

Congress of the United States

Washington, DC 20515

September 15, 2026

The Honorable Kelly Loeffler
Administrator
U.S. Small Business Administration
409 3rd St., SW
Washington, D.C. 20416

RE: RIN 3245-AI67

Dear Administrator Loeffler:

We write as members of Congress representing Virginia regarding the Small Business Administration's (SBA) August 20, 2026, notice of proposed rulemaking, "Small Business Size Standards."

This proposed rule makes drastic changes to the SBA's size standards that could do significant harm to small business owners, employees, and their families in Virginia and around the country. The proposal would make over 100,000 businesses that are currently too large to qualify into small businesses, including firms making up to a billion dollars annually and employing thousands of people. No reasonable size standard would call these businesses small.

In "Small Business Size Standards," the SBA proposes to overhaul the size standards used to determine eligibility for small business contracts, as well as SBA loan programs and other federal assistance, by drastically increasing industry-specific employee and annual receipt caps, shifting the default size standard from receipt-based standards to employee-based standards, and condensing the current 978 industry-specific size standards to 338.

Taken together, these changes will make over 100,000 firms newly eligible for small business contracts and programs. While this only represents a 1.8% increase in total firms, 37,000 of those firms already held a federal contract in Fiscal Year 2025. In comparison, the SBA awarded prime federal contracts to approximately 57,000 small businesses in FY25¹. This represents a nearly 65% increase in total current contract-holders qualifying as small businesses.

These new entrants are not just slightly larger than current small businesses. In certain industries, the new caps are so high that billion-dollar companies or firms employing up to 3,000 people will qualify as "small businesses." Currently, most industry-specific revenue caps are set at a maximum of \$47 million in annual receipts or 1,500 employees.² These larger firms, which have more resources and power, will now be competing with current small businesses contractors for

¹ Le, S. (2026, July 9). *The Real Small Business Scorecard*. GovCon Intelligence. Retrieved September 1, 2026, from <https://www.govconintelligence.com/p/the-real-small-business-scorecard>

² DePillis, L. (2026, August 26). Trump Administration Wants Billion-Dollar Businesses to Qualify as 'Small'. *The New York Times*. Retrieved September 1, 2026, from <https://www.nytimes.com/2026/08/26/business/economy/trump-small-business-administration.html>

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the same number of contracts. The SBA claims that, “the number of small businesses being awarded federal contracts will not be reduced,” due to this new competition, but that is only because they have changed the definition of small business.³

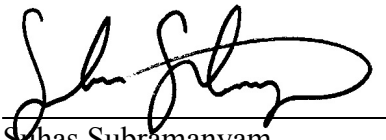
While we acknowledge that annual receipt and employee caps can and do discourage small businesses from growing past the size standard threshold and that caps should be adjusted for inflation and to reflect current market conditions, this proposed rule will increase the maximum size of “small businesses” in certain industries over twenty-fold.⁴ This unreasonably drastic increase will cause further consolidation of small business contractors, force out smaller market participants, and discourage entrepreneurs from pursuing federal contracts to begin with.

This administration has repeatedly claimed to support small businesses, but their actions here and elsewhere have repeatedly shown that to not be the case. The changes in this proposed rule may save the government some money in the short term, but the long-term impact will be to decrease competition, stifle innovation, and harm the very small businesses the SBA is charged with advocating for.

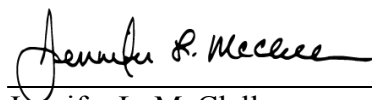
We await your prompt response to the concerns we have outlined. Due to the importance of these changes to local small business owners in Virginia, we also demand that the SBA extend the public comment period on “Small Business Size Standards” and the underlying methodology whitepaper to 60 days. This will allow the public adequate time to respond to the proposed changes.

Thank you for your attention to these important matters.

Sincerely,



Suhas Subramanyam
Member of Congress



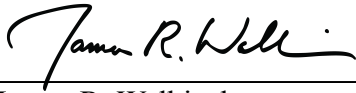
Jennifer L. McClellan
Member of Congress

³ Small Business Size Standards, 91 F.R. 53741 (proposed August 20, 2026) (to be codified at 13 C.F.R § 121) <https://www.federalregister.gov/documents/2026/08/20/2026-17042/small-business-size-standards#footnote-24-p53773>

⁴ DePillis, L. (2026, August 26). Trump Administration Wants Billion-Dollar Businesses to Qualify as 'Small'. *The New York Times*. Retrieved September 1, 2026, from <https://www.nytimes.com/2026/08/26/business/economy/trump-small-business-administration.html>

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