinery and Equipment Rental and Leasing | 50 | |
| 532420 | Office Machinery and Equipment Rental and Leasing | 50 | |
| 532490 | Other Commercial and Industrial Machinery and Equipment Rental and Leasing | 50 | |

Subsector 533—Lessors of Nonfinancial Intangible Assets (except Copyrighted Works)

| | | | |
|--------|--|----|--|
| 533110 | Lessors of Nonfinancial Intangible Assets (except Copyrighted Works) | 50 | |
|--------|--|----|--|

Sector 54—Professional, Scientific and Technical Services**Subsector 541— Professional, Scientific and Technical Services**

| | | | |
|---------|---|-------------------|--------|
| 541110 | Offices of Lawyers | 50 | |
| 541191 | Title Abstract and Settlement Offices | 50 | |
| 541199 | All Other Legal Services | 50 | |
| 541211 | Offices of Certified Public Accountants | 100 | |
| 541213 | Tax Preparation Services | 50 | |
| 541214 | Payroll Services | 100 | |
| 541219 | Other Accounting Services | 100 | |
| 541310 | Architectural Services | 50 | \$7.0 |
| 541320 | Landscape Architectural Services | 50 | |
| 541330 | Engineering Services | 50 | \$7.0 |
| Except, | Military and Aerospace Equipment and Military Weapons | 200 | \$30.0 |
| Except, | Contracts and Subcontracts for Engineering Services Awarded Under the National Energy Policy Act of 1992 | 200 | \$30.0 |
| Except, | Marine Engineering and Naval Architecture | 150 | \$30.0 |
| 541340 | Drafting Services | 50 | |
| 541350 | Building Inspection Services | 50 | |
| 541360 | Geophysical Surveying and Mapping Services | 50 | |
| 541370 | Surveying and Mapping (except Geophysical) Services | 50 | |
| 541380 | Testing Laboratories | 100 | |
| 541410 | Interior Design Services | 50 | |
| 541420 | Industrial Design Services | 50 | |
| 541430 | Graphic Design Services | 50 | |
| 541490 | Other Specialized Design Services | 50 | |
| 541511 | Custom Computer Programming Services | 150 | \$30.0 |
| 541512 | Computer Systems Design Services | 150 | \$30.0 |
| 541513 | Computer Facilities Management Services | 150 | \$30.0 |
| 541519 | Other Computer Related Services | 150 | \$30.0 |
| Except, | Information Technology Value Added Resellers ¹⁵ | ¹⁵ 150 | |
| 541611 | Administrative Management and General Management Consulting Services | 50 | \$10.0 |
| 541612 | Human Resources and Executive Search Consulting Services | 50 | \$10.0 |
| 541613 | Marketing Consulting Services | 50 | \$10.0 |
| 541614 | Process, Physical Distribution and Logistics Consulting Services | 50 | \$10.0 |
| 541618 | Other Management Consulting Services | 50 | \$10.0 |
| 541620 | Environmental Consulting Services | 50 | \$10.0 |
| 541690 | Other Scientific and Technical Consulting Services | 50 | \$10.0 |
| 541710 | Research and Development in the Physical, Engineering, and Life Sciences ¹⁰ | ¹⁰ 500 | |
| Except, | Aircraft | 1,500 | |
| Except, | Aircraft Parts, and Auxiliary Equipment, and Aircraft Engine Parts | 1,000 | |
| Except, | Space Vehicles and Guided Missiles, their Propulsion Units, their Propulsion Units Parts, and their Auxiliary Equipment and Parts | 1,000 | |
| 541720 | Research and Development in the Social Sciences and Humanities | 50 | |
| 541810 | Advertising Agencies | 50 | |
| 541820 | Public Relations Agencies | 50 | |
| 541830 | Media Buying Agencies | 50 | |
| 541840 | Media Representatives | 50 | |
| 541850 | Display Advertising | 50 | |
| 541860 | Direct Mail Advertising | 50 | |
| 541870 | Advertising Material Distribution Services | 50 | |

| NAICS codes | NAICS U.S. industry title | Size standards in number of employees | Maximum average annual receipts (\$ million) |
|--------------|---|---------------------------------------|--|
| 541890 | Other Services Related to Advertising | 50 | ..... |
| 541910 | Marketing Research and Public Opinion Polling | 50 | ..... |
| 541921 | Photography Studios, Portrait | 50 | ..... |
| 541922 | Commercial Photography | 50 | ..... |
| 541930 | Translation and Interpretation Services | 50 | ..... |
| 541940 | Veterinary Services | 50 | ..... |
| 541990 | All Other Professional, Scientific and Technical Services | 50 | \$10.0 |

