Executive Agent Directive 4, National Security Adjudicative Guidelines (SEAD 4) (Effective June 8, 2017), as issued by the Director of National Intelligence, or any successor directive.

(b) In applying the guidelines in paragraph (a), the NRC shall consider the whole person concept, evaluating the individual's conduct in context, including, but not limited to, the nature, extent, and seriousness of the behavior; the circumstances surrounding the conduct; the frequency and recency of the behavior; the individual's age and maturity at the time of the conduct; and evidence of rehabilitation or positive change.

Dated: August 7, 2026.

For the Nuclear Regulatory Commission.

Jody Martin,

Secretary of the Commission.

[FR Doc. 2026–16374 Filed 8–10–26; 8:45 am]

BILLING CODE 7590–01–P

SMALL BUSINESS ADMINISTRATION

13 CFR Part 124

[SBA–2026–0133]

RIN 3245–AI75

Reforms to 13 CFR 124.103 To Remove SBA's 8(a) Program's Rebuttable Presumption of Social Disadvantage for Individually Owned Firms Only. Reforms Do Not Impact Entity-Owned Firms

AGENCY: U.S. Small Business Administration.

ACTION: Final rule.

SUMMARY: The U.S. Small Business Administration (''SBA'' or ''Agency'') amends its regulations to align the Section 8(a) Business Development Program (8(a) BD program) with constitutional requirements and the law. The rule applies *only* to the 8(a) BD eligibility of small businesses owned and controlled by individuals. It does not in any way amend or affect the eligibility of entity-owned small businesses (*i.e.,* those owned by tribes, Alaska Native Corporations, Native Hawaiian Organizations, or Community Development Corporations). Specifically, the rule amends SBA's regulations to remove the rebuttable presumption that individuals belonging to certain designated groups are socially disadvantaged and sets forth revised standards for individuals establishing social disadvantage.

DATES: This rule is effective on September 10, 2026. It applies to all pending applications of individually-owned applicants as of that date.

FOR FURTHER INFORMATION CONTACT: Ryan Lambert, Associate Administrator of Government Contracting and Business Development, *GCBDregs@sba.gov.*

SUPPLEMENTARY INFORMATION:

I. Background

Congress enacted the Small Business Act, 15 U.S.C. 631 *et seq.* (the ''Act'') in 1953 to ''aid, counsel, assist, and protect'' small businesses, to ensure a ''fair proportion'' of government contracts go to small businesses, 15 U.S.C. 631a(a)–(b), and to ''preserv[e] . . . the competitive free enterprise system.'' *Id.* 631a(b). Among other provisions, the Act established the 8(a) Business Development (BD) program, which creates contracting preferences for small businesses owned and controlled by one or more ''socially and economically disadvantaged'' individuals. 15 U.S.C. 637. In implementing the 8(a) BD program, SBA created a rebuttable presumption finding that members of certain groups were socially disadvantaged individuals. Specifically, 13 CFR 124.103(b)(1) provided that Black Americans, Hispanic Americans, Native Americans, Asian Pacific Americans, and Subcontinent Asians are presumed to be socially disadvantaged individuals. A small business not entitled to the rebuttable presumption challenged the use of the presumption in the United States District Court for the Eastern District of Tennessee, contending that the presumption violated its right to equal protection because it does not further a compelling governmental interest and is not narrowly tailored to achieve that interest. In response to the constitutional challenge, the Court issued an Order finding that the regulatory rebuttable presumption violated the right to equal protection under the United States Constitution and enjoined the SBA from continuing to use the rebuttable presumption in administering the program. *Ultima Servs. Corp.* v. *United States Dep't of Agric.,* 683 F. Supp. 3d 745, 774 (E.D.Tenn. 2023) (''*Ultima*''). On November 25, 2025, the Department of Justice advised the Speaker of the House, pursuant to 28 U.S.C. 530D, that the rebuttable presumption violates the Constitution and that the Department of Justice would no longer defend it in court. SBA fully agrees that the rebuttable presumption is unconstitutional.

