

WASHINGTON – A proposed rule published today for comment in The Federal Register by the U.S. Small Business Administration would adjust the size definition of small businesses in professional, scientific and technical services and other services sectors.

The proposed revisions would increase the revenue-based size definition businesses need to meet to qualify as small businesses. They apply to businesses in 36 industries and one sub-industry in professional, scientific and technical services, and one industry in other services sectors.

As part of its ongoing comprehensive review of all size standards, the SBA evaluated 46 industries and three sub-industries in these sectors. Of these, the SBA proposes to increase size standards for 36 industries and one sub-industry and retain current standards for the remaining 10 industries and two sub-industries. SBA's size standards vary from industry to industry to account for differences among them.

In 2007, the SBA began the process of reviewing and updating size standards based on industry-specific data. Before this, the last overall review of size standards occurred more than 25 years ago. Under provisions in the Small Business Jobs Act of 2010, SBA will continue its comprehensive review of all size standards for the next several years.

The proposed changes take into account the structural characteristics within individual industries, including average firm size, the degree of competition, and federal government contracting trends to ensure that size definitions reflect current economic conditions within those industries.

The changes would allow some small businesses that are close to exceeding their current size standards to retain small business eligibility under higher size standards, giving federal agencies a larger selection of small businesses to choose from for small business procurement opportunities. SBA estimates as many as 9,450 additional firms will become eligible for SBA programs as a result of the proposed revisions, if they are adopted.

The SBA issued a White Paper entitled, "Size Standards Methodology" on Oct. 21, 2009, which explains how the SBA establishes, reviews and modifies its receipts-based and employee-based small business size standards. It can be viewed at <http://www.sba.gov/size>.

Comments can be submitted on this proposed rule on or before May 16, 2011, online at: www.regulations.gov, where they will be posted, or mailed to Khem R. Sharma, chief, Size Standards Division, 409 3rd St., SW, Mail Code 6530, Washington, DC 20416. For more information about SBA's revisions to its small business size standards, click on "What's New" on SBA's Web site at: <http://www.sba.gov/size>.