Sector 55—Management of Companies and Enterprises**Subsector 551—Management of Companies and Enterprises**

| | | | |
|--------------|--|----|-------|
| 551111 | Offices of Bank Holding Companies | 50 | ..... |
| 551112 | Offices of Other Holding Companies | 50 | ..... |

Sector 56—Administrative and Support, Waste Management and Remediation Services**Subsector 561—Administrative and Support Services**

| | | | |
|--------------|---|-------------------|----------------------|
| 561110 | Office Administrative Services | 50 | \$10.0 |
| 561210 | Facilities Support Services ¹¹ | ¹¹ 400 | ¹¹ \$40.0 |
| 561310 | Employment Placement Agencies | 50 | ..... |
| 561320 | Temporary Help Services | 500 | ..... |
| 561330 | Employee Leasing Services | 500 | ..... |
| 561410 | Document Preparation Services | 50 | ..... |
| 561421 | Telephone Answering Services | 50 | ..... |
| 561422 | Telemarketing Bureaus | 150 | ..... |
| 561431 | Private Mail Centers | 50 | ..... |
| 561439 | Other Business Service Centers (including Copy Shops) | 50 | ..... |
| 561440 | Collection Agencies | 50 | ..... |
| 561450 | Credit Bureaus | 50 | ..... |
| 561491 | Repossession Services | 50 | ..... |
| 561492 | Court Reporting and Stenotype Services | 50 | ..... |
| 561499 | All Other Business Support Services | 50 | ..... |
| 561510 | Travel Agencies | 50 | ..... |
| 561520 | Tour Operators | 50 | ..... |
| 561591 | Convention and Visitors Bureaus | 50 | ..... |
| 561599 | All Other Travel Arrangement and Reservation Services | 50 | ..... |
| 561611 | Investigation Services | 200 | ..... |
| 561612 | Security Guards and Patrol Services | 500 | ..... |
| 561613 | Armored Car Services | 200 | ..... |
| 561621 | Security Systems Services (except Locksmiths) | 200 | ..... |
| 561622 | Locksmiths | 50 | ..... |
| 561710 | Exterminating and Pest Control Services | 50 | ..... |
| 561720 | Janitorial Services | 500 | ..... |
| 561730 | Landscaping Services | 50 | ..... |
| 561740 | Carpet and Upholstery Cleaning Services | 50 | ..... |
| 561790 | Other Services to Buildings and Dwellings | 50 | ..... |
| 561910 | Packaging and Labeling Services | 50 | ..... |
| 561920 | Convention and Trade Show Organizers | 50 | ..... |
| 561990 | All Other Support Services | 50 | ..... |

Subsector 562—Waste Management and Remediation Services

| | | | |
|---------------|---|-------------------|-------|
| 562111 | Solid Waste Collection | 100 | ..... |
| 562112 | Hazardous Waste Collection | 100 | ..... |
| 562119 | Other Waste Collection | 100 | ..... |
| 562211 | Hazardous Waste Treatment and Disposal | 100 | ..... |
| 562212 | Solid Waste Landfill | 100 | ..... |
| 562213 | Solid Waste Combustors and Incinerators | 100 | ..... |
| 562219 | Other Nonhazardous Waste Treatment and Disposal | 100 | ..... |
| 562910 | Remediation Services | 100 | ..... |
| Except, | Environmental Remediation Services ¹² | ¹² 500 | ..... |
| 562920 | Materials Recovery Facilities | 100 | ..... |
| 562991 | Septic Tank and Related Services | 50 | ..... |
| 562998 | All Other Miscellaneous Waste Management Services | 50 | ..... |

