

**ADDRESSES:** David Wm. Loines, Procurement Analyst, U.S. Small Business Administration, 409 3rd Street S.W., Washington, DC 20416, Tel: (202) 205-6475.

**FOR FURTHER INFORMATION CONTACT:** David Wm. Loines, Procurement Analyst, (202) 205-6475, FAX (202) 205-7324.

**SUPPLEMENTARY INFORMATION:** Public law 100-656, enacted on November 15, 1988, incorporated into the Small Business Act the previously existing regulation that recipients of Federal contracts set-aside for small businesses or the SBA 8(a) Program procurement must provide the product of a small business manufacturer or processor if the recipient is other than the actual manufacturer or processor. This requirement is commonly referred to as the Nonmanufacturer Rule. The SBA regulations imposing this requirement are found at 13 CFR 121.406(b). Section 303(h) of the law provides for waiver of this requirement by SBA for any "class of products" for which there are no small business manufacturers or processors in the Federal market. To be considered available to participate in the Federal market on these classes of products, a small business manufacturer must have submitted a proposal for a contract solicitation or received a contract from the Federal Government within the last 24 months. The SBA defines "class of products" based on two coding systems. The first is the Office of Management and Budget Standard Industrial Classification Manual. The second is the Product and Service Code (PSC) established by the Federal Procurement Data System.

The SBA was asked to issue a waiver for Airborne Integrated Data Components because of an apparent lack of any small business manufacturers or processors for them within the Federal market. The SBA searched its Procurement Automated Source System (PASS) for small business participants and found none. We then published a document in the Federal Register on December 13, 1996 (61 FR 65492), of our intent to grant a waiver for these classes of products unless new information was found. The proposed waiver covered Airborne Integrated Data Components. The document described the legal provisions for a waiver, how SBA defines the market, and asked for small business participants of these classes of products.

After the 15-day comment period, no small businesses were identified for Airborne Integrated Data Components. This waiver is being granted pursuant to statutory authority under section 303(h) of Public Law 100-656 for Airborne Integrated Data Components. The waiver will last indefinitely but is subject to both an annual review and a review upon receipt of information that the conditions required for a waiver no longer exist. If such information is found, the waiver may be terminated.

Judith A. Roussel,

*Associate Administrator for Government Contracting.*

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### 13 CFR Part 121

#### Small Business Size Standards; Waiver of the Nonmanufacturer Rule

**AGENCY:** Small Business Administration.

**ACTION:** Waiver of the Nonmanufacturer Rule for Routers and Switches.

**SUMMARY:** This document advises the public that the Small Business Administration (SBA) is establishing a waiver of the Nonmanufacturer Rule for Routers and Switches. The basis for a waiver is that no small business manufacturers are available to participate in the Federal market for these products. The effect of a waiver will allow otherwise qualified nonmanufacturers to supply the products of any domestic manufacturer on a Federal contract set-aside for small businesses or awarded through the SBA 8(a) Program.

**EFFECTIVE DATE:** February 12, 1997.

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The SBA was asked to issue a waiver for Routers and Switches because of an apparent lack of any small business manufacturers or processors for them within the Federal market. The SBA searched its Procurement Automated Source System (PASS) for small business participants and found none. We then published a document in the Federal Register on November 22, 1996 (61 FR 59382), of our intent to grant a waiver for these classes of products unless new information was found. The proposed waiver covered Routers and Switches. The document described the legal provisions for a waiver, how SBA defines the market, and asked for small business participants of these classes of products. After the 15-day comment period, no small businesses were identified for Routers and Switches. This waiver is being granted pursuant to statutory authority under section 303(h) of Public Law 100-656 for Routers and Switches. The waiver will last indefinitely but is subject to both an annual review and a review upon receipt of information that the conditions required for a waiver no longer exist. If such information is found, the waiver may be terminated.

Judith A. Roussel,

*Associate Administrator for Government Contracting.*

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