On June 11, 2026, SBA published in the **Federal Register** a proposed rule amending its 8(a) BD regulations to remove the unconstitutional rebuttable presumption that individuals belonging to certain designated groups are socially disadvantaged individuals. 91 FR 35433. SBA also proposed a test by which any individual American citizen can establish social disadvantage by showing that within his or her lifetime, the federal or a state or local government or a university or corporation, through any action, policy, rule, regulation, or other practice of any of its agencies, subsidiaries, or authorized agents, discriminated or was biased against a clearly definable racial, ethnic, or cultural group of which the citizen is a member, or favored in any way a racial, ethnic, or cultural group of which the citizen is not a member, and that the discrimination, bias, or harm materially harmed the citizen.

During the proposed rule's 30-day comment period, SBA timely received 114 comments. A plurality of comments expressed opposition to the proposed rule. However, many of these comments addressed issues outside the scope of this rulemaking, sought to extend unconstitutional race-based presumptions, or could be reasonably interpreted as objecting to the inclusion of certain races, namely White Americans, into the 8(a) program. Accordingly, SBA has determined that a substantial portion of the commenters opposed to the proposed rule reflect issues not directly relevant to the subject of this rulemaking or in conflict with the *Ultima* ruling and inconsistent with a race-neutral 8(a) BD program.

Specifically, a number of comments cited concerns related to entity-owned firms' access to the program and disparities between the requirements relating to entity-owned firms and those owned by disadvantaged individuals. The proposed rule specifically stated that the rule did not apply to entity-owned firms. Several commenters questioned why that was the case. Conversely, several other commenters supported SBA for limiting the proposed changes to only individually owned small businesses, citing political classifications of tribes, Alaska Native Corporation (ANCs), and Native Hawaiian Organization (NHOs). SBA continues to note that this rule applies only to individually owned applicants to the 8(a) BD program. The Court in *Ultima* enjoined SBA from using the rebuttable presumption of social disadvantage in administering the 8(a) BD program. Statutorily, social disadvantage is not an element of eligibility for any firm owned by a tribe, ANC, NHO, or CDC. As such, no firm owned by an entity must establish social disadvantage and any rule changes detailing what is social disadvantage and how it can be demonstrated do not apply to entity-owned firms.

An additional 20 comments advocated for a return to the racially presumptive framework, while 17 expressed strong support for the proposed rule, citing its constitutional grounding and alignment with the Fifth Amendment. The SBA disagrees with returning to the race-based rebuttable presumption as that would continue the unconstitutional practice of preventing all Americans regardless of race from equal access to the 8(a) BD program. Administering the 8(a) BD program in a race-neutral manner is required by law and will provide equal opportunity for all Americans, including those who previously were unjustly excluded from or subject to undue barriers to access the program.

A limited number of comments discussed SBA personnel staffing. An indirect benefit of removing the previous racially biased social disadvantaged narrative is that the new, objective test will lead to a consistent, non-arbitrary determination, thus reducing the resource burden of the 8(a) program.

Thirty-nine comments did not clearly state support for or opposition to the proposed rule. Instead, these comments primarily requested additional examples, definitions, and guidance regarding application standards. The substance of these comments and SBA's response to them are discussed in the Analysis section of this final rule. These comments supported the inclusion of cultural group within the proposed framework.

II. Severability

SBA anticipates that any provision of this final rule held to be invalid or unenforceable shall be construed so as to continue to give the maximum effect to such provision as permitted by law, unless such holding is that the provision of this final rule is invalid and unenforceable in all circumstances, in which event the provision shall be severable from the remainder of this part and shall not affect the remainder thereof.

III. Analysis

Section 124.103

Although SBA has not recognized the rebuttable presumption in processing 8(a) applications for the past three years due to the Court Order in *Ultima,* SBA's regulations still contain that unconstitutional race-based rebuttable presumption. In order to eliminate any confusion and to align SBA's regulations with the Court Order, this final rule eliminates the rebuttable presumption of social disadvantage and makes a number of changes to the social disadvantage regulatory framework for individuals. These changes are intended to remedy the previous unconstitutional implementation of the program as it relates to socially disadvantaged individuals, to align the program's implementation with statutory requirements, and to address concerns about the constitutionality of the remaining program. The proposed rule amended 13 CFR 124.103 through four targeted changes.