Sector 61—Educational Services**Subsector 611—Educational Services**

| NAICS codes | NAICS U.S. industry title | Size standards in number of employees | Maximum average annual receipts (\$ million) |
|---------------|--|---------------------------------------|--|
| 611110 | Elementary and Secondary Schools | 50 ..... | ..... |
| 611210 | Junior Colleges | 50 ..... | ..... |
| 611310 | Colleges, Universities and Professional Schools | 50 ..... | ..... |
| 611410 | Business and Secretarial Schools | 50 ..... | ..... |
| 611420 | Computer Training | 50 ..... | ..... |
| 611430 | Professional and Management Development Training | 50 ..... | ..... |
| 611511 | Cosmetology and Barber Schools | 50 ..... | ..... |
| 611512 | Flight Training | 200 ..... | ..... |
| 611513 | Apprenticeship Training | 50 ..... | ..... |
| 611519 | Other Technical and Trade Schools | 50 ..... | ..... |
| Except, | Job Corps Centers ¹³ | ¹³ 400 | ¹³ \$30.0 |
| 611610 | Fine Arts Schools | 50 ..... | ..... |
| 611620 | Sports and Recreation Instruction | 50 ..... | ..... |
| 611630 | Language Schools | 50 ..... | ..... |
| 611691 | Exam Preparation and Tutoring | 50 ..... | ..... |
| 611692 | Automobile Driving Schools | 50 ..... | ..... |
| 611699 | All Other Miscellaneous Schools and Instruction | 50 ..... | ..... |
| 611710 | Educational Support Services | 50 ..... | ..... |

Sector 62—Health Care and Social Assistance

Subsector 621—Ambulatory Health Care Services

| | | | |
|--------------|--|-----------|-------|
| 621111 | Offices of Physicians (except Mental Health Specialists) | 100 ..... | ..... |
| 621112 | Offices of Physicians, Mental Health Specialists | 100 ..... | ..... |
| 621210 | Offices of Dentists | 50 ..... | ..... |
| 621310 | Offices of Chiropractors | 50 ..... | ..... |
| 621320 | Offices of Optometrists | 50 ..... | ..... |
| 621330 | Offices of Mental Health Practitioners (except Physicians) | 50 ..... | ..... |
| 621340 | Offices of Physical, Occupational and Speech Therapists and Audiologists | 50 ..... | ..... |
| 621391 | Offices of Podiatrists | 50 ..... | ..... |
| 621399 | Offices of All Other Miscellaneous Health Practitioners | 50 ..... | ..... |
| 621410 | Family Planning Centers | 100 ..... | ..... |
| 621420 | Outpatient Mental Health and Substance Abuse Centers | 100 ..... | ..... |
| 621491 | HMO Medical Centers | 100 ..... | ..... |
| 621492 | Kidney Dialysis Centers | 200 ..... | ..... |
| 621493 | Freestanding Ambulatory Surgical and Emergency Centers | 100 ..... | ..... |
| 621498 | All Other Outpatient Care Centers | 100 ..... | ..... |
| 621511 | Medical Laboratories | 100 ..... | ..... |
| 621512 | Diagnostic Imaging Centers | 100 ..... | ..... |
| 621610 | Home Health Care Services | 300 ..... | ..... |
| 621910 | Ambulance Services | 100 ..... | ..... |
| 621991 | Blood and Organ Banks | 100 ..... | ..... |
| 621999 | All Other Miscellaneous Ambulatory Health Care Services | 100 ..... | ..... |

Subsector 622—Hospitals

| | | | |
|--------------|--|-----------|-------|
| 622110 | General Medical and Surgical Hospitals | 400 ..... | ..... |
| 622210 | Psychiatric and Substance Abuse Hospitals | 400 ..... | ..... |
| 622310 | Specialty (except Psychiatric and Substance Abuse) Hospitals | 400 ..... | ..... |

Subsector 623—Nursing and Residential Care Facilities

| | | | |
|--------------|--|-----------|-------|
| 623110 | Nursing Care Facilities | 300 ..... | ..... |
| 623210 | Residential Mental Retardation Facilities | 300 ..... | ..... |
| 623220 | Residential Mental Health and Substance Abuse Facilities | 50 ..... | ..... |
| 623311 | Continuing Care Retirement Communities | 300 ..... | ..... |
| 623312 | Homes for the Elderly | 50 ..... | ..... |
| 623990 | Other Residential Care Facilities | 50 ..... | ..... |

Subsector 624—Social Assistance

| | | | |
|--------------|--|----------|-------|
| 624110 | Child and Youth Services | 50 ..... | ..... |
| 624120 | Services for the Elderly and Persons with Disabilities | 50 ..... | ..... |
| 624190 | Other Individual and Family Services | 50 ..... | ..... |
| 624210 | Community Food Services | 50 ..... | ..... |
| 624221 | Temporary Shelters | 50 ..... | ..... |
| 624229 | Other Community Housing Services | 50 ..... | ..... |
| 624230 | Emergency and Other Relief Services | 50 ..... | ..... |
| 624310 | Vocational Rehabilitation Services | 50 ..... | ..... |

| NAICS codes | NAICS U.S. industry title | Size standards in number of employees | Maximum average annual receipts (\$ million) |
|--------------|-------------------------------|---------------------------------------|--|
| 624410 | Child Day Care Services | 50 | ..... |

