

December 8, 2015

MEMORANDUM FOR: Reviewer of 1220-0032

FROM: DAVID M. TALAN, Chief
Division of Administrative Statistics and Labor Turnover
Bureau of Labor Statistics

SUBJECT: Utilizing ARSWeb Data Collection for the North American Industry
Classification System (NAICS) Updates for 2017

On December 4, 2014, the Annual Refiling Survey (ARS) was approved by the Office of Management and Budget (OMB) with clearance expiring on December 31, 2017. The purpose of the ARS is to review private sector employers' North American Industry Classification System (NAICS) codes, geographic locations, business mailing addresses, and physical location addresses.

There are nearly 9.5 million establishments in the United States. These establishments cover all civilian employers (except interstate railroads) and some agricultural, domestic, and charitable organization employers. The BLS intends to continue its review of private sector employers' NAICS codes and geographic codes. For this purpose, the BLS-3023 forms are used in conjunction with the Unemployment Insurance tax reporting system in each State. As a result, changes in the industrial and geographical compositions of our economy are captured in a timely manner and reflected in the BLS statistical programs.

The OMB-sponsored Economic Classification Policy Committee (ECPC), comprised of representatives of the BLS, the Bureau of Economic Analysis, and the Census Bureau, proposed NAICS updates for 2017. The ECPC recommended an update of the industry classification system to clarify existing industry definitions and content, recognize new and emerging industries, and correct errors and omissions.

This memorandum details the approach to incorporate the proposed NAICS 2017 updates for those establishments subject to review into the normal FY 2017 ARS. Moreover, this new approach will continue to emphasize cost-effective online data collection.

NAICS 2017 Revision – ARSWeb-Only Letter

Approximately 50,000 establishments are in the NAICS 2017 “Split Industries” and “Partially-Combined Industries” that will require further review.

These establishments would receive a modified version of the already-approved ARSWeb letter that promotes online data collection¹. These letters would not include forms or return envelopes. The letters would notify respondents about the NAICS 2017 revision and contain a Web ID and password allowing them to determine their correct industry classification. The letters would also provide information about their particular “Split Industries” or “Partially-Combined Industries,” so that they would be able to assign the

¹ OMB had previously approved a reporting option whereby respondents provided their information via a secure website. More than 1,050,000 respondents have used ARSweb to respond to the ARS (through the end of November 2015) since its inception in 2012. These respondents receive a letter directing them to the ARSweb in lieu of forms and return envelopes.

appropriate 2017 NAICS codes themselves. Please see Attachments 1 and 2 for a sample of the proposed BLS ARSWeb-Only letters.

QCEW would utilize the existing ARSWeb system. These particular establishments would be treated as unclassified, meaning that their present NAICS codes and descriptions would not be displayed to respondents. Respondents will instead navigate to screens where they would select their correct 2017 NAICS codes.

Principally, we are emphasizing the cost-effective, secure online response option as a streamlined approach for the proposed NAICS 2017 updates. These respondents would be asked to provide the same ARS information as other respondents.

If you have any questions about this request, please contact David M. Talan at 202-691-6467 or e-mail at Talan.Dave@bls.gov or Emily Thomas at 202-691-6441 or e-mail at Thomas.Emily@bls.gov.

Attachment 1 – Mandatory ARS Web Letter – NAICS 2017 Revisions

Attachment 2 – Voluntary ARS Web Letter – NAICS 2017 Revisions