First, SBA proposed to align the regulatory text with the statutory text in 15 U.S.C. 637(a)(5). Specifically, proposed § 124.103(a) repeated the statutory language that socially disadvantaged individuals are those who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as a member of a group without regard to their individual qualities. It also provided that the social disadvantage must stem from circumstances beyond their control. Both of those provisions are contained in and would not be a change from current § 124.103(a). SBA received no comments on this provision and adopts it as final in this rule.

Second, SBA proposed to replace the current regulatory tests for social disadvantage with a new test. Specifically, SBA proposed a test by which any individual American citizen can establish social disadvantage by showing that within his or her lifetime, the federal or a state or local government or a university or corporation, through any action, policy, rule, regulation, or other practice of any of its agencies, subsidiaries, or authorized agents, discriminated or was biased against a clearly definable racial, ethnic, or cultural group of which the citizen is a member, or favored in any way a racial, ethnic, or cultural group of which the citizen is not a member, and that the discrimination or bias materially harmed the citizen. An individual must first demonstrate that an identifiable group suffered discrimination or bias. Then, the individual must certify that he or she is a member of that group and that he or she suffered material harm because of the discrimination or bias.

A significant number of commenters questioned whether the new test will apply to current 8(a) BD Participants, specifically wondering if current individually-owned Participants would be required to meet this new test as part of a continuing eligibility analysis at their next annual review or otherwise. That is not SBA's intent. The determination of social disadvantage has historically been a one-time determination. If SBA has determined an individual to be ''socially disadvantaged,'' that individual need not again establish his or her social disadvantage status. That continues to be SBA's position. SBA notes, however, that all individually-owned firms that have not yet been admitted to the program must meet this new test. This includes individually-owned firms that have already applied to, but have not yet been certified to participate in, the 8(a) BD program.

SBA also received a significant number of comments regarding the proposed test to determine social disadvantage itself. Commenters noted that the language used and the examples given in the proposed rule seemed to indicate that only those who were subjected to diversity, equity, and inclusion (DEI) policies would now qualify for the 8(a) BD program. A few commenters also questioned whether SBA intended to eliminate the ability to qualify for 8(a) based on sex. That was not SBA's intent. Specifically, the proposed rule gave examples of discriminatory conduct that could support a claim of social disadvantage, including, but not limited to: unlawful DEI programs or policies; unlawful affirmative action programs or policies; race-based quotas, set-asides, or hiring targets; or, any government or private entity policies or programs that favored some groups over others on the basis of race. The proposed rule went on to provide two specific examples of how an individual American citizen could establish that his or her group experienced discrimination, bias, or harm: by showing evidence that his or her group experienced a barrier to accessing a federal program or contract that other designated groups did not; or that that the citizen's racial or ethnic group was disadvantaged in college or university admissions decisions or otherwise discriminated against by a private entity in an unlawful manner as contemplated in *Students for Fair Admissions, Inc.* v. *President and Fellows of Harvard College,* 600 U.S. 181 (2023), *Ames* v. *Ohio Department of Youth Services,* 605 U.S. 303 (2025) or similar cases. Commenters recommended that the final rule clarify that ''racial prejudice'' or ''cultural bias'' of any kind can qualify an individual as socially disadvantaged. It was never SBA's intent to exclude any evidence-based cases of individual racial prejudice or cultural bias from those that could establish a claim of social disadvantage. As noted in the comments, sec. 8(a)(5) of the Small Business Act, 15 U.S.C 637(a)(5), defines socially disadvantaged individuals as ''those who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as a member of a group without regard to their individual qualities.'' Anyone who can establish that a specific identifiable group suffered racial prejudice or cultural bias could establish social disadvantage provided the other requirements are met. This certainly could include discrimination or bias based on sex. For example, prior to the enactment of the Equal Credit Opportunity Act of 1974, it was the official policy of many banks to prohibit women from applying for and obtaining credit cards in their own name. This discriminatory conduct against women adversely affected their ability to participate in the free enterprise system. Being unable to obtain credit in one's own name is clearly a material harm, as having no credit history is a significant hurdle that an individual must overcome to fully participate in the economy. Accordingly, any woman who can certify that she was materially harmed by this limitation on her ability to apply for and obtain credit would be considered a socially disadvantaged individual under this revised test. An additional example would be the passage of the Americans with Disabilities Act 1990 (ADA). In passing the ADA, Congress recognized that discrimination against people with disabilities was a serious and pervasive social problem that had to be redressed through statute. This Congressional finding would be sufficient evidence to demonstrate that people with disabilities were subject to discrimination in a manner that diminished their opportunity for economic advancement. Therefore, any individual that can properly certify that he or she has a disability covered under the ADA, was alive prior to the passage of the ADA, and experienced material harm as a result of discrimination against people with disabilities would be considered a socially disadvantaged individual.

