

# Rules and Regulations

Federal Register

Vol. 89, No. 233

Wednesday, December 4, 2024

This section of the FEDERAL REGISTER contains regulatory documents having general applicability and legal effect, most of which are keyed to and codified in the Code of Federal Regulations, which is published under 50 titles pursuant to 44 U.S.C. 1510.

The Code of Federal Regulations is sold by the Superintendent of Documents.

## SMALL BUSINESS ADMINISTRATION

### 13 CFR Parts 124, 126, 127, 128, and 134

RIN 3245-A104

#### Women-Owned Small Business Federal Contract Program Updates and Clarifications

**AGENCY:** U.S. Small Business Administration.

**ACTION:** Final rule.

**SUMMARY:** This final rule makes several changes to the Small Business Administration (SBA or Agency) Women-Owned Small Business (WOSB) Federal Contract Program regulations, including adding definitions that are not currently included in the regulations and conforming the regulations to current statutes that have not yet been integrated. The rule also adopts similar language to that used in SBA's other government contracting program regulations regarding requirements for the qualifying individual's control of an applicant concern and limits on outside employment and makes changes to the process by which an application for certification is reviewed by SBA in order to implement a statutory amendment from the National Defense Authorization Act for Fiscal Year 2022 regarding the effects of a status determination on a small business concern.

**DATES:** This rule is effective January 3, 2025. It applies to all solicitations issued on or after that date.

**FOR FURTHER INFORMATION CONTACT:** Harry T. Alexander Jr., U.S. Small Business Administration, Office of Contracting Assistance, 409 Third Street SW, Washington, DC 20416; (202) 619-0314, [harry.alexanderjr@sba.gov](mailto:harry.alexanderjr@sba.gov).

**SUPPLEMENTARY INFORMATION:** On May 16, 2024, SBA published a proposed rule in the **Federal Register** to change the process by which an application for certification is reviewed by SBA. SBA

proposed this change in order to implement a statutory amendment from the National Defense Authorization Act for Fiscal Year 2022 (Pub. L. 117-81) regarding the effects of a status determination on a small business concern. SBA also proposed to replace outdated references to the U.S. Department of Veterans Affairs Center for Verification and Evaluation with references to SBA's Veteran Small Business Certification (VetCert) Program, add definitions of terms used in the Women-Owned Small Business (WOSB) regulations, provide consistency across the regulations used in SBA's other government contracting programs, and define who is authorized to represent a firm when validating or signing certification pages during the certification process.

During the rule's 60-day comment period, SBA timely received comments from two commenters, with one commenter expressing full support for the proposed rule. The other commenter expressed general support for the substantive changes proposed by SBA, noting that the rule is "generally well-conceived and addresses the concerns of the industry," and appreciated SBA's efforts to standardize the requirements of the government contracting programs.

#### Section-by-Section Analysis and Response to Comments

*Sections 124.106(a), 127.202(c), and 128.203(i)*

Sections 124.106(a), 127.202(c), and 128.203(i) address limitations on outside employment that can affect a business concern's eligibility for participation in the 8(a) Business Development (BD), WOSB, and VetCert programs, respectively, based on a qualifying individual's lack of control. Each of these provisions generally requires the qualifying individual to devote full time or the number of hours of normal operation to the business. Each also requires the business concern to demonstrate how a qualifying individual controls the day-to-day operations of the business concern, particularly if the qualifying individual devotes fewer hours to the business than its normal hours of operation. The language of the three provisions, however, is not identical. These discrepancies led to questions as to whether SBA intended different application of the control requirements

for different programs. Current § 127.202 generally requires that a woman devote sufficient time to the business with a rebuttable presumption that the business does not qualify for WOSB if a woman devotes fewer hours to the business than its normal hours of operation. Where the presumption applies, the woman must provide evidence to SBA that she has ultimate managerial and supervisory control over both the long-term decision making and day-to-day management and administration of the business. This final rule aligns the language of this section to the current restriction in the VetCert Program. The business will still be generally required to have the qualified woman that controls the concern devote full time to the business during the business's normal hours of operation. The business may, however, demonstrate to SBA that the woman has ultimate managerial and supervisory control over both the long-term decision making and day-to-day management of the business although the woman may not meet full-time devotion.

One commenter expressed support for this change but identified minor inconsistencies remaining between the rule as proposed and §§ 124.106(a)(4) and 128.203(i). The commenter suggested SBA revise the rule to fully conform these sections. SBA has made minor wording changes to § 127.202 to conform that language to the language regarding outside employment contained in § 124.106(a) for the 8(a) BD program and § 128.203(i) for the VetCert program. The commenter additionally noted that the proposed rule does not clarify whether WOSB allows for exceptions to the control requirements in "extraordinary circumstances" as the VetCert regulations provide. SBA agrees that the "extraordinary circumstances" provisions should equally apply in the WOSB program and has proposed to incorporate them into the WOSB regulations in a separate rulemaking. See 89 FR 68274, 68316 (Aug. 23, 2024).

