

# **federal register**

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Wednesday  
July 26, 1995

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## **Part III**

### **Office of Management and Budget**

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**Economic Classification Policy  
Committee: Standard Industrial  
Classification Replacement—The North  
American Industry Classification System  
Proposed Industry Classification  
Structure; Notice**

## OFFICE OF MANAGEMENT AND BUDGET

### Economic Classification Policy Committee: Standard Industrial Classification Replacement—The North American Industry Classification System Proposed Industry Classification Structure

**AGENCY:** Office of Management and Budget, Executive Office of the President.

**ACTION:** Notice of Proposed NAICS industry classification structure for Petroleum and Coal Products Manufacturing, Chemicals Manufacturing, and Rubber and Plastics Products Manufacturing; Broadcasting and Telecommunications; and Foodservices and Drinking Places and Accommodations.

**SUMMARY:** Under Title 44 U.S.C. 3504, the Office of Management and Budget (OMB) is seeking public comment on a series of notices documenting the development of the new North American Industry Classification System (NAICS), the industry classification system being proposed to replace the current Standard Industrial Classification (SIC) system.

This notice, the third related to preparation of NAICS and the first in a series seeking comment on proposed industry revisions, presents the proposed NAICS structures for petroleum and coal products manufacturing, chemical manufacturing, and rubber and plastics manufacturing; broadcasting and telecommunications; and foodservices and drinking places and accommodations.

OMB is seeking comments on the usefulness and advisability of the proposed new NAICS subsectors submitted by the Economic Classification Policy Committee (ECPC), an interagency committee established by OMB.

Subsequent **Federal Register** notices will seek comment on other industry sector and subsector proposals. OMB is publishing the proposed new industry structure as soon as the drafting is completed, to provide as much information as quickly as possible and to ensure extensive public participation in the process. A final **Federal Register** notice, to be published in the fall of 1995, will include the entire NAICS structure for public comment.

NAICS is being developed in cooperation with Statistics Canada and Mexico's Instituto Nacional de Estadística, Geografía e Informática (INEGI). The new NAICS system

provides common industry definitions for Canada, Mexico, and the United States to facilitate economic analyses that cover the economies of the three North American countries. The three country collaboration on an industry classification system for North America was announced for public comment in the **Federal Register**, July 26, 1994, pp. 38092-38096.

The July 26, 1994, **Federal Register** notice includes the concepts for the new system, as developed by Statistics Canada, Mexico's INEGI, and the ECPC. It also includes a copy of the joint statement of the three countries' statistical agencies regarding the development of NAICS. That agreement includes the following principles:

(1) NAICS will be erected on a production-oriented, or supply-based, conceptual framework. This means that producing units that use identical or similar production processes will be grouped together in NAICS.

(2) The system will give special attention to developing production-oriented classifications for (a) new and emerging industries, (b) service industries in general, and (c) industries engaged in the production of advanced technologies.

(3) Time series continuity will be maintained to the extent possible. However, changes in the economy and proposals from data users must be considered. In addition, adjustments will be required for sectors where the United States, Canada, and Mexico presently have incompatible industry classification definitions in order to produce a common industry system for all three North American countries.

(4) The system will strive for compatibility with the 2-digit level of the International Standard Industrial Classification of All Economic Activities (ISIC, Rev. 3) of the United Nations.

ECPC Report No. 3—Summary of Public Responses to the Proposed New North American Industry Classification System provides a summary of public comments received in response to the July 26, 1994, **Federal Register** notice.

**DATES:** To ensure consideration and response to all comments on the proposals set forth in this notice, comments must be in writing and should be submitted as soon as possible, but no later than September 18, 1995. The proposed industry system would become effective in the U.S. on January 1, 1997.

**ADDRESSES:** Correspondence about the industry proposals of the NAICS structure announced in this **Federal Register** notice should be sent to: Carole

A. Ambler, Coordinator, Economic Classification Policy Committee, Bureau of the Census, U.S. Department of Commerce, Room 2633-3, Washington, DC 20233, telephone number: (301) 457-2668, FAX number: (301) 457-1343.

Copies of all ECPC issues papers and ECPC reports are available by contacting Jack E. Triplett, Chairman, Economic Classification Policy Committee, Bureau of Economic Analysis (BE-42), U.S. Department of Commerce, Washington, DC 20230, telephone number: (202) 606-9615, FAX number: (202) 606-5311.

**ELECTRONIC AVAILABILITY AND COMMENTS:** This document is available on the Internet from the Census Bureau via WWW browser, ftp, and email.

To obtain this document via WWW browser, connect to "http://www.census.gov" then select "Economy," then select "Economy-Wide Programs," then select "NAICS Documents."

To obtain this document via ftp, login to ftp.census.gov as anonymous, and retrieve the file "prop01.txt" from the "/pub/epcd/naics" directory. (That directory also contains previous NAICS **Federal Register** Notices and related documents.)

To obtain this document via Internet email, send a message to majordomo@census.gov with the body text as follows: "get gatekeeper prop01.txt". The document will be delivered as a message attachment.

Comments may be sent via Internet email to the Census Bureau at naics@census.gov (do not include any capital letters in the address). Comments received at this address by the date specified above will be included as part of the official record.

**FOR FURTHER INFORMATION CONTACT:** Carole A. Ambler, Coordinator, Economic Classification Policy Committee, Bureau of the Census, U.S. Department of Commerce, Room 2633-3, Washington, DC 20233, telephone number: (301) 457-2668, FAX number: (301) 457-1343.

#### SUPPLEMENTARY INFORMATION:

##### Structure of Notice:

There are three parts to this notice. PART 1 includes the proposals for petroleum and coal products manufacturing, chemicals manufacturing, and rubber and plastics products manufacturing; PART 2 includes broadcasting and telecommunications; and PART 3, includes foodservices and drinking places and accommodations.

Each of the three parts of the notice is organized into two sections. The first section includes a copy of the proposed agreement signed by the ECPC, Statistics Canada, and INEGI; the structure of NAICS; and an explanation of the structure. For a number of reasons, NAICS industries do not always provide as much industry detail as has been present in the U.S. SIC. This will allow each country to add additional detailed industries, below the 4-digit level of NAICS, as necessary to meet national needs, so long as this additional detail aggregates to a 4-digit NAICS level in order to ensure full comparability among the three countries. The second section of the notice includes the U.S. detailed industries within NAICS and two comparison tables showing the differences between the 1987 SIC and the 1997 NAICS with United States detail.

NAICS is organized in a hierarchical structure much like the existing SIC. The first digit of a NAICS code designates the sector. The code also designates 2-digit subsectors, 3-digit industry groups, and 4-digit industries. Each country may add additional detailed industries, below the 4-digit level of NAICS, as necessary to meet national needs, so long as this additional detail aggregates to a 4-digit NAICS level in order to ensure full comparability among the three countries. The proposed United States NAICS system, for example, would include 5-digit industries. These represent important industries in the U.S. that cannot be recognized in the statistical systems of either Canada or Mexico because of size restrictions, confidentiality, or other reasons.

The NAICS numbering system is still under development; therefore the hierarchical structure is displayed in this document with X's representing the following:

- X Industry Sector (not highlighted in structure).
- XX Industry Subsector.
- XXX Industry Group.
- XXXX Industry.
- XXXXX U.S. National Industry.

The terms "Industry Sector" and "Industry Subsector" are changes from the terms "Division" and "Major Group" used in the 1987 SIC manual.

**Time Series Summary**

The standard approach to preserving time series continuity after classification revisions is to create linkages where the series break. This is accomplished by producing the data series using both the old and new classifications for a given period of transition. With the dual

classifications of data, the full impact of the revision can be assessed. Data producers then may measure the reallocation of the data at aggregate industry levels and develop a concordance between the new and old series for that given point in time. The concordance creates a crosswalk between the old and new classification systems. This link between the 1987 U.S. SIC and NAICS (with U.S. national detail) will be developed by the statistical agencies in the U.S.

**Outreach Activities**

OMB and the Economic Classification Policy Committee (ECPC) are seeking comments on the proposed NAICS structure for the industries described in this notice.

In carrying out its mandate to ensure maximum public participation in the process of constructing NAICS, the ECPC has already discussed many of these industry proposals with industry and user groups and will continue to do so. In addition, the ECPC is replying on a flow basis as soon as the work is completed for industry subsectors to organizations that responded to previous **Federal Register** notices. Thus, this **Federal Register** notice supplements other ECPC public outreach activities in the development of NAICS.

**Part I—Proposed New Industry Structure for Petroleum and Coal Products Manufacturing, Chemicals Manufacturing, and Rubber and Plastics Products Manufacturing**

*Section A—NAICS Structure*

North American Industry Classification System (NAICS)

Agreement Number 1

This Document represents the proposed agreement on the structure of the North American Industry Classification System (NAICS) for the following industries:

- Petroleum and Coal Products Manufacturing XXX
- Chemicals Manufacturing XXXX
- Rubber and Plastics Products Manufacturing XXXX

The detailed NAICS structure along with a brief description of the structure is attached (Attachments 1 and 2). Each country agrees to release a copy of the proposed NAICS structure to interested data users. Comments received will be shared among the countries and discussions held before a final decision on the structure is made. Each country may add additional detailed industries, below the 4-digit level of NAICS, as

necessary to meet national needs, so long as this additional detail aggregates to a 4-digit NAICS level in order to ensure full comparability among the three countries. This NAICS structure was presented and provisionally accepted at the NAICS Committee meeting held on May 18 and 19 in Ottawa, Canada.