In addition, many commenters questioned the requirement to demonstrate that an identifiable racial, ethnic, or cultural group suffered discrimination or bias instead of focusing on an individual's personal experiences of discrimination. Commenters believed that documenting group discrimination would be a real burden on applicants and that legitimate cases of discriminatory conduct might not be identified in any specific ''action, policy, rule, regulation, or other practice'' of a governmental or private entity. A few commenters disagreed that narrative tests are flawed and others believed that the proposed test is inconsistent with the statutory definition of socially disadvantaged individuals, which equates social disadvantage to those individuals who have ''been subject to racial prejudice or cultural bias.'' They argued that this statutory language requires an individual to identify personal instances of discrimination or bias. Other commenters questioned what types of evidence will be sufficient to establish group discrimination or bias. SBA first notes that it does not believe that the ''burden'' associated with demonstrating an identifiable group that has suffered racial discrimination or cultural bias is significant. Such evidence should generally be publicly available and easily accessible and more objective than the current system. SBA also believes that the proposed regulatory text adequately detailed how an applicant can demonstrate group discrimination or bias. To establish group discrimination or bias, an individual can point to materials on government, university and corporate websites; government, university, and corporate policies, regulations, guidance, procedures or documents; statements by government, university or corporate officials; government, university, and corporate reports, audits or findings; court decisions; or administrative rulings. The final rule also identifies that specific Congressional findings may also be sufficient. In addition, the final rule also clarifies that where evidence of group discrimination or bias by the specific government, university or private entity is not readily available, an individual may present other adequate evidence demonstrating such discrimination or bias. SBA believes its new test is consistent with the statute.

SBA also received a significant number of comments regarding the language requiring an individual to certify that he or she suffered ''material harm.'' In order for an individual to establish that he or she was harmed by identified discrimination, prejudice, or bias, the proposed rule allowed the individual to self-certify that he or she was a member of the relevant group at the time of the governmental or private entity's action or during the effective period of the relevant action, policy, rule, regulation, or other practice, and that such action, policy, rule, regulation, or other practice materially harmed the citizen. Several commenters sought clarification as to what material harm means, others objected to a self-certification, and others believed that the material harm test is not as clear as the current test requiring that an individual personally suffer discriminatory conduct that adversely affects his/her entry into or advancement in the business world. The proposed rule defined the term ''material harm'' to mean the loss of access to or diminished opportunities related to economic advancement. It is intended to include all situations covered by the current regulatory language, that is all situations where discrimination or bias adversely affected an individual's entry into or advancement in the business world. It is, however, even broader than the current regulatory language while still requiring a showing of individual harm via an objective self-certification subject to restrictions on making false statements to the federal government. The broader intent can be shown more clearly in the following example. Under the current test requiring that an individual personally suffer discriminatory conduct that adversely affects his/her entry into or advancement in the business world, an individual who applied for participation in a federal, state or local program and was denied due to the inherent barriers to participation experienced by his or her group could qualify as socially disadvantaged under the revised 8(a) BD program. However, an individual who was dissuaded from applying to such a program because of the inherent barriers experienced by members of his or her group may not be able to show that he or she personally suffered discriminatory conduct that adversely affected his or her entry into or advancement in the business world. Conversely, such an individual would be able to certify that he or she suffered material harm under the revised regulatory requirements.