*Sections 127.102, 126.103, 128.500, and 134.1002*

Section 127.102 sets out the definitions for the WOSB Program. SBA proposed to add a definition for the term "Applicant," as a definition was not included in the previous version of the regulations and appears in the regulations of SBA's other government

contracting programs. SBA believes that including this definition will provide consistency in the rules that apply to its various certification programs and make clear that a concern applying for certification in the WOSB Program is an "Applicant." SBA received no comments to this provision and adopts it as final in this rule.

SBA also proposed to amend the current definition of the term "System for Award Management (SAM) (or any successor system)." SBA believes that the definition is outdated and should match the definition that is used in the FAR for consistency purposes. SBA received no comments to this provision and adopts it as final.

The proposed rule also removed the definition for "WOSB Program Repository" as this definition refers to the old repository system that is no longer in use. SBA believes that removing this definition, which is not used elsewhere in 13 CFR part 127, will alleviate any confusion.

Lastly, the proposed rule amended the definition of "Interested party," limiting it to certified WOSB concerns or concerns that have a pending application for WOSB certification, either at SBA or a third-party certifier, and that submit an offer for a specific Economically Disadvantaged Women-Owned Small Business (EDWOSB) or WOSB requirement, rather than any concern that submits an offer for a specific EDWOSB or WOSB requirement. SBA believes that only certified WOSBs and EDWOSBs or concerns pending WOSB certification should be able to submit a protest against an apparent successful offeror's EDWOSB or WOSB status since only those firms can themselves be eligible for award and truly have an economic interest in the award. It is not uncommon for an incumbent contractor to file a bid or size/status protest in order for its performance to be extended pending the resolution of the protest. SBA does not want to encourage firms that are not certified WOSBs or certified EDWOSBs to submit offers merely to be able to file a status protest that could prolong their performance under a preceding contract. Such firms have no chance to be awarded a WOSB/EDWOSB contract, and such protests may be nothing more than delay tactics. Only firms that are capable of winning the WOSB set-aside contract or order should be able to protest the WOSB status of an apparent successful offeror. Furthermore, in Fiscal Year 2024, only one of the twelve protests received by the WOSB program office would have been impacted by this change in the definition of "interested party." Thus,

this change would have an insignificant impact on the number of status protests that would have been reviewed. Status protests for the VetCert program are heard by SBA's Office of Hearings and Appeals (OHA). The expected impact on firms able to submit a VetCert status protest would be similarly insignificant by this change in the definition of "interested party."

One commenter expressed support for this change, and suggested SBA similarly update the 8(a) BD Program, Historically Underutilized Business Zone (HUBZone) Program, and VetCert Program regulations. SBA first notes that it does not allow status protests in connection with the award of 8(a) contracts. Second, SBA proposed to similarly change the definition of interested party for the HUBZone program in a separate rulemaking. *See* 89 FR 68274, 68307. SBA received two positive comments and no negative comments about this proposed change for the HUBZone program. SBA agrees with the commenter that similar treatment should be afforded to the HUBZone program and VetCert program and, thus, has adopted this comment and amended §§ 126.103 and 128.500 in this final rule.

In addition to the changes made to §§ 126.103, 127.102, and 128.500, the definition for "interested party" must also be updated in OHA's regulations as OHA has jurisdiction over VetCert status protests and who may file a Veteran-Owned Small Business Concern (VOSB) or Service-Disabled Veteran-Owned Small Business Concern (SDVOSB) status protest. As such, SBA also amends § 134.1002(b) in this final rule for uniformity purposes and to dispel confusion about the appropriate definition.

#### *Section 127.300*

The proposed rule amended the outdated references in §§ 127.300(a)(2) and (b)(3) to certifications made by the U.S. Department of Veterans Affairs (VA) Center for Verification and Evaluation. Instead, the proposed rule referred to SBA's Veteran Small Business Certification Program. SBA believes this change will resolve any confusion caused by reference to the VA's Verification Program, which no longer certifies veteran-owned or service-disabled veteran-owned small business concerns following its transfer to SBA pursuant to section 862 of the National Defense Authorization Act for Fiscal Year 2021 (Pub. L. 116-283).

The proposed rule also amended § 127.300(c) by referring to SAM, in addition to the Dynamic Small Business Search (DSBS) system. This change

recognizes that a concern that is a qualified WOSB or EDWOSB will be designated as such in both SAM and the DSBS system.

SBA did not receive any comments on either of these provisions and adopts them as final in this rule.

#### *Section 127.303*

SBA proposed to add a new paragraph and reorganize § 127.303(a)(1) to provide that a concern certified as a veteran-owned or service-disabled veteran-owned small business for the VetCert Program and owned and controlled by one or more women may use documentation of its VOSB or SDVOSB certification or more recent recertification in support of its application for WOSB certification. The proposed rule further provided that if the concern is also seeking EDWOSB certification, it must submit documentation that demonstrates it is owned and controlled by one or more women who are economically disadvantaged in accordance with § 127.203. This change recognizes a concern's ability to use documentation from SBA's other certification program in support of its application for WOSB certification. One commenter expressed specific support for this change. With no objections to this change, it is adopted as final in this rule.

