

to changes in the mandated labor rates under the Service Contract Act and increased health insurance costs.

The SBA's review of these issues and data on the Facilities Support Services industry, as described in the February 3, 2003, proposed rule, support increasing the size standard to \$30 million.

(b) What Alternatives Did the SBA Reject?

One commenter opposed to any increase except an increase of 50%, but no data was provided to justify this alternative. The commenter did not state 50% of which current size standard, \$6 million or \$23 million. The SBA can only assume that the commenter meant 50% of the \$6 million size standard, which equates to \$9 million. A 50% increase to the \$23 million would put the size standard above \$30 million.

One commenter recommended a \$12 million size standard. This commenter stated that \$12 million will enable small businesses additional opportunities within the Facilities Support Services

industry without forcing emerging small businesses to compete against larger firms.

The SBA rejects both of these alternatives. Neither an increase to \$9 million or \$12 million would be representative of this industry, nor would either alternative provide competition and growth for small businesses. The industry data provided in the preamble to the proposed rule show that all of the characteristics measured firms in the Facilities Support Services industry were much larger than firms in most nonmanufacturing industries. This finding supports a size standard at the highest receipts levels. In addition, Federal contract award data show that firms under the current \$23 million size standard have only been able to obtain a relatively small share of Facilities Support Services contracts.

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 stated in the preamble, amend part 121 of title 13 Code of Federal Regulations as follows:

PART 121—SMALL BUSINESS SIZE REGULATIONS

■ 1. The authority citation of 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. Amend § 121.201 as follows:

■ a. In the table "Small Business Size Standards by NAICS Industry," under the heading NAICS Subsector 238, "Specialty Trade Contractors," revise the entry for 238990; and under the heading NAICS Subsector 561, "Administrative and Support Services," revise the entry for 561210, to read as follows; and,

■ b. Revise footnotes 12 and 13 to read as follows:

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 238—Specialty Trade Contractors			
* * * * *			
238990	All Other Specialty Trade Contractors	\$12.0	
	Except, Building and Property Specialty Trade Services ¹³	¹³ 12.0	
* * * * *			
Subsector 561—Administrative and Support Services			
* * * * *			
561210	Facilities Support Services ¹²	¹² 30.0	

¹² NAICS code 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 contractors 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 contractors activities are considered a single activity and classified as "Building and Property Specialty Trade Services." Since "Building and Property Specialty Trade Services" is only one activity, two additional activities of separate NAICS industries are required for a procurement to be classified as "Facilities Support Services."

¹³ 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.