July 1, 2004

The Honorable Hector V. Barreto, Administrator
U.S. Small Business Administration
409 Third Street, SW
Washington, DC 20416

RE: Withdrawal of the Proposed Rule on Small Business Size Standards

Dear Administrator Barreto:

The Office of Advocacy commends your leadership in withdrawing the proposed rule on Small Business Size Standards; Restructuring of Size Standards. We are pleased that the U.S. Small Business Administration (SBA) is going to solicit additional input from small businesses before moving forward on this important topic.

The Office of Advocacy works closely with small businesses and their representatives to independently represent the views of small businesses. As reflected in our June 29, 2004, comments to the Office of Size Standards, the small business community had serious concerns regarding the potential impact of the proposed rule. SBA is to be commended for its responsiveness to the concerns raised by small businesses commenting on the proposed rule.

Advocacy strongly supports SBA's decision to reexamine the size standard rule. Hopefully, SBA will use the additional time to conduct a formal stakeholder process, throughout the country, that will allow the SBA to better analyze the rule's impact on small business and to consider additional alternatives to minimize the impacts on adversely affected small businesses.

My staff of regulatory experts and economists is available to work with the Office of Size Standards as it revisits this rulemaking. Your decision demonstrates SBA's commitment to give proper consideration to small entity impacts under Executive Order 13272 and the Regulatory Flexibility Act.

Once again, thank you for leadership in deciding to take a closer look at the proposed rule to restructure SBA's size standards. If you have any questions, please contact me or Major Clark of my staff at (202) 205-7150.

Sincerely,

Thomas M. Sullivan
Chief Counsel of Advocacy

Cc: Dr. John Graham, Administrator, Office of Information and Regulatory Analysis