

business price evaluation preference or adjustment. Federal agencies will benefit from the higher size standards if more small refiners compete for more set-aside petroleum procurements. This will increase competition and lower the prices on set-aside petroleum procurements. The higher size standard will also likely influence Federal agencies to set aside more petroleum procurements. Price increases associated with set-aside procurements will be minimal because set-asides must be awarded at fair and reasonable prices. The increased size standard will allow, and possibly encourage, small refiners to increase their operational efficiencies without jeopardizing their small business status. Currently small refiners will become more competitive and this could result in lower prices to the Federal government and to private sector customers.

The higher size standard may have distributional effects between large and small refiners. The actual outcome of the gains and losses between small and large refiners cannot be estimated with certainty. Small refiners may obtain petroleum contracts from what would have been awarded to refiners that are not small. Large refiners might lose some Federal petroleum contracts to small refiners if Federal agencies decide to set aside more petroleum procurements for small refiners. The potential loss of contracts to large businesses would be limited to the amount of petroleum that expanding small refiners were willing and able to sell to the Federal government. Small nonmanufacturers can also obtain additional petroleum contracts as a result of a higher petroleum size standard. On set-aside petroleum procurements, a small nonmanufacturer must supply the product of a small petroleum refiner. With an effectively larger base of small refiners, nonmanufacturers would have access to a larger supply of petroleum products from small refiners. The potential gain in contracting opportunities for small nonmanufacturers would be limited to the amount of petroleum the expanded small refiners are willing and able to supply through a third party as opposed to selling directly to the Federal government.

The revision to the current size standard for petroleum refineries is consistent with SBA's statutory mandate to assist small business. This regulatory action promotes the Administrator's objectives. One of SBA's goals in support of the Administrator's objectives is to help individual small businesses succeed through fair and equitable access to capital and credit,

government contracts, and management and technical assistance. 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, and tribal governments in the exercise of their government functions. In a few cases, State and local governments 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.

For purposes of the Regulatory Flexibility Act (RFA), SBA has determined that this rule does not have a significant economic effect on a substantial number of small entities. As stated in the **SUPPLEMENTARY INFORMATION** section, SBA estimates that this rule will create no additional small refiners. Accordingly, SBA does not believe there will be significantly increased competition that could harm small refiners. On the contrary, small refiners will be able to bid on and perform more and larger Federal procurements using some of the same business practices as the largest refiners (though on a smaller scale), proportionate to their sizes. In addition, since Federal procurement programs are voluntary, this rule will not impose any significant costs on any small refiners participating in the Federal procurement of petroleum programs. Further, the rule will not affect the amount of refined petroleum purchased by the Federal government. Federal government procurement dollars are expected to remain about the same. In addition, since more small refiners will be able to share resources, they will be eligible for more Federal procurement dollars.

List of Subjects in 13 CFR Part 121

Administrative practice and procedure, Government procurement, Government property, Grant programs-business, Loan programs-business, Reporting and recordkeeping requirements, Small businesses.

■ For the reasons stated in the preamble, SBA amends part 121 of title 13 of the Code of Federal Regulations as follows:

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), 637(a), 644(c), and 662(5); and sec. 304, Pub. L. 103-403, 108 Stat. 4175, 4188.

■ 2. In § 121.201, revise footnote 4 at the end of the table titled "Small Business

Size Standards by NAICS industry" to read as follows:

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

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FOOTNOTES

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■ 4. *NAICS code 324110*—For purposes of Government procurement, the petroleum refiner must be a concern that has no more than 1,500 employees nor more than 125,000 barrels per calendar day total Operable Atmospheric Crude Oil Distillation capacity. 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. The total product to be delivered under the contract must be at least 90 percent refined by the successful bidder from either crude oil or bona fide feedstocks.

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Dated: February 5, 2003.

Hector V. Barreto,
Administrator.

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DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 100

[CGD05-03-030]

RIN 1625-AA08

Special Local Regulations for Marine Events; Severn River, College Creek, and Weems Creek, Annapolis, MD

AGENCY: Coast Guard, DHS.

ACTION: Notice of implementation of regulation.

SUMMARY: The Coast Guard is implementing the special local regulations at 33 CFR 100.518 for the U.S. Naval Academy Crew Races, marine events to be held April 26, 2003 and May 25, 2003, on the waters of the Severn River at Annapolis, Maryland. These special local regulations are necessary to control vessel traffic due to the confined nature of the waterway and expected vessel congestion during the events. The effect will be to restrict general navigation in the regulated area for the safety of spectators and vessels transiting the event area.

EFFECTIVE DATES: 33 CFR 100.518 is effective from 5:30 a.m. to 9:45 a.m. on