

or other compliance requirements on small entities for SBA programs. A change in a size standard would not create additional costs on a business to determine whether or not it qualifies as a small business. A business needs to only examine existing information to determine its size, such as Federal tax returns, payroll records, and accounting records. Size standards determines "voluntary" access to the SBA and other Federal programs that assist small businesses, but does not impose a regulatory burden as they neither regulate nor control business behavior. In addition, this rule does not impose any new information collecting requirements from the SBA which requires approval by OMB under the Paperwork Reduction Act of 1980, U.S.C. 3501-3520.

(5) What Are the Steps the SBA Has Taken To Minimize the Significant Economic Impact on Small Business?

Most of the economic impact on small businesses will be positive. The most significant benefits to businesses that will obtain small business status as a result of this rule are eligibility for SBA's financial assistance programs such as 7(a) business loans, 504 business loans, and EIDL assistance. Normally, firms gain from eligibility for the Federal Government's procurement preference programs for small businesses. In this case, however, the SBA anticipates no impact based on the fact that there has been no Federal contracting in this industry over the last

three completed fiscal years. In addition, the projected increase in 7(a) business loans of three additional loans totaling approximately \$0.6 million in new Federal loan guarantees will have virtually no impact on the overall availability of loans for SBA's loan programs, which have averaged about 50,000 loans totaling more than \$12 billion per year in recent years.

(6) What Alternatives Were Considered by the SBA To Accomplish Its Regulatory Objectives While Minimizing the Impact on Small Entities?

The SBA initially considered two alternatives in its proposed rule (67 FR 61829, dated October 2, 2002). First, it considered the \$3 million size standard proposed for the Travel Agencies industry that the SBA also measures on an adjusted receipts basis. The SBA also considered retaining gross receipts to measure the size of a tour operator and adjusting the size standard to a higher level. These two alternatives were discussed in the proposed rule.

The SBA decided not to adopt either of these alternatives in this final rule. The industry characteristics of the Tour Operators industry clearly show that a \$3 million size standard is too low. Also, an appropriate size standard based on gross receipts may harm small businesses. The SBA calculates the size of a tour operator from its Federal tax returns. Some tour operators may report receipts differently for tax purposes, which could result in two tour operators doing the same amount of business

being treated differently for small business status. No comments were received, however, in favor of these alternatives, and all of the commentators supported the change in receipts definition.

List of Subjects in 13 CFR Part 121

Administrative practice and procedure, Government procurement, Government property, Grant programs—business. Loan programs'business, Small businesses.

■ For the reasons set forth in the pre-amble, the U.S. Small Business Administration 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, in the table under "Small Business Size Standards by NAICS Industry":

a. Under the heading Subsector 561—Administrative and Support Services, revise entry 561520 to read as follows; and

b. Revise footnote 10 to read as follows:

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

* * * * *

SMALL BUSINESS SIZE STANDARDS BY NAICS INDUSTRY

NAICS codes	NAICS U.S. industry title	Size standards in millions of dollars	Size standards in number of employees
* * *			
Subsector 561—Administrative and Support Services			
* * *			
561520	Tour Operators ¹⁰ ¹⁰ \$6.0
* * *			