Sector 71—Arts, Entertainment and Recreation**Subsector 711—Performing Arts, Spectator Sports and Related Industries**

| | | | |
|--------------|--|-----|-------|
| 711110 | Theater Companies and Dinner Theaters | 50 | ..... |
| 711120 | Dance Companies | 50 | ..... |
| 711130 | Musical Groups and Artists | 50 | ..... |
| 711190 | Other Performing Arts Companies | 50 | ..... |
| 711211 | Sports Teams and Clubs | 50 | ..... |
| 711212 | Race Tracks | 50 | ..... |
| 711219 | Other Spectator Sports | 50 | ..... |
| 711310 | Promoters of Performing Arts, Sports and Similar Events with Facilities | 100 | ..... |
| 711320 | Promoters of Performing Arts, Sports and Similar Events without Facilities | 50 | ..... |
| 711410 | Agents and Managers for Artists, Athletes, Entertainers and Other Public Figures | 50 | ..... |
| 711510 | Independent Artists, Writers, and Performers | 50 | ..... |

Subsector 712—Museums, Historical Sites and Similar Institutions

| | | | |
|--------------|---|----|-------|
| 712110 | Museums | 50 | ..... |
| 712120 | Historical Sites | 50 | ..... |
| 712130 | Zoos and Botanical Gardens | 50 | ..... |
| 712190 | Nature Parks and Other Similar Institutions | 50 | ..... |

Subsector 713—Amusement, Gambling and Recreation Industries

| | | | |
|--------------|---|-----|-------|
| 713110 | Amusement and Theme Parks | 100 | ..... |
| 713120 | Amusement Arcades | 50 | ..... |
| 713210 | Casinos (except Casino Hotels) | 50 | ..... |
| 713290 | Other Gambling Industries | 50 | ..... |
| 713910 | Golf Courses and Country Clubs | 50 | ..... |
| 713920 | Skiing Facilities | 200 | ..... |
| 713930 | Marinas | 50 | ..... |
| 713940 | Fitness and Recreational Sports Centers | 50 | ..... |
| 713950 | Bowling Centers | 50 | ..... |
| 713990 | All Other Amusement and Recreation Industries | 50 | ..... |

Sector 72—Accommodation and Food Services**Subsector 721—Accommodation**

| | | | |
|--------------|--|-----|-------|
| 721110 | Hotels (except Casino Hotels) and Motels | 100 | ..... |
| 721120 | Casino Hotels | 100 | ..... |
| 721191 | Bed and Breakfast Inns | 50 | ..... |
| 721199 | All Other Traveler Accommodation | 50 | ..... |
| 721211 | RV (Recreational Vehicle) Parks and Campgrounds | 50 | ..... |
| 721214 | Recreational and Vacation Camps (except Campgrounds) | 50 | ..... |
| 721310 | Rooming and Boarding Houses | 50 | ..... |

Subsector 722—Food Services and Drinking Places

| | | | |
|--------------|---|-----|-------|
| 722110 | Full-Service Restaurants | 50 | ..... |
| 722211 | Limited-Service Restaurants | 50 | ..... |
| 722212 | Cafeterias | 50 | ..... |
| 722213 | Snack and Nonalcoholic Beverage Bars | 50 | ..... |
| 722310 | Food Service Contractors | 400 | ..... |
| 722320 | Caterers | 50 | ..... |
| 722330 | Mobile Food Services | 50 | ..... |
| 722410 | Drinking Places (Alcoholic Beverages) | 50 | ..... |