#### *Section 127.305*

The proposed rule incorporated the same language used in § 124.207 for purposes of applying to the 8(a) BD Program. Section 124.207 provides that a concern that has applied to the 8(a) BD program and has been declined three times within 18 months of the date of the first final Agency decision finding the concern ineligible cannot submit a new application for admission to the program until 12 months from the date of the third final Agency decision to decline. SBA proposed this change to the WOSB program to provide consistency among its various certification programs. One commenter supported this change, and suggested SBA similarly conform the VOSB regulation at § 128.305. In a separate rulemaking after this proposed rule, SBA proposed to eliminate the language in § 124.207 that a concern must wait 12 months to reapply to the 8(a) BD program where it has been declined three times within 18 months. *See* 89 FR 68274, 68280. SBA noted that it believed such a provision was unnecessary and should not seek to thwart firms that have made legitimate attempts to overcome deficiencies from reapplying to the 8(a) BD program. Because the proposed change to the

WOSB program to incorporate the 12-month waiting period was intended to promote consistency in SBA's certification programs and SBA has now proposed to eliminate the similar provision in the 8(a) BD regulations, SBA does not finalize the proposed language to § 127.305 in this rule.

#### *Section 127.356(c)*

SBA proposed to revise § 127.356(c) to provide consistency between § 127.356(c) and § 127.356(a) and (b). Currently, § 127.356(c) states that an approved third-party certifier must ensure that all of a concern's documents are uploaded in <https://certify.sba.gov> or any successor system. SBA believes that is inconsistent with SBA's intent that it is the responsibility of the concern, not the SBA-approved third-party certifier, to ensure that all its documents are uploaded. Paragraphs 127.356(a) and (b) require the applicant concern to apply directly with a third-party certifier and register in SAM. Consistent with paragraphs (a) and (b), SBA believes that it is the responsibility of the applicant concern, and not the third-party certifier, to ensure that all documents necessary to determine its eligibility for certification by an approved certifier are uploaded with its application. SBA believes this uniformity within the section will lead to less confusion about whose duty it is to make sure documents have been made available to SBA when a third-party certifier is involved. Furthermore, a system has not yet been put in place for a third-party certifier to upload the documents on behalf of the concern. One commenter expressed support for this clarification. As such, the final rule adopts the change as proposed.

#### *Section 127.504(a)*

Section 127.504 permits a concern that has submitted a complete application for WOSB or EDWOSB certification to SBA or a third-party certifier and has not received a negative determination regarding that application to submit an offer for a competitive WOSB or EDWOSB award. The proposed rule sought to define "pending application," as this term is not currently defined in § 127.504 or elsewhere in the WOSB regulations. SBA believes providing this definition will lead to less confusion amongst concerns and contracting officers who have been unsure when an application is pending and believed an application to be pending at the point of application. This change will support the acquisition process for WOSB and EDWOSB set-asides.

One commenter agreed with this addition but suggested that the rule also define when an application may be considered "complete." The commenter suggested SBA define applications as "complete" once the applicant provides initial submissions of all required materials. SBA does not believe that is necessary. The only time a "complete" application is relevant is in determining whether all necessary documents have been provided to SBA to enable SBA to evaluate whether an applicant is eligible for the program. Current § 127.304(a) provides that SBA will advise each applicant within 15 calendar days after the receipt of an application whether the application is complete and suitable for evaluation. Whether an application is complete depends upon various factors. An exhaustive definition of "complete" application would not be simple and would introduce unnecessary complexity to the regulations. Different documents are required depending on the business structure of the applicant (*e.g.*, whether an applicant is a corporation or partnership), whether it is seeking EDWOSB or merely WOSB certification, or whether it has received another SBA certification. Although SBA could add a definition saying that a complete application is one where all required documents have been submitted, SBA does not believe that adds any meaningful substance to the current regulation. As such, SBA does not adopt this recommendation, but rather adopts the proposed language as final in this rule.

#### *Section 127.604(f)(5)*

SBA proposed to add language describing the effects of a status determination on a concern and the obligation of a concern to update the System for Award Management (or any successor system) within two business days of a final determination. This change implements section 863 of the National Defense Authorization Act of Fiscal Year 2022 (Pub. L. 117-81), which amended section 5(i) of the Small Business Act (15 U.S.C. 634(i)), to provide such language in the status determination of a concern.

One commenter expressed support for this addition and suggested SBA similarly revise § 128.500(d). The proposed additions to § 127.604(f)(5) are currently contained in § 128.500(d), except for new § 127.604(f)(5)(iii). SBA adds similar language to that contained in § 127.604(f)(5)(iii) to a new paragraph § 128.500(d)(3) for consistency purposes in this final rule.

#### *Section 127.701*

SBA proposed to remove this section entirely as it contains outdated language regarding the previous WOSB program and system whereby a concern certified its WOSB or EDWOSB status on SAM in relation with specific eligibility requirements. This section, in its entirety, is no longer necessary, as § 127.304(f) and other WOSB program regulations specify that SBA will update DSBS and SAM to indicate that a concern has been certified by SBA as a WOSB and/or EDWOSB. One commenter expressed support for this overall deletion. The final rule accordingly deletes this section.