Accepted	Signature	Date
Canada .....	/S/ Jacob Rytén.	5/19/95
Mexico .....	/S/ Enrique Ordaz.	5/19/95
United States ...	/S/ Jack E. Triplett.	5/19/95

**ATTACHMENT 1.—NAICS STRUCTURE**

XX	Petroleum and Coal Products Manufacturing
XXX	Petroleum and Coal Products Manufacturing.
XXXX	Petroleum Refineries.
XXXX	Asphalt Paving and Roofing and Saturated Materials Manufacturing.
XXXX	Other Petroleum and Coal Products Manufacturing.
XX	Chemicals Manufacturing
XXX	Basic Chemicals Manufacturing.
XXXX	Petrochemicals Manufacturing.
XXXX	Industrial Gases Manufacturing.
XXXX	Dyes and Pigments Manufacturing.
XXXX	Other Inorganic Chemicals Manufacturing.
XXXX	Other Organic Chemicals Manufacturing.
XXX	Resins, Synthetic Rubber, Artificial and Synthetic Fibers and Filament Manufacturing.
XXXX	Resins and Synthetic Rubber Manufacturing.
XXXX	Artificial and Synthetic Fibers and Filament Manufacturing.
XXX	Pesticides, Fertilizers, and Other Agricultural Chemicals Manufacturing.
XXXX	Fertilizers Manufacturing.
XXXX	Pesticides and Other Agricultural Chemicals Manufacturing.
XXX	Pharmaceuticals and Medicine Manufacturing.
XXX	Pharmaceuticals and Medicine Manufacturing.
XXX	Paints, Coatings, Adhesives, and Sealants Manufacturing.
XXXX	Paints and Coatings Manufacturing.
XXXX	Adhesives and Sealants Manufacturing.

ATTACHMENT 1.—NAICS  
STRUCTURE—Continued

XXX	Soaps, Cleaning Compounds, and Toilet Preparations Manufacturing.
XXXX	Soaps and Cleaning Compounds Manufacturing.
XXXX	Toilet Preparations Manufacturing.
XXX	Miscellaneous Chemical Products Manufacturing.
XXXX	Printing Ink Manufacturing.
XXXX	Explosives Manufacturing.
XXXX	Other Miscellaneous Chemical Products Manufacturing.
XX	Rubber and Plastics Products Manufacturing.
XXX	Rubber Products Manufacturing.
XXXX	Tires and Tubes Manufacturing.
XXXX	Rubber and Plastics Hose and Belting Manufacturing.
XXXX	Other Rubber Products Manufacturing.
XXX	Plastics Products Manufacturing.
XXXX	Unsupported Plastics Films, Sheets and Bags Manufacturing.
XXXX	Unsupported Profile Shapes, Plastics Pipes, and Fittings Manufacturing.
XXXX	Laminated Plastics Plates, Sheets, and Shapes Manufacturing.
XXXX	Polystyrene Foam Products Manufacturing.
XXXX	Urethane Foam Products Manufacturing.
XXXX	Plastics Bottles Manufacturing.
XXXX	Other Plastics Products Manufacturing.

**Attachment 2—North American Industry Classification System**

Draft Classification for:

- Petroleum and Coal Products Manufacturing
- Chemicals Manufacturing
- Rubber and Plastics Products Manufacturing

Representatives of the statistical agencies of Canada, Mexico and the United States have agreed to a draft industry classification for these industries.

The draft classification provides for three industry subsectors, Petroleum and Coal Products Manufacturing; Chemicals Manufacturing; and Rubber and Plastics Products Manufacturing. These are further subdivided into ten industry groups and thirty industries. These industry subsectors will be part of the Manufacturing sector(s) of the NAICS classification.

*Achievement of Objectives*

The classification meets the objectives for the North American Industry Classification System. It is comprised of industries that group establishments with similar production processes, that is, it applies the production-oriented economic concept. In the main, the hierarchical structure of the classification also follows the production concept.

The classification achieves comparability for the three participating countries. Based on existing data, all three countries expect to be able to publish data regularly at the industry level of the structure. All countries agree on the detailed definitions of the industries.

The classification improves comparability with other countries. With the exception of the "miscellaneous" industries, all industries are compatible with the 2-digit level of the current International Standard Industrial Classification of All Economic Activities (ISIC, Revision 3) of the United Nations. This means that each NAICS industry is the same as, or part of, a single ISIC 2-digit Division. Therefore, data tabulated using NAICS can be readily re-tabulated according to ISIC. This comparability extends to higher levels of the NAICS. For example, there is little difference between the NAICS Chemical Industries, and ISIC 24, Manufacture of Chemicals and Chemical Products.

Objectives of the NAICS project other than comparability are not so relevant in the classification of these subsectors as in others. These objectives are the delineation of new and emerging industries, service industries and industries engaged in the production of advanced technologies. These manufacturing industry subsectors are relatively mature, generally produce goods, and have always employed relatively advanced technology. Therefore the emphasis in developing this area has been on the production concept and comparability.

The industries have high specialization ratios, and they are economically significant. The detail and structure of the classification are balanced in size. This enhances the classification's suitability for sampling, data-publishing and other aspects of survey operations. Finally, disruptions to time series at the NAICS industry level have been kept to a minimum. Most of the changes at the detail to existing classifications are marginal. The major changes are well-identified and can be taken into account in linking time series.

*Limitations of the Classification*

On the other hand, there are some analytical requirements that cannot be met by the proposed industry classification. In particular, there is a demand for data on the production of all articles of plastic. This cannot be accommodated by the proposed industry classification due to the ubiquity of plastics in manufactured products. Many industrial activities that incorporate plastics in combination with other materials are classified elsewhere in manufacturing.

Similarly, a breakdown of plastics industries that follows market lines cannot be produced. This arises from the fact that, in general, plastics fabricators can and do switch production from one type of product to another as market conditions change. In some cases a market or demand category does correspond to a distinct production process, in which case an industry can be defined that supports the needs of both supply-oriented and demand-oriented analyses. An example of this is the NAICS Plastics Bottles Manufacturing industry. However, in general, this is not possible because of the way businesses have organized their production facilities.

Users requiring data for demand analysis can instead make use of statistics based on commodity classifications. Each country publishes such data. Efforts are underway to harmonize the commodity classifications to allow comparability of these statistics.

*Constraints on the NAICS Classification*

A few factors constrained the structure and detail of the classification in the area under consideration.

An issue related to the coding structure is the ability to publish and the economic significance of the items defined in the classification. In the chemicals industry, most activities that were identified in one country exist in the others. However, often an activity is not economically significant to the same degree in all countries. Further, data for some significant activities cannot be published for a particular country for reasons of confidentiality, such as the matches manufacturing industry in Canada. Finally, the way activities are combined in establishments differs to some extent in the different countries. A structure could have been developed that specified such activities in NAICS, but the resulting statistical tables for any given country would have numerous insignificant or suppressed entries. It was preferable to adopt an operating rule that the NAICS industries for this

area must be economically significant and publishable. It is anticipated that each country will publish additional categories that comprise sub-divisions of NAICS industries, to present data for activities that are significant nationally.

Other constraints did involve the nature of the industries to be classified. In the case of chemicals, it was essential for NAICS to include Petrochemicals Manufacturing as an industry, due to the significance of this activity in Mexico. This is a major change for the United States and Canada. It involves some extra work for these countries in implementing the classification, since the direct assignment of industry codes from commodity output information (a common technique for most manufacturing industries) cannot be used without modification. Nevertheless, the importance of the activity, and the fact that it is based on a well-defined production process, resulted in its inclusion in NAICS.

#### *A General Outline*

The Petroleum and Coal Products Manufacturing subsector is based on the transformation of crude petroleum and coal into usable products. The dominant process is petroleum refining, which involves the separation of crude petroleum into component products through such techniques as cracking and distillation.

The Chemicals Manufacturing subsector is based on the transformation of organic and inorganic raw materials by a chemical process, and the formulation of products. This subsector distinguishes the production of basic chemicals, which comprises the first industry group, from the production of intermediate and end products produced by further processing of basic chemicals, which make up the remaining industry groups.

Concerning Basic Chemicals Manufacturing industries, data users will note that a general distinction has not been made between organic and inorganic basic chemicals. The production of organic and inorganic industrial gases is a single activity. In Mexico, the production of organic and inorganic dyes and pigments commonly takes place in the same establishments.

The industry subsector Rubber and Plastics Products Manufacturing includes establishments that make goods by processing raw rubber and plastics materials. To the extent possible, this subsector is restricted to industrial activities whose core technology is the production of products made of just one material, rubber or plastic. Many manufacturing activities use rubber or plastic as one of

several inputs, to the extent that the core technology relates to the type of product produced. An example of this is the manufacture of footwear. Typically, more than one material is used to produce shoes, so technologies that allow disparate materials to be formed and combined are of central importance in describing the footwear manufacturing activity. Such activities, for example footwear and furniture manufacture, are generally classified elsewhere than in the industry subsectors organized around the core technologies of rubber and plastic.

The main exception to this principle is Tires and Tubes Manufacturing. The production of tires is included in Rubber Products Manufacturing to minimize the disruption of time series and for comparability with ISIC, rather than because it particularly fits the general production process of the major group subsector. Tires are normally made from several materials.

A distinction is made between rubber and plastics products at the industry group level. It is not a rigid distinction, as can be seen from the definition of Rubber and Plastics Hose and Belting Manufacturing. As materials technology improves, plastics are increasingly being used as a substitute for rubber. Eventually, the distinction may disappear as a basis for defining establishments, and be limited to the commodity classification.

The Plastics Products Manufacturing industry subsector consists generally of activities involving the processing of plastics materials in forms such as pellets into intermediate or final products, using such processes as extrusion and injection moulding. Within most of these industries, the production process is such that a wide variety of products can be produced.

#### *Some Changes to the National Classifications*

This section highlights some of the significant changes to existing national classifications.