Sector 81—Other Services**Subsector 811—Repair and Maintenance**

| | | | |
|--------------|---|----|-------|
| 811111 | General Automotive Repair | 50 | ..... |
| 811112 | Automotive Exhaust System Repair | 50 | ..... |
| 811113 | Automotive Transmission Repair | 50 | ..... |
| 811118 | Other Automotive Mechanical and Electrical Repair and Maintenance | 50 | ..... |
| 811121 | Automotive Body, Paint and Interior Repair and Maintenance | 50 | ..... |
| 811122 | Automotive Glass Replacement Shops | 50 | ..... |

| NAICS codes | NAICS U.S. industry title | Size standards in number of employees | Maximum average annual receipts (\$ million) |
|-------------|---|---------------------------------------|--|
| 811191 | Automotive Oil Change and Lubrication Shops | 50 | |
| 811192 | Car Washes | 50 | |
| 811198 | All Other Automotive Repair and Maintenance | 50 | |
| 811211 | Consumer Electronics Repair and Maintenance | 50 | |
| 811212 | Computer and Office Machine Repair and Maintenance | 150 | |
| 811213 | Communication Equipment Repair and Maintenance | 50 | |
| 811219 | Other Electronic and Precision Equipment Repair and Maintenance | 50 | |
| 811310 | Commercial and Industrial Machinery and Equipment (except Automotive and Electronic) Repair and Maintenance | 50 | |
| 811411 | Home and Garden Equipment Repair and Maintenance | 50 | |
| 811412 | Appliance Repair and Maintenance | 50 | |
| 811420 | Reupholstery and Furniture Repair | 50 | |
| 811430 | Footwear and Leather Goods Repair | 50 | |
| 811490 | Other Personal and Household Goods Repair and Maintenance | 50 | |

Subsector 812—Personal and Laundry Services

| | | | |
|--------|---|-----|--|
| 812111 | Barber Shops | 50 | |
| 812112 | Beauty Salons | 50 | |
| 812113 | Nail Salons | 50 | |
| 812191 | Diet and Weight Reducing Centers | 50 | |
| 812199 | Other Personal Care Services | 50 | |
| 812210 | Funeral Homes and Funeral Services | 50 | |
| 812220 | Cemeteries and Crematories | 50 | |
| 812310 | Coin-Operated Laundries and Drycleaners | 50 | |
| 812320 | Drycleaning and Laundry Services (except Coin-Operated) | 50 | |
| 812331 | Linen Supply | 200 | |
| 812332 | Industrial Launderers | 200 | |
| 812910 | Pet Care (except Veterinary) Services | 50 | |
| 812921 | Photo Finishing Laboratories (except One-Hour) | 50 | |
| 812922 | One-Hour Photo Finishing | 50 | |
| 812930 | Parking Lots and Garages | 100 | |
| 812990 | All Other Personal Services | 50 | |

Subsector 813—Religious, Grantmaking, Civic, Professional and Similar Organizations

| | | | |
|--------|---|----|--|
| 813110 | Religious Organizations | 50 | |
| 813211 | Grantmaking Foundations | 50 | |
| 813212 | Voluntary Health Organizations | 50 | |
| 813219 | Other Grantmaking and Giving Services | 50 | |
| 813311 | Human Rights Organizations | 50 | |
| 813312 | Environment, Conservation and Wildlife Organizations | 50 | |
| 813319 | Other Social Advocacy Organizations | 50 | |
| 813410 | Civic and Social Organizations | 50 | |
| 813910 | Business Associations | 50 | |
| 813920 | Professional Organizations | 50 | |
| 813930 | Labor Unions and Similar Labor Organizations | 50 | |
| 813940 | Political Organizations | 50 | |
| 813990 | Other Similar Organizations (except Business, Professional, Labor, and Political Organizations) | 50 | |

Sector 92—Public Administration¹⁴

(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.)

¹ NAICS code 115310—*Support Activities for Forestry*: Forest Fire Suppression and Fuels Management Services are two components of Support Activities for Forestry. Forest Fire Suppression includes establishments which provide services to fight forest fires. These firms usually have fire-fighting crews and equipment. Fuels Management Services firms provide services to clear land of hazardous materials that would fuel forest fires. The treatments used by these firms may include prescribed fire, mechanical removal, establishing fuel breaks, thinning, pruning, and piling.

² NAICS code 237990—*Dredging*: To be considered small for purposes of Government procurement, a firm must perform at least 40% of the volume dredged with its own equipment or equipment owned by another small dredging concern.

³ NAICS code 238990—*Building and Property Specialty Trade Services*: If a procurement requires the use of multiple specialty trade contractors (i.e., plumbing, painting, plastering, carpentry, etc.), and no specialty trade accounts for 50% or more of the value of the procurement, all such specialty trade contractors activities are considered a single activity and classified as Building and Property Specialty Trade Services.