#### **Compliance With Executive Orders 12866, 12988, 13132, 13563, and the Paperwork Reduction Act (44 U.S.C. Ch. 35), the Regulatory Flexibility Act (5 U.S.C. 601–612), and the Congressional Review Act (5 U.S.C. 801–808)**

##### *Executive Orders 12866, 13563, and 14094*

Executive Order 12866, Regulatory Planning and Review, Modernizing Regulatory Review, requires agencies to provide a Regulatory Impact Analysis assessing costs and benefits and addressing available alternatives for any "significant regulatory action" as defined in Executive Order 14094, Modernizing Regulatory Review. The Office of Management and Budget has determined that this final rule is not a "significant regulatory action" under Executive Order 12866.

Executive Order 13563, Improving Regulation and Regulatory Review, reaffirms the principles of Executive Order 12866 and requires agencies to adopt regulations through a process that involves public participation and, to the extent feasible, base regulations on the open exchange of information and perspectives from affected stakeholders and the public as a whole. SBA has developed this rule in a manner consistent with these requirements. Executive Order 13563 also requires agencies to assess the benefits and costs of any regulations and address available alternatives to direct regulation. This rule amends the WOSB regulations to provide uniformity amongst SBA's government contracting programs and clarifies certain regulations that have been misunderstood by concerns and contract officers. As such, the rule has no effect on the amount or dollar value of any Federal contract requirements or of any financial assistance provided through SBA. Therefore, the rule is not likely to have an annual economic effect of \$200 million or more, result in a

major increase in costs or prices, or have a significant adverse effect on competition or the United States economy. In addition, this rule does not create a serious inconsistency or otherwise interfere with an action taken or planned by another agency, materially alter the budgetary impact of entitlements, grants, user fees, loan programs, or the rights and obligations of such recipients, nor raise novel legal or policy issues arising out of legal mandates, the President's priorities, or the principles set forth in the Executive order.

*Executive Order 12988*

This action meets the standards set forth in sections 3(a) and 3(b)(2) of Executive Order 12988, Civil Justice Reform. SBA has taken the necessary steps to minimize litigation, eliminate drafting errors and ambiguity, reduce burden, and provide a clear legal standard for affected conduct. The action does not have preemptive or retroactive effect.

*Executive Order 13132*

This action does not have federalism implications as defined in Executive Order 13132, Federalism. The action would not have substantial direct effects on the states, on the relationship between the national government and the states, or on the distribution of power and responsibilities among the various levels of government. Therefore, this action does not warrant the preparation of a Federalism Assessment.

*Paperwork Reduction Act*

The SBA has determined that this final rule does not impose additional reporting or recordkeeping requirements under the Paperwork Reduction Act, 44 U.S.C. chapter 35.

*Regulatory Flexibility Act*

When an agency issues a rulemaking proposal, the Regulatory Flexibility Act (RFA) requires the agency to "prepare and make available for public comment an initial regulatory flexibility analysis" which will "describe the impact of the proposed rule on small entities." (5 U.S.C. 603(a)). Section 605 of the RFA allows an agency to certify a rule, in lieu of preparing an analysis, if the proposed rulemaking is not expected to have a significant economic impact on a substantial number of small entities.

This final rule may affect all WOSBs, HUBZone concerns, 8(a) concerns, and VOSB/SDVOSBs, of which there are currently 13,289, 4,015, 5,679, and 32,729, respectively, according to the Dynamic Small Business Search as of November 2024. All WOSBs, HUBZone

concerns, 8(a) concerns, and VOSB/SDVOSBs are small entities. Given that this is a large portion of the SBA's contracting program portfolio, the SBA has determined that this proposed rule will have an impact on a substantial number of small entities.

However, SBA has determined that the impact on entities affected by the final rule will not be significant, because this rule does not increase the burden on small entities and instead is intended to clarify and provide consistency and uniformity to existing regulations. As consistency and uniformity are difficult items to measure and there is not a dataset available, this determination has been assessed qualitatively. The effect of the final rule will be to adopt similar language across SBA's government contracting programs regarding requirements for the qualifying individual's control of an applicant concern and limits on outside employment. In addition, this final rule will provide consistency within the WOSB regulations by clarifying definitions and by incorporating a statutory amendment from the National Defense Authorization Act for FY 2022. SBA expects the economic impact of the final rule will be negligible. SBA asserts that the economic impact, if any, will be minimal and beneficial to WOSBs, HUBZone concerns, 8(a), and VOSB/SDVOSBs due to conformity across the programs that will assist in limiting confusion for applicants.

SBA invited comments on whether this rule would have a significant impact on a substantial number of small entities in the proposed rule but received none. Accordingly, the Administrator of the SBA hereby certifies that this rule will not have a significant economic impact on a substantial number of small entities.

*Congressional Review Act*

This rule has been determined not to meet the criteria set forth in 5 U.S.C. 804(2). SBA will submit the rule to Congress and the Government Accountability Office consistent with the Congressional Review Act's requirements.