In Petroleum and Coal Products Manufacturing, the main change to an existing classification is the inclusion of activities currently in CSIC<sup>1</sup> 2721, Asphalt Roofing Industry, in NAICS Asphalt Paving and Roofing and Saturated Materials Manufacturing. It is included here because the defining feature of the production process (the

saturation of paper with asphalt) is the manipulation of asphalt.

The production of alumina from bauxite is currently classified in USIC 2819, Industrial Inorganic Chemicals, NEC. The production of alumina does involve the use of a chemical process, but it is analogous to the chemical activities involved in the processing of other ores in smelting and refining industries. It will therefore be treated as an activity in the primary metals, rather than in NAICS Other Inorganic Chemicals Manufacturing.

The production of artificial and synthetic fibers is treated as a textile activity in CSIC. While the outputs are a basic raw material for textile production, the fiber production itself is an activity with chemical characteristics. It is basically a polymerization process, similar to the production of synthetic resins. It is therefore included in the NAICS Chemicals Manufacturing subsector (Artificial and Synthetic Fibers and Filament Manufacturing).

The manufacture of photographic chemicals and sensitized paper is classified in CSIC 3912, Other Instruments and Related Products Industry and in USIC 3861, Photographic Equipment and Supplies. NAICS classifies the production of these goods in Miscellaneous Chemical Products Manufacturing, since their production process is a chemical products process, not an equipment manufacturing process.

The new classification eliminates the 2-digit distinction between rubber products and plastics products that was found in CSIC (groups 15 and 16). NAICS combines CSIC group 15, rubber products, and group 16, plastics products, into one subsector, Rubber and Plastics Products Manufacturing.

NAICS Tires and Tubes Manufacturing includes an activity—the retreading and recapping of tires—which in CSIC and USIC is classified as non-manufacturing. The tire retreading and recapping activity is included in manufacturing because it involves more than just a repair. This activity is an example of “re-building”, which occurs when a manufactured article is returned to usability using processes similar to those used in the original manufacturing operation. Re-building activities will be included in manufacturing in NAICS.

NAICS Rubber and Plastics Products Manufacturing excludes the manufacture of footwear, furniture and toys of rubber and plastic. This is a significant change to CMAP, which includes these activities in CMAP 3550, Rubber Industry and 3560, Manufacture of Plastics Products.

<sup>1</sup> CSIC refers to the Standard Industrial Classification of Canada, 1980 Revision. USIC refers to the Standard Industrial Classification of the United States, 1987 Revision. CMAP refers to the Classification of Activities and Products of Mexico.

NAICS Unsupported Plastics Films, Sheet and Bags Manufacturing includes the manufacture of plastic laminates for packaging and plastic bags, which are classified respectively in USIC 2671, Packaging Paper and Plastics Film, Coated and Laminated and 2673, Plastics, Foil and Coated Paper Bags.

NAICS Other Plastics Products Manufacturing includes the manufacture of most of the plastics motor vehicle parts, such as interior and exterior trim of plastics, which are classified in CSIC 3256, Plastics Parts and Accessories for Motor Vehicles.

*Section B—Annex: United States National Industry Detail*

As explained in the *Structure* presentation of this notice, for a number of reasons 4-digit industries in the three NAICS industry subsectors presented in *Part 1, Section A—Attachment 1*, contain less detail than is currently in the U.S. SIC system, and less detail than is required to meet important analytical requirements in the U.S. The three country agreement on NAICS envisions that each country may develop national detailed industries below the NAICS

industry level, so long as the national detail can be aggregated to the NAICS classification, thus assuring full North American comparability.

The ECPC is proposing U.S. 5-digit industry detail for the three NAICS industry subsectors covered in Part I of this notice. In the following tables, proposed 5-digit detail is indicated in italics. For cases where no 5-digit detail is shown, the ECPC is proposing that the NAICS 4-digit industries will also represent the most detailed U.S. industries.

TABLE 1

The definitions of status codes are as follows: E-existing industry; N-new industry; R-revised industry; and \* means "part of". The abbreviation NEC is used for Not Elsewhere Classified.

	1997 NAICS and U.S. description	Status code	1987 USIC code	1987 USIC description
XX	Petroleum and Coal Products Manufacturing			
XXX	Petroleum and Coal Products Manufacturing			
XXXX	Petroleum Refineries .....	E	2911	Petroleum Refining.
XXXX	Asphalt Paving and Roofing and Saturated Materials Manufacturing			
XXXXX	Asphalt Paving Mixtures and Blocks Manufacturing .....	E	2951	Asphalt Paving Mixtures and Blocks.
XXXXX	Asphalt Felts and Coatings Manufacturing .....	E	2952	Asphalt Felts and Coatings.
XXXX	Other Petroleum and Coal Products Manufacturing			
XXXXX	Lubricating Oils and Greases Manufacturing .....	E	2992	Lubricating Oils and Greases.
XXXXX	All Other Petroleum and Coal Products Manufacturing .....	R	2999	Petroleum and Coal Products, NEC.
			*3312	Blast Furnaces and Steel Mills (Coke Ovens).
XX	Chemicals Manufacturing			
XXX	Basic Chemicals Manufacturing			
XXXX	Petrochemicals Manufacturing .....	N	*2865	Cyclic Crudes and Intermediates (Aromatics).
			*2869	Industrial Organic Chemicals, NEC (Aliphatics).
XXXX	Industrial Gases Manufacturing .....	R	2813	Industrial Gases.
			*2869	Industrial Organic Chemicals, NEC (Fluorocarbon Gases).
XXXX	Dyes and Pigments Manufacturing			
XXXXX	Inorganic Dyes and Pigments Manufacturing .....	N	*2816	Inorganic Pigments (Except Bone and Lamp Black).
			*2819	Industrial Inorganic Chemicals, NEC (Inorganic Dyes).
XXXXX	Organic Dyes and Pigments Manufacturing .....	N	*2865	Cyclic Crudes and Intermediates (Organic Dyes and Pigments).
XXXX	Other Inorganic Chemicals Manufacturing			
XXXXX	Alkalies and Chlorine Manufacturing .....	E	2812	Alkalies and Chlorine.
XXXXX	Carbon Black Manufacturing .....	R	*2816	Inorganic pigments (Bone and Lamp Black).
			2895	Carbon Black.
XXXXX	All Other Inorganic Chemicals Manufacturing .....	R	*2819	Industrial Inorganic Chemicals, NEC (Except Activated Carbon and Charcoal, Alumina, and Inorganic Industrial Dyes).
			*2869	Industrial Organic Chemicals, NEC (Carbon Bisulfide).
XXXX	Other Organic Chemicals Manufacturing			
XXXXX	Gum and Wood Chemicals Manufacturing .....	E	2861	Gum and Wood Chemicals.
XXXXX	Cyclic Crudes and Intermediates Manufacturing .....	R	*2865	Cyclic Crudes and Intermediates (Except Aromatics, Organic Dyes, and Pigments).

TABLE 1—Continued

The definitions of status codes are as follows: E-existing industry; N-new industry; R-revised industry; and \* means "part of". The abbreviation NEC is used for Not Elsewhere Classified.

	1997 NAICS and U.S. description	Status code	1987 USIC code	1987 USIC description
XXXXX	All Other Organic Chemicals Manufacturing .....	R	*2869	Industrial Organic Chemicals, NEC (Except Aliphatics, Carbon Bisulfide, Ethyl Alcohol, Fatty Acid Esters, and Fluorocarbon Gases).
XXX	Resins, Synthetic Rubber, Artificial and Synthetic Fibers and Filament Manufacturing			
XXXX	Resins and Synthetic Rubber Manufacturing			
XXXXX	Plastics Materials and Resins Manufacturing .....	E	2821	Plastics Materials and Resins.
XXXXX	Synthetic Rubber Manufacturing .....	E	2822	Synthetic Rubber.
XXXX	Artificial and Synthetic Fibers and Filament Manufacturing			
XXXXX	Cellulosic Manmade Fibers Manufacturing .....	E	2823	Cellulosic Manmade fibers.
XXXXX	Noncellulosic Organic Fibers Manufacturing .....	E	2824	Noncellulosic Organic Fibers.
XXX	Pesticides, Fertilizers and Other Agricultural Chemicals Manufacturing			
XXXX	Fertilizers Manufacturing			
XXXXX	Nitrogenous Fertilizers Manufacturing .....	E	2873	Nitrogenous Fertilizers.
XXXXX	Phosphatic Fertilizers Manufacturing .....	E	2874	Phosphatic Fertilizers.
XXXXX	Fertilizers, Mixing Only Manufacturing .....	E	2875	Fertilizers, Mixing Only.
XXXX	Pesticides and Other Agricultural Chemicals Manufacturing .....	E	2879	Agricultural Chemicals, NEC.
XXX	Pharmaceuticals and Medicine Manufacturing			
XXXX	Pharmaceuticals and Medicine Manufacturing			
XXXXX	Medicinals and Botanicals Manufacturing .....	E	2833	Medicinals and Botanicals.
XXXXX	Pharmaceutical Preparations Manufacturing .....	R	2834	Pharmaceutical Preparations.
			*2835	Diagnostic Substances (Except in-Vitro Diagnostic).
XXXXX	In-Vitro Diagnostic Substances Manufacturing .....	N	*2835	Diagnostic Substances (In-Vitro Diagnostic Substances).
XXXXX	Biological Products, Except Diagnostic Manufacturing .....	E	2836	Biological Products.
XXX	Paint, Coatings, Adhesives, and Sealants Manufacturing			
XXXX	Paints and Coatings Manufacturing .....	R	2851	Paints and Coatings.
			*2899	Chemical Preparations, NEC (Frit).
XXXX	Adhesives and Sealants Manufacturing .....	E	2891	Adhesives and Sealants.
XXX	Soaps, Cleaning Compounds and Toilet Preparations Manufacturing			
XXXX	Soaps and Cleaning Compounds Manufacturing			
XXXXX	Soaps and Other Detergents Manufacturing .....	R	2841	Soaps and Other Detergents.
			*2844	Toilet Preparations (Toothpaste).
XXXXX	Polishes and Other Sanitation Goods Manufacturing .....	E	2842	Polishes and Other Sanitation Goods.
XXXXX	Surface Active Agents Manufacturing .....	E	2843	Surface Active Agents.
XXXX	Toilet Preparations Manufacturing .....	R	*2844	Toilet Preparations (Except Toothpaste).
XXX	Miscellaneous Chemical Products Manufacturing			
XXXX	Printing Ink Manufacturing .....	R	2893	Printing Inks.
			*2899	Chemical Preparations, NEC (Writing and Stamping Inks).
			*3952	Lead Pencils and Art Goods (Drawing Inks and India Ink).
XXXX	Explosives Manufacturing .....	E	2892	Explosives.
XXXX	Other Miscellaneous Chemical Products Manufacturing			
XXXXX	Custom Compounding Purchased Resins Manufacturing .....	E	3087	Custom Compounding Purchased Resins.
XXXXX	Photographic Films, Papers, Plates and Chemicals Manufacturing.	N	*3861	Photographic Equipment and Supplies (Photographic Films, Paper and Chemicals).
XXXXX	All Other Miscellaneous Chemical Products Manufacturing .....	R	*2819	Chemical Preparations, NEC (Activated Carbon and Charcoal).
			*2869	Industrial Organic Chemicals, NEC (Fatty Acid Esters).
			*2899	Chemical Preparations, NEC (Except Frit and Writing and Stamp Ink).
			*3999	Manufacturing Industries, NEC (Matches).
XX	Rubber and Plastics Products Manufacturing			
XXX	Rubber Products Manufacturing			
XXXX	Tires and Tubes Manufacturing			

