



## **SMALL BUSINESS ADMINISTRATION**

### **Small Business Size Standards: Waiver of the Nonmanufacturer Rule**

**AGENCY:** Small Business Administration.

**ACTION:** Notice of intent to terminate the class waiver to the Nonmanufacturer Rule for Rubber Gloves.

**SUMMARY:** The U.S. Small Business Administration (SBA) is considering terminating a class waiver to the Nonmanufacturer Rule (NMR) for “Gloves, rubber (e.g., electrician's, examination, household-type, surgeon's), manufacturing”. On October 27, 2016, SBA received a request to terminate the current class waiver to the NMR for “Gloves, rubber (e.g., electrician's, examination, household-type, surgeon's), manufacturing” under North American Industry Classification System (NAICS) code 339113 (Surgical Appliance and Supplies Manufacturing), Product Service Code (PSC) 9320 (Rubber Fabricated Materials). According to the request, there is a small business manufacturer available to participate in the Federal market for this class of product. The requester provided evidence that this small business manufacturer has submitted offers on solicitations for government contracts within the last 24 months.

Thus, SBA is seeking comment on the termination of the class waiver for “Gloves, rubber (e.g., electrician's, examination, household-type, surgeon's), manufacturing.” An awardee of a Federal small business set-aside contract valued over \$150,000, service-disabled veteran-owned small business contract, HUBZone contract, women-owned small business contract, or 8(a) contract must provide its own product or the product of a small business manufacturer, unless a waiver is in place. If the class waiver is terminated, small business dealers will no longer be able to provide the product

of any manufacturer regardless of size on contracts of those types for “Gloves, rubber (e.g., electrician's, examination, household-type, surgeon's), manufacturing,” unless a Federal Contracting Officer obtains an individual waiver to the NMR.

**DATES:** Comments and source information must be submitted on or before [INSERT DATE 15 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

**ADDRESSES:** You may submit comments and source information via the Federal Rulemaking Portal at <https://www.regulations.gov> under Docket ID SBA-2017-0002. If you wish to submit confidential business information (CBI) as defined in the User Notice at <http://www.regulations.gov>, please submit the information to Roman Ivey, Program Analyst, 409 Third Street SW, Washington, DC 20416, and highlight the information that you consider to be CBI and explain why you believe this information should be held confidential. SBA will review the information and make a final determination as to whether or not the information will be published.

**FOR FURTHER INFORMATION CONTACT:** Roman Ivey, Program Analyst, by telephone at 202-401-1420; or by email at [roman.ivey@sba.gov](mailto:roman.ivey@sba.gov).

**SUPPLEMENTARY INFORMATION:** Section 8(a)(17) and 46 of the Small Business Act (Act), 15 U.S.C. 637(a)(17) and 657, and SBA’s implementing regulations require that recipients of Federal supply contracts set aside for small businesses (except those valued between \$3,500 and \$150,000), service-disabled veteran-owned small businesses (SDVOSBs), women-owned small businesses (WOSBs), economically disadvantaged women-owned small businesses (EDWOSBs), or participants in the SBA’s 8(a) Business Development (BD) program provide the product of a small business manufacturer or processor, if the recipient is other than the actual manufacturer or processor of the

product. This requirement is commonly referred to as the Nonmanufacturer Rule (NMR). 13 CFR 121.406(b). Sections 8(a)(17)(B)(iv)(II) and 46(a)(4)(B) of the Act authorize SBA to waive the NMR for a “class of products” for which there are no small business manufacturers or processors available to participate in the Federal market.

As implemented in SBA’s regulations at 13 CFR 121.1204(a)(7), SBA will periodically review existing class waivers to the NMR in order to determine whether small business manufacturers or processors have become available to participate in the Federal market. Upon receipt of information that such a small business manufacturer or processor exists, the SBA will announce its intent to terminate the NMR waiver for a class of products. 13 CFR 121.1204(a)(7)(ii).

On April 8, 2008, SBA issued a Notice of Intent to waive the NMR for Safety Zone Rubber Gloves Manufacturing under NAICS 339113 (Surgical Appliance and Supplies Manufacturing), and identified PSC 9999, the code for miscellaneous items. 73 FR 19132. SBA did not receive any comments, and on May 1, 2008, SBA issued a class waiver for Safety Zone Rubber Gloves Manufacturing. 73 FR 24101. On October 27, 2016, SBA received a request to terminate the NMR waiver for “Gloves, rubber (e.g., electrician's, examination, household-type, surgeon's), manufacturing” under NAICS code 339113 (Surgical Appliance and Supplies Manufacturing), PSC 9320 (Rubber Fabricated Materials). The change of item description and PSC is in accordance with SBA’s most recent list of current class waivers to the NMR. The requester has provided evidence that there is a small business that manufactures Rubber Gloves in the United States. SBA has confirmed that this small business manufacturer has submitted bids on Federal solicitations within the last 24 months. Thus, SBA is proposing to terminate the

class waiver for rubber gloves manufacturing. The public is invited to comment or provide source information to SBA on the proposed termination of the NMR waiver for this class of products.

More information on the NMR and Class Waivers can be found at <https://www.sba.gov/contracting/contracting-officials/non-manufacturer-rule/non-manufacturer-waivers>.

**Seán F. Crean,**  
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