Third, SBA proposed revising 13 CFR 124.103(c) by removing the current non-presumptive test for social disadvantage, rendering the new test in 13 CFR 124.103(c) the sole test for social disadvantage. SBA received several comments recommending that the Agency keep the current narrative-based test for establishing individual social disadvantage. SBA believes that the test in this rule is superior to the existing test requiring the submission of a social disadvantage narrative because the new test reduces the potential for subjectivity involved in the certification process.

Fourth, SBA proposed removing the process for group inclusion on the rebuttable presumption list under 13 CFR 124.103(d) because SBA proposed removing the rebuttable presumption altogether. SBA received no comments on these deletions and adopts them as final in this rule.

Compliance With Executive Orders 12866, 12988, 13132, 13563, and 14192, the Paperwork Reduction Act (44 U.S.C. Ch. 35), the Congressional Review Act, and the Regulatory Flexibility Act (5 U.S.C. 601–612) Executive Orders 12866 and 13563

Executive Orders (E.O.s) 12866 and 13563 direct agencies to assess costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). E.O. 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. OMB has determined that this rule is a significant regulatory action and, therefore, is subject to review under section 6(b) of E.O. 12866, Regulatory Planning and Review, dated September 30, 1993, though it is not an ''economically significant'' action under section 3(f)(1). Accordingly, this rule has been submitted to OMB for review. SBA has prepared the below Cost-Benefit Analysis.

Cost-Benefit Analysis

1. Is there a need for the regulatory action?

This rulemaking is necessary to comply with the Court Order in *Ultima* enjoining SBA from using the rebuttable presumption of social disadvantage in administering the 8(a) BD program for socially disadvantaged individuals. SBA recognizes that from the time the regulatory rebuttable presumption was established in 1986 until its demise in 2023, the 8(a) BD program unconstitutionally categorized and favored individuals from certain groups solely on the basis of race and ethnicity. This regulation is necessary to align the program with constitutional and statutory requirements and goals.

2. What are the incremental benefits and costs of this regulatory action?

There are no quantifiable costs or benefits associated with this regulatory change. This rule amends the 8(a) BD regulations to clarify the manner in which individuals may establish their social disadvantage. This rulemaking does not affect participants currently admitted to the 8(a) BD program. Further, 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 effect on the economy, result in an increase in costs or prices, or have a significant adverse effect on competition.

This rule impacts only individually owned applicants to the 8(a) BD program. Based on FY25 data, SBA estimates that approximately 4,190 applicants to the 8(a) BD program will be affected by this rule change annually. This rule will have a *de minimis* impact on these applicants. Absent this rule, individual applicants would continue to be required to submit a narrative to demonstrate they are socially disadvantaged. Under the revisions, an individual claiming social disadvantage will instead demonstrate that an identifiable group suffered discrimination or bias and then self-certify that he or she (a) was a member of such a group at the time of the governmental or private entity's action or during the effective period of the relevant action, policy, rule, regulation, or other practice; and (b) suffered material harm because of that action, policy, rule, regulation, or other practice. Given that the individual applicant had to previously provide a narrative to show social disadvantage, any change in the burden to comply with this regulation is expected to be *de minimis.* There are no additional costs, sunk costs, or transition costs for new applicants.

SBA received a significant number of comments regarding the burden to comply with the updated application process to establish social disadvantage for individuals. Several commenters stated that finding evidence would result in an increased burden on applicants. SBA disagrees. Because, in most cases, evidence will be publicly available and easily accessible through the internet, SBA anticipates it will take less time for individual applicants to find evidence of social disadvantage over writing a narrative. Where evidence of group discrimination or bias by the specific governmental entity or private entity is not readily available and the individual applicant needs to provide other adequate evidence, SBA estimates it will be no additional burden than it would be to write a narrative.