TABLE 1—Continued

The definitions of status codes are as follows: E-existing industry; N-new industry; R-revised industry; and \* means "part of". The abbreviation NEC is used for Not Elsewhere Classified.

	1997 NAICS and U.S. description	Status code	1987 USIC code	1987 USIC description
XXXXX	Tires and Inner Tubes Manufacturing .....	E	3011	Tires and Inner Tubes.
XXXXX	Tire Rebuilding and Repair .....	E	7534	Tire Rebuilding and Repair.
XXXX	Rubber and Plastics Hose and Belting Manufacturing .....	E	3052	Rubber and Plastics Hose and Belting.
XXXX	Other Rubber Products Manufacturing			
XXXXX	Mechanical Rubber Products Manufacturing .....	E	3061	Mechanical Rubber Products.
XXXXX	All Other Rubber Products Manufacturing .....	R	*3053	Gaskets, Packings and Sealing Devices (Rubber Gaskets, Packings and Sealing Devices.
			*3069	Fabricated Rubber Products, NEC (Except Rubberized Fabric and Rubber Resilient Floor Covering).
XXX	Plastics Products Manufacturing			
XXXX	Unsupported Plastics Films, Sheets and Bags Manufacturing			
XXXXX	Unsupported Plastics Bags Manufacturing .....	N	*2673	Bags: Plastics, Laminated, and Coated (Plastics Bags).
XXXXX	Unsupported Plastics Packaging Films and Sheets Manufacturing.	N	*2671	Paper Coated and Laminated, NEC (Plastics Packaging Film and Sheet).
XXXXX	Unsupported Plastics Films and Sheets, Except Packaging Manufacturing.	E	3081	Unsupported Plastics Film and Sheets, Except Packaging.
			*3073	Laminated Plastics Plate, Sheet, and Profile Shapes (Acrylic Sheets).
XXXX	Unsupported Profile Shapes, Plastics Pipes, and Fittings Manufacturing			
XXXXX	Unsupported Plastics Profile Shapes Manufacturing .....	R	3082	Unsupported Plastics Profile Shapes.
			*3089	Plastics Product, NEC (Plastics Sausage Casings).
XXXXX	Plastics Pipes and Pipe Fittings Manufacturing .....	R	3084	Plastics Pipes.
			*3089	Plastics Products, NEC (Plastics Pipe Fittings).
XXXX	Laminated Plastics Plates, Sheets, and Shapes Manufacturing ..	E	*3083	Laminated Plastics Plate, Sheet and Shapes (Except Acrylic Sheets).
XXXX	Polystyrene Foam Products Manufacturing .....	N	*3086	Plastics Foam Products (Polystyrene Foam Products).
XXXX	Urethane Foam Products Manufacturing .....	N	*3086	Plastics Foam Products (Urethane Foam Products).
XXXX	Plastics Bottles Manufacturing .....	E	3085	Plastics Bottles.
XXXX	Other Plastics Products Manufacturing			
XXXXX	Plastics Plumbing Fixtures Manufacturing .....	E	3088	Plastics Plumbing Fixtures.
XXXXX	Resilient Floor Coverings Manufacturing .....	R	*3069	Fabricated Rubber Products, NEC (Rubber Resilient Floor Coverings).
			3996	Hard Surface Floor Coverings, NEC.
XXXXX	All Other Plastics Products Manufacturing .....	R	*3053	Gaskets, Packing and Sealing Devices (Plastics Gaskets, Packing Sealing Devices).
			*3089	Plastics Products, NEC (Except Plastics Pipe Fittings and Plastics Sausage Casings).

TABLE 2

The abbreviation "pt" means "part of". @ means time series break has been created that is greater than 3% of the 1992 value of shipments for the 1987 SIC industry. The abbreviation NEC is used for Not Elsewhere Classified.

1987 USIC code	1987 USIC description	1997 U.S. description
2812 .....	Alkalies and Chlorine .....	Alkalies and Chlorine Manufacturing.
2813 .....	Industrial Gases .....	Industrial Gases Manufacturing (pt).
2816 .....	Inorganic Pigments. Inorganic Pigments, Except Bone and Lamp Black.	Inorganic Dyes and Pigments Manufacturing (pt).



TABLE 2—Continued

The abbreviation "pt" means "part of". @ means time series break has been created that is greater than 3% of the 1992 value of shipments for the 1987 SIC industry. The abbreviation NEC is used for Not Elsewhere Classified.

1987 USIC code	1987 USIC description	1997 U.S. description
2819@	Bone and Lamp Black .....	Carbon Black Manufacturing (pt).
	Industrial Inorganic Chemicals, NEC	
	Activated Carbon and Charcoal ....	Other Miscellaneous Chemical Preparations Manufacturing (pt).
	Alumina .....	Primary Aluminum Manufacturing (pt).
	Inorganic Dyes .....	Inorganic Dyes and Pigments Manufacturing (pt).
	Other .....	Other Miscellaneous Inorganic Chemicals Manufacturing (pt).
2821	Plastics Materials and Resins .....	Plastics Materials and Resins Manufacturing.
2822	Synthetic Rubber .....	Synthetic Rubber Manufacturing.
2823	Cellulosic Manmade Fibers .....	Cellulosic Manmade Fibers Manufacturing.
2824	Noncellulosic Organic Fibers .....	Noncellulosic Organic Fibers Manufacturing.
2833	Medicinals and Botanical .....	Medicinals and Botanicals Manufacturing.
2834	Pharmaceutical Preparations .....	Pharmaceutical Preparations Manufacturing (pt).
2835@	Diagnostic Substances	
	Diagnostic Substances, Except In-Vitro Diagnostic.	Pharmaceutical Preparations Manufacturing (pt).
	In-Vitro Diagnostic Substances ....	In-Vitro Diagnostic Substances Manufacturing.
2836	Biological Products, Except Diagnostic.	Biological Products, Except Diagnostic Manufacturing.
2841	Soaps and Other Detergents .....	Soaps and Other Detergents Manufacturing (pt).
2842	Polishes and Other Sanitation Goods.	Polishes and Other Sanitation Goods Manufacturing.
2843	Surface Active Agents .....	Surface Active Agents Manufacturing.
2844	Toilet Preparations	
	Toilet Preparations, Except Toothpaste.	Toilet Preparations Manufacturing.
	Toothpaste .....	Soap and Other Detergents Manufacturing (pt).
2851	Paints and Allied Products .....	Paints and Coatings Manufacturing (pt).
2861	Gum and Wood Chemicals .....	Gum and Wood Chemicals Manufacturing.
2865@	Cyclic Crudes and Intermediates	
	Aromatics .....	Petrochemicals Manufacturing (pt).
	Organic Dyes and Pigments .....	Organic Dyes and Pigments Manufacturing (pt).
	Other .....	Cyclic Crudes and Intermediates Manufacturing.
2869@	Industrial Organic Chemicals, NEC	
	Aliphatics .....	Petrochemicals Manufacturing (pt).
	Carbon Bisulfide .....	All Other Inorganic Chemicals Manufacturing (pt).
	Ethyl Alcohol .....	Distilled and Blended Liquors Manufacturing (pt).
	Fatty Acid Esters .....	Other Miscellaneous Chemicals Preparations Manufacturing (pt).
	Fluorocarbon Gases .....	Industrial Gases Manufacturing (pt).
	Other .....	Other Miscellaneous Organic Chemicals Manufacturing.
2873	Nitrogenous Fertilizers .....	Nitrogenous Fertilizers Manufacturing.
2874	Phosphatic Fertilizers .....	Phosphatic Fertilizers Manufacturing.
2875	Fertilizers, Mixing Only .....	Fertilizers, Mixing Only Manufacturing.
2879	Agricultural Chemicals, NEC .....	Pesticides and Other Agricultural Chemicals Manufacturing.
2891	Adhesives and Sealants .....	Adhesives and Sealants Manufacturing.
2892	Explosives .....	Explosives Manufacturing.
2893	Printing Inks .....	Printing Ink Manufacturing (pt).
2895	Carbon Black .....	Carbon Black Manufacturing (pt).
2899	Chemical Preparations, NEC	
	Frit .....	Paints and Coatings Manufacturing (pt).
	Writing and Drawing Inks .....	Printing Ink Manufacturing (pt).
	Other .....	Other Miscellaneous Chemical Preparations Manufacturing (pt).
2911	Petroleum Refining .....	Petroleum Refineries.
2951	Asphalt Paving Mixtures and Blocks	Asphalt Paving Mixtures and Blocks Manufacturing.
2952	Asphalt Felts and Coatings .....	Asphalt Felts and Coatings Manufacturing.
2992	Lubricating Oils and Greases .....	Lubricating Oils and Greases Manufacturing.
2999	Petroleum and Coal Products, NEC	All Other Petroleum and Coal Products Manufacturing (pt).
3011	Tires and Inner Tubes .....	Tires and Inner Tubes Manufacturing.
3021	Rubber and Plastics Footwear .....	Rubber and Plastics Footwear Manufacturing.
3052	Rubber and Plastics Hose and Belting.	Rubber and Plastics Hose and Belting Manufacturing.
3053@	Gaskets, Packings, and Sealing Devices	
	Cork Gaskets, Packing, and Sealing Devices.	Other Miscellaneous Wood Products Manufacturing (pt).
	Metal Gaskets, Packing, and Sealing Devices.	Other Miscellaneous Fabricated Metal Products Manufacturing (pt).
	Plastics Gaskets, Packing, and Sealing Devices.	All Other Plastics Products Manufacturing (pt).
	Rubber Gaskets, Packing, and Sealing Devices.	All Other Rubber Products Manufacturing (pt).