⁴ NAICS code 311421—*Fruit and Vegetable Canning*: For purposes of Government procurement for food canning and preserving, the standard of 500 employees excludes agricultural labor as defined in section 3306(k) of the Internal Revenue Code, 26 U.S.C. 3306(k).

⁵ NAICS code 324110—*Petroleum Refineries*: To be an eligible small business, a firm may not have more than 1,500 employees or more than 125,000 barrels per day capacity of petroleum-based inputs, including crude oil or bona fide feedstocks. Capacity includes owned or leased facilities as well as facilities under a processing agreement or an arrangement such as an exchange agreement or a throughput. In addition, for the Federal Government's procurement of refined petroleum products, the total product to be delivered under the contract must be at least 90% refined by the successful bidder from either crude oil or bona fide feedstocks.

⁶ NAICS Subsectors 333—Machinery Manufacturing; 334—Computer and Electronic Product Manufacturing; 335—Electrical Equipment, Appliance and Component Manufacturing; and 336—Transportation Equipment Manufacturing: For rebuilding machinery or equipment on a factory basis, or equivalent, use the NAICS code for a newly manufactured product. Concerns performing major rebuilding or overhaul activities do not necessarily have to meet the criteria for being a “manufacturer” although the activities may be classified under a manufacturing NAICS code. Ordinary repair services or preservation are not considered rebuilding.

⁷ NAICS code 336413—Other Aircraft Parts and Auxiliary Equipment Manufacturing: Contracts for the rebuilding or overhaul of aircraft ground support equipment on a contract basis are classified under NAICS code 336413.

⁸ Subsector 483—Water Transportation—Offshore Marine Services: The applicable size standard shall be 150 employees for firms furnishing specific transportation services to concerns engaged in offshore oil and/or natural gas exploration, drilling production, or marine research; such services encompass passenger and freight transportation, anchor handling, and related logistical services to and from the work site.

⁹ NAICS code 531190—Lessors of Other Real Property, Leasing of Building Space to the Federal Government by Owners: For Government procurement, a size standard of 150 employees applies to the owners of building space leased to the Federal Government. The standard does not apply to an agent.

¹⁰ NAICS code 541710—Research and Development in the Physical, Engineering, and Life Sciences: For research and development contracts requiring the delivery of a manufactured product, the appropriate size standard is that of the manufacturing industry.

(a) “Research and Development” means laboratory or other physical research and development. It does not include economic, educational, engineering, operations, systems, or other nonphysical research; or computer programming, data processing, commercial and/or medical laboratory testing.

(b) For purposes of the Small Business Innovation Research (SBIR) program only, a different definition has been established. See § 121.701 of these regulations.

(c) “Research and Development” for guided missiles and space vehicles includes evaluations and simulation, and other services requiring thorough knowledge of complete missiles and spacecraft.

¹¹ NAICS 561210—Facilities Support Services:

(a) If one or more activities of Facilities Support Services as defined in paragraph (b) (below in this footnote) can be identified with a specific industry and that industry accounts for 50% or more of the value of an entire procurement, then the proper classification of the procurement is that of the specific industry, not Facilities Support Services.

(b) “Facilities Support Services” requires the performance of three or more separate activities in the areas of services or specialty trade construction industries. If services are performed, these service activities must each be in a separate NAICS industry. If the procurement requires the use of specialty trade contractors (plumbing, painting, plastering, carpentry, etc.), all such specialty trade construction activities are considered a single activity and classified as Base Housing Maintenance. Since Base Housing Maintenance is only one activity, two additional activities of separate NAICS industries are required for a procurement to be classified as “Facilities Support Services.”

¹² NAICS 562910—Environmental Remediation Services:

(a) For SBA assistance as a small business concern in the industry of Environmental Remediation Services, other than for Government procurement, a concern must be engaged primarily in furnishing a range of services for the remediation of a contaminated environment to an acceptable condition including, but not limited to, preliminary assessment, site inspection, testing, remedial investigation, feasibility studies, remedial design, containment, remedial action, removal of contaminated materials, storage of contaminated materials and security and site closeouts. If one of such activities accounts for 50% or more of a concern’s total revenues, employees, or other related factors, the concern’s primary industry is that of the particular industry and not the Environmental Remediation Services Industry.