**List of Subjects**

*13 CFR Part 124*

Administrative practice and procedure, Government procurement, Government property, Small businesses.

*13 CFR Part 126*

Administrative practice and procedure, Government procurement, Penalties, Reporting and recordkeeping requirements, Small businesses.

*13 CFR Part 127*

Government contracts, Government employees, Reporting and recordkeeping requirements, Small businesses, Women.

*13 CFR Part 128*

Government contracts, Government procurement, Reporting and recordkeeping requirements, Small businesses, Technical assistance, Veterans.

*13 CFR Part 134*

Administrative practice and procedure, Claims, Confidential business information, Equal access to justice, Equal employment opportunity, Lawyers, Organization and function (Government agencies).

Accordingly, for the reasons stated in the preamble, SBA amends 13 CFR parts 124, 126, 127, 128, and 134 as follows:

**PART 124—8(A) BUSINESS DEVELOPMENT/SMALL DISADVANTAGED BUSINESS STATUS DETERMINATIONS**

■ 1. The authority citation for part 124 continues to read as follows:

**Authority:** 15 U.S.C. 634(b)(6), 636(j), 637(a), 637(d), 644, 42 U.S.C. 9815; and Pub. L. 99-661, 100 Stat. 3816; Sec. 1207, Pub. L. 100-656, 102 Stat. 3853; Pub. L. 101-37, 103 Stat. 70; Pub. L. 101-574, 104 Stat. 2814; Sec. 8021, Pub. L. 108-87, 117 Stat. 1054; and Sec. 330, Pub. L. 116-260.

- 2. Amend § 124.106 by:
  - a. Revising paragraphs (a)(3) and (4);
  - b. Redesignating paragraph (a)(5) as paragraph (a)(6); and
  - c. Adding a new paragraph (a)(5).

The revisions and addition read as follows:

**§ 124.106 When do disadvantaged individuals control an applicant or Participant?**

\* \* \* \* \*

(a) \* \* \*

(3) One or more disadvantaged individuals who manage the applicant or Participant generally must devote full-time to the business concern during its normal hours of operations. The disadvantaged individual who holds the highest officer position of the business concern may not engage in outside employment that prevents the disadvantaged individual from devoting the time and attention to the concern necessary to control its management and daily business operations.

(4) Where a disadvantaged individual claiming to control a business concern devotes fewer hours to the business than its normal hours of operation, SBA will assume that the disadvantaged

individual does not control the business concern, unless the concern demonstrates that the disadvantaged individual has ultimate managerial and supervisory control over both the long-term decision making and day-to-day management of the business.

(5) Any disadvantaged individual who seeks to engage in outside employment after certification must notify SBA of the nature and anticipated duration of the outside employment and demonstrate to SBA that the outside employment will not prevent the disadvantaged individual from controlling the business concern.

\* \* \* \* \*

**PART 126—HUBZONE PROGRAM**

■ 3. The authority citation for part 126 continues to read as follows:

**Authority:** 15 U.S.C. 632(a), 632(j), 632(p), 644 and 657a.

■ 4. Amend § 126.103 by revising the definition of “Interested party” to read as follows:

**§ 126.103 What definitions are important in the HUBZone program?**

\* \* \* \* \*

*Interested party* means any certified HUBZone small business concern that submits an offer for a specific HUBZone set-aside contract (including a multiple award contract) or order, any concern that submitted an offer in full and open competition and its opportunity for award will be affected by a price evaluation preference given to a certified HUBZone small business concern or by a reserve of an award given to a certified HUBZone small business concern, the contracting activity’s contracting officer, or SBA.

\* \* \* \* \*

**PART 127—WOMEN OWNED SMALL BUSINESS FEDERAL CONTRACT PROGRAM**

■ 5. The authority citation for part 127 continues to read as follows:

**Authority:** 15 U.S.C. 632, 634(b)(6), 637(m), 644 and 657r.

■ 6. Amend § 127.102 by:

■ a. Adding a definition for “Applicant” in alphabetical order;

■ b. Revising the definitions of “Interested party” and “System for Award Management (SAM) (or any successor system)”; and

■ c. Removing the definition of “WOSB Program Repository”.

The addition and revisions read as follows:

**§ 127.102 What are the definitions of the terms used in this part?**

\* \* \* \* \*

*Applicant* means a firm applying for certification in the WOSB Certification Program.

\* \* \* \* \*

*Interested party* means a concern certified as, or pending certification as, a WOSB or EDWOSB that submits an offer for a specific EDWOSB or WOSB contract (including Multiple Award Contracts) or order, or SBA.

\* \* \* \* \*

*System for Award Management (SAM) (or any successor system)* means the primary Government repository for prospective Federal awardee and Federal awardee information and the centralized Government system for certain contracting, grants, and other assistance-related processes. It includes—

(1) Data collected from prospective Federal Awardees required for the conduct of business with the Government;

(2) Prospective contractor-submitted annual representations and certifications in accordance with FAR subpart 4.12 (48 CFR subpart 4.12); and

(3) Identification of those parties excluded from receiving Federal Contracts, certain subcontracts, and certain types of Federal financial and non-financial assistance and benefits.