TABLE 2—Continued

The abbreviation "pt" means "part of". @ means time series break has been created that is greater than 3% of the 1992 value of shipments for the 1987 SIC industry. The abbreviation NEC is used for Not Elsewhere Classified.

1987 USIC code	1987 USIC description	1997 U.S. description
3061 .....	Mechanical Rubber Products .....	Mechanical Rubber Products Manufacturing.
3069 .....	Fabricated Rubber Products, NEC Rubberized Fabric .....	Coated Fabrics Including Rubberized Mills (pt). Resilient Floor Covering Manufacturing (pt).
	Rubber Resilient Floor Covering ...	All Other Rubber Products Manufacturing (pt).
	Other .....	Unsupported Plastics Films and Sheets, Except Packaging Manufacturing (pt).
3081 .....	Unsupported Plastics Film and Sheets, Except Packaging.	Unupported Plastics Profile Shapes Manufacturing (pt).
3082 .....	Unsupported Plastics Profile Shapes	
3083 .....	Laminated Plastics Plate, Sheet Acrylic Sheets .....	Unupported Plastics Films and Sheets, Except Packaging Manufacturing (pt).
	Other .....	Laminated Plastics Plates, Sheets, and Shapes Manufacturing.
3084@ .....	Plastics Pipes .....	Plastics Pipes and Pipe Fittings Manufacturing (pt).
3085 .....	Plastics Bottles .....	Plastics Bottles Manufacturing.
3086 .....	Plastics Foam Products Urethane Foam Products .....	Urethane Foam Products Manufacturing. Polystyrene Foam Products Manufacturing.
	Polystyrene Foam Products .....	
3087 .....	Custom Compounding of Purchased Resins.	Custom Compounding of Purchased Resins Manufacturing.
3088 .....	Plastics Plumbing Fixtures .....	Plastics Plumbing Fixtures Manufacturing.
3089 .....	Plastics Products, NEC Pipe Fittings .....	Plastics Pipes and Pipe Fittings Manufacturing (pt).
	Plastics Sausage Casings .....	Unupported Plastics Profile Shapes Manufacturing (pt).
	Other .....	All Other Plastics Products Manufacturing (pt).

### Description of Changes to the U.S. System

1. Petroleum and Coal Products Manufacturing—There was one change from the 1987 industry structure for this sector.

Coke ovens, not operated with a blast furnace transferred from 1987 Industry Code 3312, Blast Furnaces and Steel Mills to the 1997 Other Petroleum and Coal Products, NEC.

The number of 1997 petroleum and coal products industries remains unchanged at five from 1987. For time series linkage, all five 1987 industries are comparable within three percent of the 1997 industries.

2. Chemicals Manufacturing—There were five new industries added to the 1997 industry structure for this industry subsector. New industries were created for:

Petrochemicals Manufacturing from parts of 1987 Industry Code 2865, Cyclic Crudes and Intermediates and 1987 Industry Code 2869, Industrial Organic Chemicals, NEC.

Organic Dyes and Pigments Manufacturing from part of old Industry Code 2865, Cyclic Crudes and Intermediates.

In-Vitro Diagnostic Substances Manufacturing from part of old Industry Code 2835, Diagnostic Substances.

Photographic Films, Papers, Plates, and Chemicals Manufacturing from part of 1987 Industry Code 3861, Photographic Equipment and Supplies.

Custom Compounding Purchased Resins Manufacturing transferred from the 1987 Major Group Code 30, Rubber and Miscellaneous Plastics Products.

Two activities transferred out of 1987 Major Group 28, Chemicals and Allied Products.

Alumina transferred from 1987 Industry Code 2819, Industrial Inorganic Chemicals, NEC into Primary Aluminum Manufacturing.

Ethyl Alcohol transferred from 1987 Industry Code 2869, Industrial Organic Chemicals into Distilled and Blended Liquors Manufacturing.

Two activities transferred into the 1997 Chemicals Manufacturing.

Drawing ink and India ink transferred from old Industry Code 3952, Lead Pencils and Art Goods into Printing Ink Manufacturing.

Matches transferred from old Industry Code 3999, Manufacturing Industries, NEC into All Other Miscellaneous Chemical Preparations.

Also, there were several activities that transferred within the chemical industry. The number of chemical industries increased from 29 in 1987 to 34 in 1997. For time series linkage, 25 of the 29 1987 industries are comparable within three percent of the 1997 industries.

3. Rubber and Plastics Products Manufacturing—There were six new industries added to the 1997 industry structure for this industry subsector.

Tire Rebuilding and Repair transferred from the 1987 Services

Major Group Code 75, Auto Repair, Services, and Parking.

Unupported Plastics Packaging Films and Sheets Manufacturing from part of 1987 Industry Code 2671, Paper Coated and Laminated, NEC.

Unupported Plastics Bags from part of 1987 Industry Code 2673, Bags: Plastics, Laminated, and Coated.

Polystyrene Foam Products from part of 1987 Industry Code 3086, Plastics Foam Products.

Urethane Foam Products from part of 1987 Industry Code 3086, Plastics Foam Products.

Resilient Floor Coverings from parts of 1987 Industry Code 3069, Fabricated Rubber Products, NEC and 1987 Industry Code 3996, Hard Surface Floor Coverings, NEC.

Three industries were removed from this industry group.

Rubber and Plastics Footwear transferred into the 1997 NAICS Industry Subsector, Leather and Allied Products Manufacturing.

Gaskets, Packings, and Sealing Devices were deleted and the products were split into various residual industries by material.

Custom Compounding Purchased Resins transferred into the 1997 NAICS Industry subsector, Chemicals Manufacturing.

One activity transferred out of the 1987 Major Group, Rubber and Plastics Products.

Rubberized Fabric transferred from the 1987 Industry Code 3069, Fabricated

Rubber Products, NEC to 1997 NAICS Industry, Coated Fabric Mills including Rubberized Fabric Mills.

Also, there were several activities that transferred within the rubber and plastics products industries. The number of rubber and plastics products industries increased from 15 in 1987 to 17 in 1997. For time series linkage, 13 of the 15 1987 industries are comparable within three percent of the 1997 industries.

**Part II—Proposed New Industry Structure for Broadcasting and Telecommunications**

*Section A—NAICS Structure and Narrative*

North American Industry Classification System (NAICS)

Agreement Number 2

This Document represents the proposed agreement on the structure of the North American Industry Classification System (NAICS) for the following industries:

Broadcasting and Telecommunications

The detailed NAICS structure along with a brief description of the structure is attached (Attachments 1 and 2). Each country agrees to release a copy of the proposed NAICS structure to interested data users. Comments received will be shared among the countries and discussions held before a final decision on the structure is made. Each country may add additional detailed industries, below the 4-digit level of NAICS, as necessary to meet national needs, so long as this additional detail aggregates to a 4-digit NAICS level in order to

ensure full comparability among the three countries. This NAICS structure was presented and provisionally accepted at the NAICS Committee meeting held on May 18 and 19 in Ottawa, Canada.

Accepted	Signature	Date
Canada .....	/S/ Jacob Ryten.	5/19/95
Mexico .....	/S/ Enrique Ordaz.	5/19/95
United States ...	/S/ Jack E. Triplett.	5/19/95

ATTACHMENT 1.—NAICS STRUCTURE

XX	Broadcasting and Telecommunications
XXX	Radio and Television Broadcasting.
XXXX	Radio Broadcasting.
XXXX	Television Broadcasting.
XXX	Cable Networks and Program Distribution.
XXXX	Cable Networks.
XXXX	Cable and Program Distribution.
XXX	Telecommunications.
XXXX	Wired Telecommunications Carriers.
XXXX	Wireless Telecommunications Carriers, Except Satellite.
XXXX	Telecommunications Resellers.
XXXX	Satellite Telecommunications.
XXXX	Other Telecommunications.