Commenters also raised the cost that this rule would have on individual applicants who have already applied to the program but have not been admitted. While individual applicants who have not been admitted to the 8(a) BD program will need to meet the new test for social disadvantage, this will allow SBA to approve applications more rapidly. Further, many of the pending individual applicants would need to provide updated information regardless of the rule because their applications were not sufficient for certification or because of the age of their application. As a result, any costs on individual applicants who have previously applied to the 8(a) BD program is also expected to be de minimis.

There are two chief benefits to this rule that cannot be quantified. First, this rule brings SBA's regulations in line with the Constitution and the court's decision in *Ultima,* removing any legal uncertainty surrounding how to establish social disadvantage for individuals. Second, by updating the regulations, SBA is providing clarity to potential applicants that the Rebuttable Presumption is no longer a means for establishing social disadvantage for individuals.

3. What are the alternatives to this rulemaking?

One alternative is to make no changes to SBA's current regulations. As a court order has ruled the presumption of social disadvantage for individuals unconstitutional, it is necessary for SBA to revise the test for social disadvantage for individuals under its regulations. Therefore, leaving the regulation in its current form is not a reasonable alternative to this rulemaking.

SBA considered removing the unconstitutional language from its regulations while leaving in place the current test for individuals to establish their social disadvantage. However, SBA feels that the test in this rule is superior to the existing test requiring the submission of a social disadvantage narrative because the new test reduces the potential for subjectivity involved in the certification process.

Executive Order 12988

This action meets applicable standards set forth in Sections 3(a) and 3(b)(2) of Executive Order 12988, Civil Justice Reform, to minimize litigation, eliminate ambiguity, and reduce burden. The action does not have retroactive or preemptive effect.

Executive Order 13132

This rule does not have federalism implications as defined in Executive Order 13132. It will not have a 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, as specified in the Executive Order. As such, it does not warrant the preparation of a Federalism Assessment.

Executive Order 14192

This rule is not an Executive Order 14192 regulatory action, because it does not impose any more than de minimis regulatory costs. SBA is revising one section of the Code of Federal Regulations to comply with the Constitution. There are no budgetary impacts as a result of the revision, and pursuant to the above cost-benefit analysis, the annualized costs attributable to this rule for purposes of E.O. 14192 accounting are $0. SBA notes that the principal benefits from this action are qualitative—the removal of unconstitutional regulatory provisions reduces legal uncertainty and improves regulatory clarity.

Paperwork Reduction Act, 44 U.S.C. Ch. 35

The SBA has determined that this rule will alter the currently approved reporting and recordkeeping requirements under the Paperwork Reduction Act, 44 U.S.C. Chapter 35. This rule will revise what applicants to the 8(a) BD program must submit in order to be considered socially disadvantaged individuals. This rule will not impact the annual burden of the collection. The collection has been modified from the version submitted to OMB at the proposed rule stage to remove questions on race and ethnicity.

Summary of Information Collection

SBA requests OMB's approval to revise the information collection identified below:

OMB Control No.: 3245–0374.

Title: Unified Certification System.

Description of Respondents: Small business concerns applying for SBA certification.

Form Number: SBA Form 2413.

Total Estimated Annual Responses: 29,329.

Total Estimated Annual Hour Burden: 39,330.

Congressional Review Act, 5 U.S.C. 801–808

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.

Regulatory Flexibility Act, 5 U.S.C. 601–612

The Regulatory Flexibility Act (RFA), 5 U.S.C. 601, requires administrative agencies to consider the effect of their actions on small entities, small nonprofit enterprises, and small local governments. Pursuant to the RFA, when an agency issues a rulemaking, the agency must prepare a regulatory flexibility analysis which describes the impact of the rule on small entities. However, section 605 of the RFA allows an agency to certify a rule in lieu of preparing an analysis if the rulemaking is not expected to have a significant economic impact on a substantial number of small entities.