(b) For purposes of classifying a Government procurement as Environmental Remediation Services, the general purpose of the procurement must be to restore or directly support the restoration of a contaminated environment (such as, preliminary assessment, site inspection, testing, remedial investigation, feasibility studies, remedial design, remediation services, containment, removal of contaminated materials, storage of contaminated materials or security and site closeouts) and also the procurement must be composed of activities in three or more separate industries with separate NAICS codes or, in some instances (e.g., engineering), smaller sub-components of NAICS codes with separate, distinct size standards. These activities may include, but are not limited to, separate activities in industries such as: Heavy Construction; Special Trade Construction; Engineering Services; Architectural Services; Management Consulting Services; Hazardous and Other Waste Collection; Remediation Services; Testing Laboratories; and Research and Development in the Physical, Engineering and Life Sciences. If any activity in the procurement can be identified with a separate NAICS code, or component of a code with a separate distinct size standard, and that industry accounts for 50 percent or more of the value of the entire procurement, then the proper size standard is the one for that particular industry, and not the Environmental Remediation Service size standard.

¹³ NAICS code 611519—Job Corps Centers: For classifying a Federal procurement, the purpose of the solicitation must be for the management and operation of a U.S. Department of Labor Job Corps Center. The activities involved include admissions activities, life skills training, educational activities, comprehensive career preparation activities, career development activities, career transition activities, as well as the management and support functions and services needed to operate and maintain the facility. For SBA assistance as a small business concern, other than for Federal Government procurements, a concern must be primarily engaged in providing the services to operate and maintain Federal Job Corps Centers.

¹⁴ NAICS 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. Concerns performing operational services for the administration of a government program are classified under the NAICS private sector industry based on the activities performed. Similarly, procurements for these types of services are classified under the NAICS private sector industry that best describes the activities to be performed. For example, if a government agency issues a procurement for law enforcement services, the requirement would be classified using one of the NAICS industry codes under 56161, Investigation, Guard, and Armored Car Services.

¹⁵ NAICS code 541519: An Information Technology Value Added Reseller provides a total solution to information technology acquisitions by providing multi-vendor hardware and software along with significant services. Significant value added services consist of, but are not limited to, configuration consulting and design, systems integration, installation of multi-vendor computer equipment, customization of hardware or software, training, product technical support, maintenance, and end user support. For purposes of Government procurement, an information technology procurement classified under this industry category must consist of at least 15% and 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. If the contract consists of less than 15% of value added services, then it must be classified under a NAICS manufacturing industry. If the contract consists of more than 50% of value added services, then it must be classified under the NAICS industry that best describes the predominate service of the procurement. To qualify as an Information Technology Value Added Reseller for purposes of SBA assistance, other than for Government procurement, a concern must be primarily engaged in providing information technology equipment and computer software and provide value added services which account for at least 15% of its receipts but not more than 50% of its receipts.

* * * * *

3. Revise § 121.301(d) to read as follows:

§ 121.301 What size standards are applicable to financial assistance programs?

* * * * *

(d) For Surety Bond Guarantee assistance an applicant, including its affiliates, must not exceed the size standard for the industry in which the applicant is primarily engaged.

* * * * *

4. Revise § 121.406(b)(1)(i) to read as follows:

§ 121.406 How does a small business concern qualify to provide manufactured products under small business set-aside or MED procurements?

* * * * *

(b) *Nonmanufacturers.* (1) * * *
(i) Does not exceed 100 employees;

* * * * *

5. Revise § 121.502(a)(2) to read as follows:

§ 121.502 What size standards are applicable to programs for sales or leases of Government property?

(a) * * *

(2) A concern not primarily engaged in manufacturing is small for sales or leases of Government property if it does not exceed 50 employees.

* * * * *

6. Revise § 121.508(a)(2) to read as follows:

§ 121.508 What are the size standards and other requirements for the purchase of Government owned Special Salvage Timber?

(a) * * *

(2) Have, together with its affiliates, no more than 50 employees during any pay period for the last 12 months; and,

* * * * *

7. Revise § 121.509(a) to read as follows:

§ 121.509 What is the size standard for leasing of Government land for coal mining?

* * * * *

(a) Together with its affiliates, does not have more than 300 employees;

* * * * *

9. Revise § 121.512(b) to read as follows:

§ 121.512 What is the size standard for stockpile purchases?

* * * * *

(b) Together with its affiliates, it does not have more than 400 employees.

Dated: February 3, 2004.

Hector V. Barreto,
Administrator.

[FR Doc. 04-5049 Filed 3-18-04; 8:45 am]

BILLING CODE 8025-01-P