**Attachment 2—North American Industry Classification System**

Draft Classification for:  
Broadcasting and Telecommunications

Representatives of the statistical agencies of Canada, Mexico and the United States have agreed to a draft industry classification for the Broadcasting and Telecommunications subsector. The draft establishes three industry groups and nine industries. It has not yet been determined in which industry sector in NAICS the Broadcasting and Telecommunications industry subsector will be included.

*Achievement of Objectives*

The classification meets the objectives for the North American Industry Classification System. It is comprised of industries that group establishments with similar production processes, that is, it applies the production-oriented economic concept. The hierarchical structure also follows the production concept.

The classification achieves comparability for the three participating

countries. Based on existing data, all three countries expect to be able to publish data regularly at the NAICS industry level of the NAICS structure with the exception of satellite telecommunications, which will be published only in the United States. All countries agree on the detailed definitions of the classes.

The classification improves comparability with other countries. With the exception of radio dispatch services and radio and television relay systems, all industries are compatible with the 2-digit level of the current International Standard Industrial Classification of All Economic Activities (ISIC, Revision 3) of the United Nations. Radio dispatch services and radio and television relay systems activities are not significant.

Other objectives of the NAICS project have also been met. In an effort to identify high technology and new and emerging industries, new industries for cable networks, and satellite telecommunications have been identified. A relatively new economic development has been identified by

creating an industry for telecommunications resellers.

In addition to the above objectives of the NAICS project, the classification meets the objectives of an industry classification. The classifications are homogeneous and account for most of the activities that define them. In addition, they are economically significant. Finally, disruptions to time series at the NAICS industry level have been kept to a minimum. The major changes in country detail are well-defined and can be taken into account in linking time series.

*Limitations of the Classification*

There are some limitations to the draft Broadcasting and Telecommunications hierarchy. First, the proposed structure attempts to describe the subsector as it currently exists. It is therefore rooted in today's technology and regulatory environment and it reflects the current profile of service providers. However, many are anticipating fundamental changes in this sector. For instance, the distinction between the Wired Telecommunication Carriers industry

and the Cable and Program Distribution industry may not be viable in the future if both industries are engaged in the carriage of voice (basic telephone service), data, and video (including television programs). Similarly, the systems that are now used to distribute television programs may well be used in the future to distribute other types of products such as games and software or be used for other purposes such as interactive home shopping or banking. In such an environment, the provision of menus, interactive controls, and billing services could become an integral part of the bundle of services provided by carriers.

Secondly, it may be argued that for some purposes a number of industries that are important users of telecommunications, as outlined in the proposal, should be included in this subsector. These include telephone answering services and other message services that may include the use of paging and voice mail, phone booth operations, and on-line information services. These industries have not been included in this subsector as they are users of telecommunications services, not providers of the telecommunications services as defined in the proposal. They will be classified elsewhere in NAICS.

These few examples illustrate the difficulty of building a classification for an evolving sector that will stand the test of time.

#### *Constraints on the NAICS Classification*

A number of industries that can appropriately be defined in terms of production distinctions could not be published in all countries because of considerations of size and confidentiality.

#### *A General Outline*

The Broadcasting and Telecommunications subsector has been defined to include establishments providing point-to-point communications and the services related to that activity. The industry groups (Radio and Television Broadcasting, Cable Networks and Program Distribution, and Telecommunications) are based on differences in the methods of communication and in the nature of services provided.

The Radio and Television Broadcasting industry group operates broadcasting studios and facilities for over the air or satellite delivery of radio and television programs of entertainment, news, talk, and the like. These establishments are often engaged in the production and purchase of

programs and generate revenues from the sale of air time to advertisers, and from donations, subsidies, and/or the sale of programs. The distinction between radio and television broadcasting involves the use of equipment dealing in audio versus audio/video signal.

The Cable Networks and Program Distribution industry group includes two types of establishments. Cable networks operate studios and facilities for the broadcasting of programs that are typically narrowcast in nature (limited format such as news, sports, education, and youth-oriented programming). The services of these establishments are typically sold on a subscription or fee basis and the delivery of the programs to customers is handled by other establishments that operate cable systems, direct-to-home satellite systems, or other similar systems. These distribution systems establishments are classified to the Cable and Program Distribution industry.

The Telecommunications industry group is primarily engaged in operating, maintaining, and/or providing access to facilities for the transmission of voice, data, text, sound, and full motion picture video between network termination points. A transmission facility may be based on a single technology or a combination of technologies.

Wired Telecommunications Carriers operate and maintain switching and transmission facilities (usually land lines and microwave) to provide one-to-one communications via landlines (including microwave) or a combination of landline and satellite communications.

Wireless Telecommunications Carriers, Except Satellite operate and maintain switching and transmission facilities to provide one-to-one communications via airwaves. The United States classification further distinguishes wireless carriers on the basis of technology by separating paging services and other wireless services such as cellular and personal communications services.

Telecommunications Resellers provide services similar to those of telecommunications carriers but do not operate and maintain a network. They principally purchase the services of carriers for resale to customers.

The Satellite Telecommunications industry principally provides point-to-point communications services to other establishments in the telecommunications and broadcasting industries by forwarding communications signals via a system of satellites. The Other

Telecommunications industry includes establishments that specialize in the provision of other types of services such as satellite tracking, radar station operations, and overseas telecommunications (except for satellite telecommunications).

#### *Some Changes to the National Classifications*

This section highlights some of the significant changes to the existing national industry classification systems.

The only change to USIC 4832 Radio Broadcasting Stations is to add detail to separate the radio networks from the radio stations. It was felt that the programming function of the network was a significant production difference. There is a significant change for Mexico in that the draft proposes the elimination of the designation of private versus public.

The change in the Television Broadcasting industry for the U.S. is restricted to a title change to clarify the proper classification for television networks. The issue of private versus public television is a change for Mexico.

Cable Networks is similar to Radio Broadcasting, in that the programming function is being used to identify these establishments as a separate industry. This would be a new classification for all three countries.

Cable and Program Distribution establishments are separated from the cable networks based on the absence of the programming function. This would be a new industry for all three countries.

The Wired Telecommunications Carriers industry group has been changed to include the activities of USIC 4822 Telegraph and Other Message Communications. Detail was also added for carriers and resellers. USIC 4822 has been a declining industry and has assumed more and more of the characteristics of the wired telecommunications industry. This change also improved comparability with both Mexico and Canada.

Recent changes in the telephone industry have paved the way for new businesses. The most prevalent are the telecommunications resellers. A reseller purchases communications services from the telecommunications carrier and resells the services to its customers. The reseller does not operate the communications network but instead may operate only the switching system to connect customers to the carriers' network. Telecommunication Carriers and Telecommunications Resellers are new industries for all three countries. It is a new economic development and, as such, is being identified as a new and emerging industry.

Changes in the Wireless Telecommunications Carriers, Except Satellite industry involve moving radio dispatch from USIC 4899 and adding detail to reflect different technologies and updating the terminology. The production function of radio dispatch is similar to that of wireless telecommunications. This change also increased comparability with Canada and Mexico. Paging was found to have a distinct production function. Canada could not support this activity as a NAICS industry so it was added as a 5-digit U.S. industry. Wireless

Telecommunications Carriers, Except Satellite will be a new industry for all three countries. Satellite Telecommunications is a new industry in all three countries. It is a new technology that is now being identified as a new and emerging industry. Other Telecommunications is a new industry for all three countries. *Section B—Annex: United States National Industry Detail* As explained in the *Structure* presentation of this notice, the three country agreement on NAICS envisions

that each country may develop national detailed industries below the NAICS industry level, so long as the national detail can be aggregated to the NAICS classification, thus assuring full North American comparability. The ECPC is proposing U.S. 5-digit industry detail for this NAICS industry subsector. In the following tables, proposed 5-digit detail is indicated in italics. For cases where no 5-digit detail is shown, the ECPC is proposing that the NAICS 4-digit industries will also represent the most detailed U.S. industries.

TABLE 1

The definitions of status codes are as follows: E-existing industry; N-new industry; R-revised industry; and \* means "part of". The abbreviation NEC is used for Not Elsewhere Classified.

	1997 NAICS and U.S. description	Status code	1987 USIC code	1987 USIC description
XX	Broadcasting and Telecommunications			
XXX	Radio and Television Broadcasting			
XXXX	Radio Broadcasting			
XXXXX	Radio Networks .....	N	*4832	Radio Broadcasting Stations.
XXXXX	Radio Stations .....	N	*4832	Radio Broadcasting Stations.
XXXX	Television Broadcasting .....	E	4833	Television Broadcasting Stations.
XXX	Cable Networks and Program Distribution			
XXXX	Cable Networks .....	N	*4841	Cable and Other Pay Television Services.
XXXX	Cable and Program Distribution .....	N	*4841	Cable and Other Pay Television Services.
XXX	Telecommunications			
XXXX	Wired Telecommunications Carriers .....	N	*4813	Telephone Communications, Except Radiotelephone (Carriers).
			4822	Telegraph and Other Message Communications.
XXXX	Wireless Telecommunications Carriers, Except Satellite .....	N		
XXXXX	Paging .....	N	*4812	Radiotelephone Communications (Paging Carriers).
XXXXX	Cellular and Other Wireless Telecommunications .....	N	*4812	Radiotelephone Communications (Cellular Carriers).
			*4899	Communication Services, NEC (Radio Dispatch).
XXXX	Telecommunications Resellers .....	N	*4812	Radiotelephone Communications (Paging and Cellular Resellers).
			*4813	Telephone Communications, Except Radiotelephone (Resellers).
XXXX	Satellite Telecommunications .....	N	*4899	Communication Services, NEC (Satellite).
XXXX	Other Telecommunications .....	N	*4899	Communication Services, NEC.