This rule impacts only individually owned applicants to the 8(a) BD program. In FY25, SBA received approximately 4,190 applicants to the 8(a) BD program and estimates a similar number will be affected by this rule change annually. While this rule impacts a substantial number of applicants in the 8(a) BD program, it makes up a small proportion of the approximately 21,000 applications SBA received in FY25 for all of its small business certification programs. As discussed in the cost-benefit analysis, SBA has determined that any economic impact on small entities will be de minimis. Individual applicants are currently required to provide a narrative showing that they are socially disadvantaged. This new test replaces the existing test without increasing the burden on participants. This rule does not change the total dollar amount available to contractors through the 8(a) BD program.

SBA received comments requesting it provide a full Regulatory Flexibility Analysis, because commenters stated that the rule will have a significant economic impact. SBA disagrees with this contention. As explained in the Cost-Benefit Analysis, this rule is anticipated to have only a de minimis impact on applicants and no impact on current participants in the 8(a) program. The new test for social disadvantage is no more burdensome than the current requirement that applicants prepare a narrative. In addition, this rule does not impact a substantial number of small entities. Applicants to the 8(a) BD program make up a small proportion of applicants to SBA's small business certification programs and an even smaller proportion of the 56,725 small business prime contractors in FY25.

For the reasons discussed, SBA certifies that this rule will not have a significant economic impact on a substantial number of small entities.

List of Subjects in 13 CFR Part 124

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

Accordingly, for the reasons stated in the preamble, SBA amends 13 CFR part 124 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. Revise § 124.103 to read as follows:

§ 124.103 Who is socially disadvantaged?

(a) *General.* Socially disadvantaged individuals are those who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as a member of a group without regard to their individual qualities. The social disadvantage must stem from circumstances beyond their control.

(b) *Victims of government and private entity discrimination or bias.* (1) For purposes of this section,

(i) ''Citizen'' means citizen of the United States.

(ii) ''Material harm'' means loss of access to or diminished opportunities related to economic advancement.

(2) A Citizen may establish social disadvantage by first showing that during the Citizen's lifetime, a governmental or private entity in the United States, including but not limited to any federal, state or local government, university or corporation, through any action, policy, rule, regulation, or other practice of any of its agencies, subsidiaries, or authorized agents, discriminated or was biased against a clearly definable racial, ethnic, or cultural group of which the Citizen is a member, or favored in any way a racial, ethnic, or cultural group of which the Citizen is not a member. In addition, the Citizen must establish that such discrimination, bias, or favoritism conferred material harm on the Citizen.

(c) *Establishing social disadvantage.* In order to establish his or her social disadvantage, a Citizen must meet the requirements set forth in both paragraphs (c)(1) and (2) of this section.

(1) A Citizen must show evidence that a governmental or private entity's action, policy, rule, regulation or other practice favored other groups, excluding

the Citizen's group, or disadvantaged the Citizen's group or that the governmental or private entity took adverse actions against or otherwise disfavored the Citizen's group.

(i) The Citizen may demonstrate such group discrimination or bias by providing documentation of specific actions, policies, rules, regulations, or other practices of the governmental or private entity favoring or disfavoring an identifiable group, including but not limited to: unlawful diversity, equity, and inclusion programs or policies; unlawful affirmative action programs or policies; race-based quotas, set-asides, or hiring targets; or any policies or programs that favored some groups over others on the basis of race.

(A) Examples of actions, policies, rules, regulations, or other practices showing group discrimination or bias include, but are not limited to, prior iterations of § 124.103 of this part that excluded the Citizen's racial or ethnic group as a group entitled to a rebuttable presumption of social disadvantage; and such actions, policies, rules, regulations, or other practices also include situations where the Citizen's group was disadvantaged in college or university admissions decisions or otherwise discriminated against by a private entity in an unlawful manner.

(B) Sufficient evidence under paragraph (c)(1)(i) of this section may include, but is not limited to: materials on government, university and corporate websites; government, university, and corporate policies, regulations, guidance, procedures or documents; statements by government, university or corporate officials; government, university, and corporate reports, audits or findings; court decisions; administrative rulings; or, specific Congressional findings.