\* \* \* \* \*

■ 7. Amend § 127.202 by revising paragraph (c) to read as follows:

**§ 127.202 What are the requirements for control of an EDWOSB or WOSB?**

\* \* \* \* \*

(c) *Limitation on outside employment.*

(1) A woman or economically disadvantaged woman generally must devote full time to the business concern during its normal hours of operations. The woman or economically disadvantaged woman who holds the highest officer position of the business concern may not engage in outside employment that prevents her from devoting the time and attention to the business concern necessary to control its management and daily operations.

(2) Where a woman or economically disadvantaged woman claiming to control a business concern devotes fewer hours to the business than its normal hours of operation, SBA will assume that she does not control the business concern, unless the concern demonstrates that she has ultimate managerial and supervisory control over both the long-term decision making and day-to-day management of the business.

(3) Any qualifying woman or economically disadvantage woman who

seeks to engage in outside employment after certification must notify SBA of the nature and anticipated duration of the outside employment and demonstrate to SBA that the outside employment will not prevent her from controlling the business concern.

\* \* \* \* \*

■ 8. Amend § 127.300 by revising the section heading and paragraphs (a)(2), (b)(3), and (c) to read as follows:

**§ 127.300 How is a concern certified as an EDWOSB or WOSB?**

(a) \* \* \*

(2) A concern may submit evidence to SBA that it is a women-owned and controlled small business that is an SBA-certified participant in the Veteran Small Business Certification Program.

\* \* \* \* \*

(b) \* \* \*

(3) A concern may submit evidence to SBA that it is an economically disadvantaged women-owned and controlled small business that is a certified participant in the Veteran Small Business Certification Program.

\* \* \* \* \*

(c) If SBA determines that the concern is a qualified WOSB or EDWOSB, it will issue a letter of certification and designate the concern as a certified WOSB or EDWOSB on the Dynamic Small Business Search (DSBS) system, SAM, or successor system.

■ 9. Amend § 127.303 by:

■ a. Redesignating paragraph (a)(1)(iii) as paragraph (a)(1)(iv);

■ b. Adding new paragraph (a)(1)(iii);

■ c. Removing paragraph (a)(2); and

■ d. Redesignating paragraph (a)(3) as paragraph (a)(2).

The addition reads as follows:

**§ 127.303 What must a concern submit for certification?**

(a) \* \* \*

(1) \* \* \*

(iii) A concern that is certified by SBA as a veteran-owned or service-disabled veteran-owned small business for the Veteran Small Business Certification Program and is owned and controlled by one or more women may use documentation of its VOSB or SDVOSB certification or most recent recertification in support of its application for WOSB certification. If the concern is also seeking EDWOSB certification, the concern must also submit documentation demonstrating that it is owned and controlled by one or more women who are economically disadvantaged in accordance with § 127.203(b)(3).

\* \* \* \* \*

■ 10. Amend § 127.304 by revising paragraph (a) to read as follows:

**§ 127.304 How is an application for certification processed?**

(a) The SBA's Director of Government Contracting (D/GC) or designee is authorized to approve or decline applications for certification. SBA must receive all required information and supporting documents before it will begin processing a concern's application. SBA will not process incomplete applications.

(1) SBA will advise each applicant after the receipt of an application whether the application is complete and suitable for evaluation and, if not, what additional information or clarification is required to complete the application.

(2) SBA will make its determination within ninety (90) calendar days after receipt of a complete package, whenever practicable.

\* \* \* \* \*

■ 11. Amend § 127.356 by revising paragraph (c) to read as follows:

**§ 127.356 How does a concern obtain certification from an approved certifier?**

\* \* \* \* \*

(c) The concern must ensure that all documents necessary to determine its eligibility for certification by an approved certifier are uploaded in <https://certify.sba.gov> or any successor system.

■ 12. Amend § 127.504 by adding a sentence to the end of paragraph (a) introductory text to read as follows:

**§ 127.504 What requirements must an EDWOSB or WOSB meet to be eligible for an EDWOSB or WOSB requirement?**

(a) \* \* \* An application is pending upon notification from SBA that the application is deemed complete and has sufficient documentation for full analysis.

\* \* \* \* \*

■ 13. Amend § 127.604 by adding paragraph (f)(5) to read as follows:

**§ 127.604 How will SBA process an EDWOSB or WOSB status protest?**

\* \* \* \* \*

(f) \* \* \*

(5) Once a final determination has been made that a concern does not meet the requirements of a WOSB or EDWOSB, the concern cannot self-certify as a WOSB or EDWOSB, as applicable, for any WOSB or EDWOSB contract. If a concern does so, it may be in violation of criminal laws, including section 16(d) of the Small Business Act, 15 U.S.C. 645(d). If the concern has already certified itself as a WOSB or EDWOSB on a pending procurement, the concern must immediately inform the contracting officer for the procuring agency of its decertification.

(i) Not later than two days after the date on which a final determination is made, such concern must update its WOSB/EDWOSB status in the System for Award Management (or any successor system).