TABLE 2

The abbreviation "pt" means "part of". @ means time series break has been created that is greater than 3% of the 1992 revenues for the 1987 SIC industry. The abbreviation NEC is used for Not Elsewhere Classified.

1987 USIC code	1987 USIC description	1997 U.S. description
4812@ .....	Radiotelephone Communications .....	Wireless Telecommunications (pt). Telecommunications Resellers (pt).
4813@ .....	Telephone Communications, Except Radiotelephone.	Wired Telecommunications Carriers (pt.). Telecommunications Resellers (pt.).
4822@ .....	Telegraph and Other Message Communications.	Wired Telecommunications Carriers (pt.).
4832 .....	Radio Broadcasting Stations .....	Radio Networks. Radio Stations.
4833 .....	Television Broadcasting Stations .....	Television Broadcasting.
4841 .....	Cable and Other Pay Television Services.	Cable Networks. Cable and Program Distribution.
4899 .....	Communications Service, NEC .....	Wireless Telecommunications Carriers (pt). Satellite Telecommunications. Other Telecommunications.

*Description of Changes to the U.S. System*

The Broadcasting and Telecommunications subsector has been completely restructured for 1997 to reflect the changing technology of the subsector. New industries are the following:

Radio Networks from part of 1987 Industry Code 4832, Radio Broadcasting Stations.

Radio Stations from part of 1987 Industry Code 4832, Radio Broadcasting Stations.

Cable Networks from part of 1987 Industry Code 4841, Cable and Other Pay Television Services.

Cable and Program Distribution from part of 1987 Industry Code 4841, Cable and Other Pay Television Services.

Wired Telecommunications Carriers from part of 1987 Industry Code 4813, Telephone Communications, except Radiotelephone and Industry Code 4822, Telegraph and Other Message Communications.

Paging from part of 1987 Industry Code 4812, Radiotelephone Communications.

Cellular and Other Wireless Telecommunications from parts of 1987 Industry Codes 4812, Radiotelephone Communications and Industry Code 4899, Communications Services, Not Elsewhere Classified.

Telecommunications Resellers from part of 1987 Industry Code 4812, Radiotelephone Communications and

part of Industry Code 4813, Telephone Communications, Except Radiotelephone.

Satellite Telecommunications from part of 1987 Industry Code 4899, Communications Services, Not Elsewhere Classified.

Other Telecommunications from part of 1987 Industry Code 4899, Communications Services, Not Elsewhere Classified.

The number of industries in this industry subsector increased from 7 in 1987 to 11 in 1997. For time series linkage, 4 of the 7 1987 industries are comparable within three percent of the 1997 industries. For the other 3 industries, changes involve splitting a part of 1987 SIC 4-digit industries to obtain more industry detail, in response to new economic and technological developments in this subsector; the new more detailed industries can readily be reaggregated for analytical purposes where time series comparability is important.

**Part III—Proposed New Industry Structure for Food Services and Drinking Places and Accommodations**

*Section A—NAICS Structure and Narrative*

North American Industry Classification System

(NAICS)

Agreement Number 3

This Document represents the proposed agreement on the structure of the North American Industry Classification System (NAICS) for the following industries:

Foodservices and Drinking Places Accommodations

The detailed NAICS structure along with a brief description of the structure is attached (Attachments 1 and 2). Each country agrees to release a copy of the proposed NAICS structure to interested data users. Comments received will be shared among the countries and discussions held before a final decision on the structure is made. Each country may add additional detailed industries, below the 4-digit level of NAICS, as necessary to meet national needs, so long as this additional detail aggregates to a 4-digit NAICS level in order to ensure full comparability among the three countries. This NAICS structure was presented and provisionally accepted at the NAICS Committee meeting held on May 18 and 19 in Ottawa, Canada.

Accepted	Signature	Date
Canada .....	/S/ Jacob Ryten.	5/19/95
Mexico .....	/S/ Enrique Ordaz.	5/19/95
United States ...	/S/ Jack E. Triplett.	5/19/95

ATTACHMENT 1.—NAICS STRUCTURE

XX	Foodservices and Drinking Places.
XXX	Full-Service Restaurants.
XXXX	Full-Service Restaurants.
XXX	Limited-Service Eating Places.
XXXX	Limited-Service Restaurants and Cafeterias.
XXXX	Refreshment Places.
XXX	Special Foodservices.
XXXX	Foodservice Contractors.
XXXX	Caterers.
XXXX	Mobile Caterers.
XXX	Bars, Taverns, and Other Drinking Places (Alcoholic Beverages).
XXXX	Bars, Taverns, and Other Drinking Places (Alcoholic Beverages).
XX	Accommodations.
XXX	Traveler Accommodations.
XXXX	Hotels and Motels, except Casinos.
XXXX	Casino Hotels.
XXXX	Other Traveler Accommodations.
XXX	Recreational and Other Accommodations.
XXXX	Recreational Vehicle Parks and Camps.
XXXX	Rooming and Boarding Houses.

**Attachment 2—North American Industry Classification System**

Draft Classification for:

Foodservices and Drinking Places Accommodations

Representatives of the statistical agencies of Canada, Mexico and the United States have agreed to a draft industry classification for Foodservices and Drinking Places and Accommodations. These are further

subdivided into six industry groups and ten industries.

*Achievement of Objectives*

The classification meets the objectives for the North American Industry Classification System. It is comprised of

industries that group establishments with similar production processes, that is, it applies the production-oriented economic concept. The hierarchical structure also follows the production concept.

The classification achieves comparability for the three participating countries. Based on existing data, all three countries expect to be able to publish data regularly at the NAICS 4-digit industry level of the NAICS structure with the exception of Casino Hotels, which will be published only in the United States. All countries agree on the detailed definitions of the industries.

The classification improves comparability with other countries. The grouping of the Accommodations Subsector with the Foodservices and Drinking Places Subsector achieves comparability with the International Standard Industrial Classification of All Economic Activities (ISIC, Revision 3) of the United Nations at the 2-digit level, with the exception of doughnut shops which are included in the Foodservices and Drinking Places Subsector in NAICS and in the Manufacturing Division in ISIC. This means that the NAICS classification is the same as, or part of, a single ISIC 2-digit Division.

Other objectives of the NAICS project have also been met. New industries for different types of restaurants have been designated. These classifications reflect changes in the industry that have occurred in the past but have never been identified in the classification system.

In addition to the above objectives of the NAICS project, the classification meets the objectives of an industry classification. The industries are homogeneous and they are economically significant. Finally, disruptions to time series at the NAICS industry level have been kept to a minimum. In the United States, the major changes to existing classifications at the country level establish additional detail in the industry group, which can readily be linked to construct time series.

### **Foodservices and Drinking Places**

#### *Limitations of the Classification*

There are some limitations to the draft foodservices and drinking places hierarchy. A number of related industries that provide foodservices as a secondary activity are not included. These are such activities as dinner theaters, dinner cruises, and fraternal organizations that provide foodservices to their members. These activities are not included in this industry subsector

but will be classified in other service related industry subsectors based on their primary activity.

#### *Constraints on the NAICS Classification*

A number of industries that can appropriately be defined in terms of production distinctions could not be published in all countries because of considerations of size and confidentiality. In addition, the way activities are combined in establishments differs to some extent in the different countries. It is anticipated that each country will publish additional categories that comprise subdivisions of NAICS industries, to present data for activities that are nationally significant.

#### *A General Outline*

The foodservices and drinking places grouping of industries is defined to include establishments that are primarily engaged in preparing meals, snacks, and beverages to customer order for immediate consumption, primarily on the premises. Within the subsector Food Services and Drinking Places, the industry groups (Full-Service Restaurants; Limited-Service Eating Places; Special Foodservices; and Bars, Taverns, and Other Drinking Places) reflect the level of service provided. The NAICS industries are described below.

Full-Service Restaurants provide a complete menu of full meals and full waiter/waitress service.

Limited-Service Eating Places provide a limited menu, limited waiter/waitress service, or both. This group is separated into limited-service restaurants and cafeterias. Limited-Service includes fast food and take out, plus cafeterias which are distinguished based on the cafeteria-style serving equipment. Refreshment places include doughnut shops, pretzel shops, cookie shops, coffee shops, and other such locations that primarily prepare and provide a single-item menu of food and drink for immediate consumption. Establishments that primarily resell food and drink prepared elsewhere, and that do not provide an eating place, are classified in retail trade.

Special Foodservices provide foodservices under special conditions. The group distinguishes Foodservice Contractors, Caterers, and Mobile Caterers. Foodservice Contractors operate under a long term contract to provide foodservices primarily in institutional, office, or industrial locations. Caterers provide event-based foodservice for both households (weddings, etc.) and industrial accounts (trade shows, etc.). Mobile Caterers are distinguished based on the use of a

specialized vehicle and mobile service. Food carts that prepare foods rather than merely selling food prepared elsewhere are classified in this industry.

Bars, Taverns, and Other Drinking Places (Alcoholic Beverages) are distinguished based on the use of special equipment, training and skills in the preparation and serving of alcoholic beverages.

#### *Some Changes to National Classification*

This section highlights some of the significant changes to existing national industry classifications. For foodservices, all countries have had separate industries based on food versus alcoholic beverages; however, this draft proposes new detail for the U.S. and a redefinition of many of the industries for both Canada and Mexico.

For Canada, this draft regroups the activities included in CSIC 9211, 9212, and 9213. Full-Service includes some of the operations that are currently in CSIC 9211 and 9212. The remaining establishments in these industries, namely those providing limited service are combined with the establishments in CSIC 9213 to form the Limited-Service Eating Places industry of NAICS. New detail for foodservices contractors, caterers, and mobile caterers has been established from within CSIC 9214.