(ii) Where evidence of group discrimination or bias by the specific governmental entity or private entity is not readily available, a Citizen may present other adequate evidence demonstrating such discrimination or bias,

(2) A Citizen must self-certify that he or she:

(i) Was a member of a particular group at the time of the governmental or private entity's action or during the effective period of the relevant action, policy, rule, regulation, or other practice; and

(ii) Suffered material harm because of the action, policy, rule, regulation, or other practice evidenced in paragraph (c)(1) of this section.

Kelly Loeffler,

Administrator.

[FR Doc. 2026–16370 Filed 8–10–26; 8:45 am]

BILLING CODE 8026–09–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 71

[Docket No. FAA–2026–6970; Airspace Docket No. 26–AGL–12]

RIN 2120–AA66

Amendment of Class E Airspace; Bedford, IN

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: This action amends the Class E airspace at Bedford, IN. This action is due to an airspace review conducted due to the decommissioning of the Hoosier very high frequency omnidirectional range (VOR) as part of the VOR Minimum Operational Network (MON) Program. The name of IU Health Bedford Hospital Heliport, Beford, IN, is also being updated to coincide with the FAA's aeronautical database. This action brings the airspace into compliance with FAA orders and supports instrument flight rule (IFR) procedures and operations.

DATES: Effective 0901 UTC, October 29, 2026. The Director of the Federal Register approves this incorporation by reference action under 1 CFR part 51, subject to the annual revision of FAA Order JO 7400.11 and publication of conforming amendments.

ADDRESSES: A copy of the notice of proposed rulemaking (NPRM), all comments received, this final rule, and all background material may be viewed online at *www.regulations.gov* using the FAA Docket number. Electronic retrieval help and guidelines are available on the website. It is available 24 hours each day, 365 days each year. An electronic copy of this document may also be downloaded from *www.federalregister.gov.*

FAA Order JO 7400.11K, Airspace Designations and Reporting Points, and subsequent amendments can be viewed online at *www.faa.gov/air_traffic/publications/.* You may also contact the Rules and Regulations Group, Office of Policy, Federal Aviation Administration, 800 Independence Avenue SW, Washington, DC 20591; telephone: (202) 267–8783.

FOR FURTHER INFORMATION CONTACT: Jeffrey Claypool, Federal Aviation Administration, Operations Support Group, Central Service Center, 10101 Hillwood Parkway, Fort Worth, TX 76177; telephone (817) 222–5711.

SUPPLEMENTARY INFORMATION:

Authority for This Rulemaking

The FAA's authority to issue rules regarding aviation safety is found in Title 49 of the United States Code. Subtitle I, Section 106 describes the authority of the FAA Administrator. Subtitle VII, Aviation Programs, describes in more detail the scope of the agency's authority. This rulemaking is promulgated under the authority described in Subtitle VII, Part A, Subpart I, Section 40103. Under that section, the FAA is charged with prescribing regulations to assign the use of airspace necessary to ensure the safety of aircraft and the efficient use of airspace. This regulation is within the scope of that authority as it amends Class E airspace at the affected airports to support IFR operations.

History

The FAA published an NPRM for Docket No. FAA–2026–6970 in the **Federal Register** (91 FR 35909; June 15, 2026) proposing to amend the Class E airspace at Bedford, IN. Interested parties were invited to participate in this rulemaking effort by submitting written comments on the proposal to the FAA. No comments were received.

Differences From the NRPM

Subsequent to publication of the NPRM, the FAA discovered that it had accidentally included a proposed revocation of Class E airspace extending upward from 700 feet above the surface at Alexandria, IN. This action was proposed in a separate NPRM under Docket No. FAA–2026–6967 (91 FR 35912; June 15, 2026) and is not related to this airspace action. This was a typographical error that does not have any substantive impact on the remainder of this airspace action. Moreover, the proposed revocation of the Alexandria Class E airspace is proceeding in the separate docket. Accordingly, the FAA finds good cause that recirculating this action for public comment is unnecessary, and the reference has been removed.

Incorporation by Reference

Class E airspace designations are published in paragraph 6005 of FAA Order JO 7400.11, Airspace Designations and Reporting Points, which is incorporated by reference in 14 CFR 71.1 on an annual basis. This