(ii) If a business concern fails to update its WOSB/EDWOSB status in the System for Award Management (or any successor system) in response to the final determination, SBA will make such update within two business days of the concern's failure to do so.

(iii) A concern required to make an update in the System for Award Management (or any successor system) shall notify a contracting officer for each contract with respect to which such concern has an offer or bid pending of the determination made, if the concern finds, in good faith, that such determination affects the eligibility of the concern to perform such contract.

**§ 127.701 [Removed]**

■ 14. Remove § 127.701.

**PART 128—VETERAN SMALL BUSINESS CERTIFICATION PROGRAM**

■ 15. The authority citation for part 128 continues to read as follows:

**Authority:** 15 U.S.C. 632(q), 634(b)(6), 644, 645, 657f, 657f-1.

■ 16. Amend § 128.203 by revising paragraph (i) to read as follows:

**§ 128.203 Who does SBA consider to control a VOSB or SDVOSB?**

\* \* \* \* \*

(i) *Limitation on outside employment.*

(1) A qualifying veteran generally must devote full time to the business concern during its normal hours of operations. The qualifying veteran who holds the highest officer position of the business concern may not engage in outside employment that prevents the qualifying veteran from devoting the time and attention to the concern necessary to control its management and daily business operations.

(2) Where a qualifying veteran claiming to control a business concern devotes fewer hours to the business than its normal hours of operation, SBA will assume that the qualifying veteran does not control the business concern, unless the concern demonstrates that the qualifying veteran has ultimate managerial and supervisory control over both the long-term decision making and day-to-day management of the business.

(3) Any qualifying veteran who seeks to engage in outside employment after certification must notify SBA of the nature and anticipated duration of the outside employment and demonstrate to SBA that the outside employment will

not prevent the qualifying veteran from controlling the business concern.

\* \* \* \* \*

■ 17. Amend § 128.500 by adding paragraphs (d)(3) and (e) to read as follows:

**§ 128.500 What are the requirements for filing a VOSB or SDVOSB status protest?**

\* \* \* \* \*

(d) \* \* \*

(3) A concern required to make an update in the System for Award Management (or any successor system) shall notify a contracting officer for each contract with respect to which such concern has an offer or bid pending of the determination made, if the concern finds, in good faith, that such determination affects the eligibility of the concern to perform such contract.

(e) Only interested parties may protest the VOSB or SDVOSB status of an apparent successful offeror for a VOSB or SDVOSB contract. An interested party means any certified VOSB or SDVOSB that submits an offer for a specific VOSB or SDVOSB set-aside contract (including a multiple award contract) or order, or SBA.

**PART 134—RULES OF PROCEDURE GOVERNING CASES BEFORE THE OFFICE OF HEARINGS AND APPEALS**

■ 18. The authority citation for part 134 continues to read as follows:

**Authority:** 5 U.S.C. 504; 15 U.S.C. 632, 634(b)(6), 634(i), 637(a), 648(l), 656(i), 657f and 687(c); E.O. 12549, 51 FR 6370, 3 CFR, 1986 Comp., p. 189.

Subpart J issued under 15 U.S.C. 657f.

Subpart K issued under 15 U.S.C. 657f.

Subpart L issued under 15 U.S.C. 636(a)(36); Pub. L. 116-136, 134 Stat. 281; Pub. L. 116-139, 134 Stat. 620; Pub. L. 116-142, 134 Stat. 641; and Pub. L. 116-147, 134 Stat. 660.

Subpart M issued under 15 U.S.C. 657a; Pub. L. 117-81, 135 Stat. 1541.

■ 19. Amend § 134.1002 by revising paragraph (b) to read as follows:

**§ 134.1002 Who may file a VOSB or SDVOSB status protest?**

\* \* \* \* \*

(b) For all other procurements, any interested party may protest the apparent successful offeror's VOSB or SDVOSB status. An interested party means the contracting officer, SBA, VA, or any certified VOSB or SDVOSB that submits an offer for a specific set-aside

VOSB or SDVOSB contract (including Multiple Award Contracts) or order.

\* \* \* \* \*

**Isabella Casillas Guzman,**  
Administrator.

[FR Doc. 2024-28200 Filed 12-3-24; 8:45 am]

BILLING CODE 8026-09-P

## DEPARTMENT OF COMMERCE

### Bureau of Industry and Security

**15 CFR Parts 732, 734, 736, 740, 742, 744, 746, 748, 758, 762, 772, and 774**

[Docket No. 241129-0307]

RIN 0694-XC111

#### Public Briefing on Changes to Advanced Computing and Semiconductor Manufacturing Items

**AGENCY:** Bureau of Industry and Security, U.S. Department of Commerce.

**ACTION:** Notification of public briefing on regulatory actions.

**SUMMARY:** On December 2, 2024, the Office of the Federal Register posted for public inspection two related Bureau of Industry and Security (BIS) rules: an interim final rule, “Foreign-Produced Direct Product Rule Additions, and Refinements to Controls for Advanced Computing and Semiconductor Manufacturing Items,” (RIN 0694-AJ74) and a final rule, “Additions and Modifications to the Entity List; Removals from the Validated End-User (VEU) Program” (RIN 0694-AJ77). This document announces that, on December 5, 2024, BIS will host a virtual public briefing on these rules. This document also provides details on the procedures for participating in the virtual public briefing.