For Mexico, parts of CMAP 931011 (all but cafeterias, dining cars, and vending machines), 931013, and 931015 are combined in the full-service classification. CMAP 931012 (except industrial cafeterias), 931014, and 931015 make up the new Limited-Service Eating Place industry group.

For the United States, USIC 5812 is split into separate detail for full-service, limited-service, and special services restaurants with additional U.S. detail for special services including foodservice contractors, caterers, and mobile caterers, a total of six new industries.

### **Accommodations**

#### *Limitations and Constraints of the NAICS Classification*

There are some limitations to the draft accommodations structure. Accommodation establishments, especially hotels and motels, provide many services other than lodging. For example, many establishments have restaurants. Others have recreational facilities. Small establishments with very limited lodging facilities may offer no amenities at all. Hotels and motels are accordingly not homogeneous with respect to the services they provide. Moreover, this is by far the largest

industry in the subsector. Nevertheless, no acceptable way was found to clearly demarcate the hotel and motel industry into more detailed industries that would be collectible in all three countries, and would apply to the operations of the industry in all three countries. Each country may add additional detailed industries, below the 4-digit level of NAICS, as necessary to meet national needs, so long as this additional detail aggregates to a NAICS industry level in order to ensure full comparability among the three countries.

*A General Outline*

The accommodations area is defined to include establishments that are primarily engaged in providing short-term accommodations. The industry groups and industries within accommodations have been grouped based on the various levels of services and facilities provided. The NAICS industries are described below.

Hotels and Motels primarily provide traditional types of lodging services to travelers. In addition to lodging, a range of other services may be provided.

Casino Hotels include both lodging and gaming casinos as an integrated facility. Both the lodging and gaming services are generally major operations and a separate industry has been created to classify these establishments. Casino Hotels are classified in this industry regardless of whether separate data are available for the gambling and hotel activities of these establishments. This

industry is becoming large in the United States, though it does not currently exist in Canada and Mexico.

Other Traveler Accommodations include bed and breakfast establishments, hostels, and other establishments that provide lodging to travelers but provide few of the types of ancillary services that hotels and motels commonly provide.

Recreational Vehicle Parks and Camps provide special types of accommodations for travelers, vacationers, and others. The facilities are often outdoors (such as campsites) and are recreational in nature.

Rooming and Boarding Houses include establishments renting rooms, with or without board, for indefinite periods. This industry primarily includes establishments known as rooming houses and student residences.

*Changes to the National Classifications*

This section highlights some changes to each country's current industry classification of accommodations. The most significant are:

For the United States, the distinction between membership and non-membership organizations that provide lodging has been deleted from the classification. Such activities will be classified based upon the type of accommodations being provided. The current industry for hotels and motels (SIC 7011) has been divided into four NAICS industries. Also, separate industries for recreational vehicle parks

and sporting camps have been combined.

For Canada, the proposal regroups four existing industries (CSIC's 9111, 9112, 9113, 9114) into two NAICS industries within the Traveler Accommodations industry group. In addition, three existing industries have been combined into a recreational vehicle parks and camp industry.

For Mexico, the proposal regroups three existing industries (CMAP's 932001, 932002, 932012) into two NAICS industries within the industry group for traveler accommodations.

*Section B—Annex: United States National Industry Detail*

As explained in the *Structure* presentation of this notice, the three country agreement on NAICS envisions that each country may choose to develop national detailed industries below the NAICS industry level, so long as the national detail can be aggregated to the NAICS classification, thus assuring full North American comparability.

The ECPC is proposing U.S. 5-digit industry detail for the two NAICS industry subsectors covered in Part III of this notice. In the following tables, proposed 5-digit detail is indicated in italics. For cases where no 5-digit detail is shown, the ECPC is proposing that the NAICS 4-digit industries will also represent the most detailed U.S. industries.

TABLE 1

The definitions of status codes are as follows: E-existing industry; N-new industry; R-revised industry; and \* means "part of". The abbreviation NEC is used for Not Elsewhere Classified.

	1997 NAICS and U.S. description	Status Code	1987 USIC Code	1987 USIC description
XX	Foodservices and Drinking Places			
XXX	Full-Service Restaurants			
XXXX	Full-Service Restaurants .....	N	*5812	Eating Places.
XXX	Limited-Service Eating Places			
XXXX	Limited-Service Restaurants and Cafeterias			
XXXXX	Limited-Service Restaurants .....	N	*5812	Eating Places(Limited-Service Restaurants).
XXXXX	Cafeterias .....	N	*5812	Eating Places (Cafeterias).
XXXX	Refreshment Places .....	N	*5812	Eating Places (Refreshment Places).
			*5461	Retail Bakeries (Snacks).
XXX	Special Foodservices			
XXXX	Foodservice Contractors .....	N	*5812	Eating Places (Food Service Contractors).
XXXX	Caterers .....	N	*5812	Eating Places (Caterers).
XXXX	Mobile Caterers .....	N	*5963	Direct Selling Establishments (Mobile Caterers).
XXX	Bars, Taverns, and Other Drinking Places (Alcoholic Beverages).			
XXXX	Bars, Taverns, and Other Drinking Places (Alcoholic Beverages)	E	5813	Drinking Places (Alcoholic Beverages).
XX	Accommodations			
XXX	Traveler Accommodations			
XXXX	Hotels and Motels, except Casino Hotels .....	R	*7011	Hotels and Motels (Hotels and Motels, Except Casino Hotels).



TABLE 1—Continued

The definitions of status codes are as follows: E-existing industry; N-new industry; R-revised industry; and \* means "part of". The abbreviation NEC is used for Not Elsewhere Classified.

	1997 NAICS and U.S. description	Status Code	1987 USIC Code	1987 USIC description
XXXX			*7041	Organization Hotels and Lodging Houses, on Membership Basis (Except Hotels).
XXXX	Casino Hotels .....	N	*7011	Hotels and Motels (Casino Hotels).
XXXX XXXXX	Other Traveler Accommodations Bed and Breakfast Inns .....	N	*7011	Hotels and Motels (Bed and Breakfast Inns)
XXXXX	All Other Traveler Accommodations .....	N	*7011	Hotels and Motels (Except Hotels, Motels and Bed and Breakfast Inns).
XXX	Recreation and Other Accommodations .....		*7041	Organization Hotels and Lodging Houses, on Membership Basis (Except Hotels)
XXXX XXXXX XXXXX	Recreational Vehicle Parks and Camps. Sporting and Recreation Camps Recreational Vehicle Parks and CampgroundsE .....	E E	7032 7033	Sporting and Recreational Camps. Recreational Vehicle Parks and Campgrounds
XXXX	Rooming and Boarding Houses .....	R	7021 *7041	Rooming and Boarding Houses. Organization Hotels and Lodging Houses, on Membership Basis (Rooming and Boarding Houses).

TABLE 2

The abbreviation "pt" means "part of". @ means a time series break has been created that is greater than 3% of the 1992 revenues for the 1987 SIC industry.

1987 USIC code	1987 USIC description	1997 U.S. description
5812@ .....	Eating Places .....	Full-Service Restaurants. Limited-Service Restaurants. Cafeterias. Refreshment Places (pt). Foodservice Contractors. Caterers.
5813 .....	Drinking Places .....	Bars, Taverns, and Other Drinking Places (Alcoholic Beverages).
7011 .....	Hotels and Motels .....	Hotels and Motels, except Casino Hotels (pt). Casino Hotels. Bed and Breakfast Inns. All Other Traveler Accommodations, NEC.
7021 .....	Rooming and Boarding Houses .....	Rooming and Boarding Houses (pt).
7032 .....	Sporting and Recreational Camps ....	Sporting and Recreation Camps.
7033 .....	Recreational Vehicle Parks and Campsites.	Recreational Vehicle Parks and Campgrounds.
7041@ .....	Organization Hotels and Lodging Houses, on Membership Basis.	Hotels and Motels, except Casino Hotels (pt). Rooming and Boarding Houses (pt).

*Description of Changes to the U.S. System*

1. **Foodservices and Drinking Places**—Seven new industries are added to the 1997 industry structure for this industry subsector. New industries are the following:

- Full-Service Restaurants from part of 1987 Industry Code 5812, Eating Places.
- Limited-Service Restaurants from part of 1987 Industry Code 5812, Eating Places.
- Cafeterias from part of 1987 Industry Code 5812, Eating Places.

Refreshment Places from parts of 1987 Industry Code 5812, Eating Places and Industry Code 5461, Retail Bakeries.

Foodservice Contractors from part of 1987 Industry Code 5812, Eating Places.  
Caterers from part of 1987 Industry Code 5812, Eating Places.

Mobile Caterers transferred from part of 1987 Industry Code 5963, Direct Selling Establishments.

The number of Foodservice and Drinking Places increased from 2 in 1987 to 8 in 1997. For time series linkage, 1 of the 1987 industries is

comparable within three percent of the 1997 industries. Industry 5812 was split into 6 new industries.

2. **Accommodations**—Three new industries are added to the 1997 industry structure for this industry subsector. New industries are the following:

- Casino Hotels from part of 1987 Industry Code 7011, Hotels and Motels.
- Bed and Breakfast Inns from part of 1987 Industry Code 7011, Hotels and Motels.

Other Traveler Accommodations, NEC from part of 1987 Industry Code 7011, Hotels and Motels.

One industry was deleted from this industry subsector.

Organization Hotels and Lodging Houses, on Membership Basis was deleted and the accommodations were

split between Hotels and Motels, except Casino Hotels and Rooming and Boarding Houses.

The number of 1997 Accommodations Industries increased from 5 in 1987 to 7 in 1997. For time series linkage, 4 of the 5 1987 industries are comparable

within three percent of the 1997 industries.

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