#### **DATES:**

*Virtual public briefing:* The virtual public briefing will be held on December 5, 2024. The public briefing will begin at 3 p.m. Eastern Standard Time (EST) and conclude at 4 p.m. EST.

*Deadline to register:* Register by 1 p.m. EST on December 5, 2024, for virtual participation.

**ADDRESSES:** To attend this event virtually, register at: <https://events.gcc.teams.microsoft.com/event/abac2c31-743f-4f61-806f-0b7f4c376bcf@44cf3ec3-840c-4086-b7de-e3bc9a6c2db4>.

*Recordkeeping:* A summary of the briefing will be posted for the record at: <https://events.gcc.teams.microsoft.com/event/abac2c31-743f-4f61-806f-0b7f4c376bcf@44cf3ec3-840c-4086-b7de-e3bc9a6c2db4> and at <https://>

[regulations.gov](https://www.regulations.gov) under the [regulations.gov](https://www.regulations.gov) ID for this notice (BIS-2024-0028).

**FOR FURTHER INFORMATION CONTACT:** For questions on this virtual public briefing, contact Regulatory Policy Division, Office of Exporter Services, Bureau of Industry and Security, U.S. Department of Commerce at 202-482-2440 or by email: [RPD2@bis.doc.gov](mailto:RPD2@bis.doc.gov).

#### **SUPPLEMENTARY INFORMATION:**

##### **Background**

On December 2, 2024, the Office of Federal Register posted for public inspection the BIS interim final rule, “Foreign-Produced Direct Product Rule Additions, and Refinements to Controls for Advanced Computing and Semiconductor Manufacturing Items,” which amends the Export Administration Regulations (EAR). These amendments revise controls for certain advanced computing items, supercomputers, and semiconductor manufacturing equipment, which includes adding new controls for certain semiconductor manufacturing equipment and related items, creating new Foreign Direct Product (FDP) rules for certain commodities to impair the capability to produce “advanced-node integrated circuits” (“advanced-node ICs”) by certain destinations or entities of concern, adding new controls for certain high bandwidth memory (HBM) important for advanced computing, and clarifying controls on certain software keys that allow for the use of items such as software tools.

On the same day, the Office of Federal Register posted for public inspection the BIS final rule, “Additions and Modifications to the Entity List; Removals from the Validated End-User (VEU) Program,” which amends the EAR by adding 140 entities to the Entity List. These entries are listed on the Entity List under the destinations of China, People’s Republic of (China), Japan, South Korea, and Singapore, and have been determined by the U.S. Government to be acting contrary to the national security and foreign policy interests of the United States.

That final rule also modifies 14 existing entries on the Entity List, consisting of revisions to 14 entries under China and is part of this larger effort to ensure that appropriate EAR controls are in place on these items, including in connection with transactions destined to or otherwise involving the entities being added to the Entity List, as well as for existing entries on the Entity List that are being modified. Additionally, that final rule designates nine of these entities being

added and seven of the entries being modified as entities for which entity-specific restrictions apply with respect to certain foreign-produced items. The final rule also amends the EAR by removing three entities from the Validated End-User (VEU) Program.

#### **Public Briefing**

On December 5, 2024, BIS will host a public briefing to address the details of these two rules. The virtual public briefing will be held on December 5, 2024. The virtual public briefing will begin at 3 p.m. EST and conclude at 4 p.m. EST.

#### **Procedure for Requesting Participation**

To participate in the public meeting virtually, register at: <https://events.gcc.teams.microsoft.com/event/abac2c31-743f-4f61-806f-0b7f4c376bcf@44cf3ec3-840c-4086-b7de-e3bc9a6c2db4> no later than 1 p.m. EST on December 5, 2024, for virtual participation. This web page will also display the agenda of the public meeting and any other necessary information.

#### **Special Accommodations**

For any special accommodation needs, please send an email to: [rpd2@bis.doc.gov](mailto:rpd2@bis.doc.gov).

**Matthew S. Borman,**

Principal Deputy Assistant Secretary for Strategic Trade and Technology Security.

[FR Doc. 2024-28423 Filed 12-2-24; 11:15 am]

BILLING CODE 3510-33-P

## SECURITIES AND EXCHANGE COMMISSION

### 17 CFR Part 275

[Release No. IA-6773; File No. S7-03-22]

#### Private Fund Advisers; Documentation of Registered Investment Adviser Compliance Reviews

##### *Correction*

In Rule Document 2024-26524, appearing on pages 91252 through 91253, in the issue of Tuesday, November 19, 2024, make the following correction:

On page 91253, in the first column, in the 14th and 15th lines the text “[INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER]” should read “November 19, 2024”.

[FR Doc. C1-2024-26524 Filed 12-2-24; 4:15 pm]

BILLING CODE 0099-10-D