

Bureau of Economic Analysis, the Bureau of the Census, and the Bureau of Labor Statistics. On April 9, 1997, OMB published a **Federal Register** Notice of final decision (62 FR 17288) to adopt the NAICS for the United States.

Table 1 below provides an overview of the NAICS hierarchy, including

identification of the 20 NAICS sectors and the number of entities contained within the hierarchy at each of the various levels of detail. Under the NAICS classification hierarchy, the first two digits (of the 6-digit code) designate the Sector, the third digit designates the Sub-sector, the fourth digit designates

the Industry Group, the fifth digit represents the NAICS Industry (the most detailed level for making data comparisons across the U.S., Mexico, and Canada), and the sixth digit designates individual country-level national industries.

TABLE 1.—NAICS UNITED STATES STRUCTURE (FROM NAICS, 2002)

Sector and name	Sub-sectors (3-digit)	Industry groups (4-digit)	NAICS industries (5-digit)	6-digit industries		
				U.S. detail	Same as 5-digit	Total
11—Agriculture, Forestry, Fishing and Hunting	5	19	42	32	32	64
21—Mining	3	5	10	28	1	29
22—Utilities	1	3	3	6	4	10
23—Construction	3	10	28	4	27	31
31—33—Manufacturing	21	86	184	408	65	473
42—Wholesale Trade	3	19	71	0	71	71
44—45—Retail Trade	12	27	61	24	51	75
48—49—Transportation and Warehousing	11	29	42	25	32	57
51—Information	7	16	30	12	24	36
52—Finance and Insurance	5	11	32	15	27	42
53—Real Estate and Rental and Leasing	3	8	19	9	15	24
54—Professional, Scientific, and Technical Services	1	9	35	17	30	47
55—Management of Companies and Enterprises	1	1	1	3	0	3
56—Administrative and Support and Waste Management and Remediation Services	2	11	29	23	20	43
61—Educational Services	1	7	12	7	10	17
62—Health Care and Social Assistance	4	18	30	16	23	39
71—Arts, Entertainment, and Recreation	3	9	23	3	22	25
72—Accommodation and Food Services	2	7	11	7	8	15
81—Other Services (except Public Administration)	4	14	30	30	19	49
92—Public Administration	8	8	29	0	29	29
Total	100	317	725	669	510	1,179

While the NAICS uses a 6-digit coding system as just described, the 1987 SIC system it replaced employed a 4-digit coding system, where the fourth digit designates the industry. According to OMB, the two extra digits in the NAICS system (1) allow for more sectors³ to be used (compared with the SIC system which was limited to ten sectors), and (2) allow for a category at the six-digit level to be available for national industry detail (that is, industries that would not appear on the Canadian or Mexican version of the NAICS). The additional two digits in the NAICS add flexibility to the hierarchy, but do not necessarily reflect a greater level of detail in the classification compared with the SIC. 62 FR 17291.

There are several important points we wish to emphasize regarding the NAICS system. First, this system was developed using a “production-oriented” concept, whereby producing units that use identical or similar production processes are grouped together in

NAICS. 62 FR 17289. We believe this is relevant for our purposes, because it makes sense that materials being generated from, and returned to, “identical or similar production processes” can be likewise viewed as being beneficially recycled “within the same industry.” Second, the NAICS, and its SIC predecessor, were designed solely for statistical purposes. The OMB emphasizes that while the NAICS will also be used for non-statistical purposes, such as regulatory purposes, the “requirements of government agencies that use it for non-statistical purposes have played no role in its development.” 62 FR 17294. Thus, we want to be clear that our proposal to rely on the NAICS system is, above all else, based upon its functionality as an existing, recognized system for classifying industries, which serves our purpose well. Finally, under the NAICS system, the owner/operator of a facility (or more appropriately, of an establishment) is tasked with determining his/her own industry classification, largely using the NAICS Manual for help in determining how to categorize his/her own establishment. In

today’s proposal, we will not be “assigning” NAICS categories to particular facilities or establishments. Rather, we are designing a system under which owners of facilities handling secondary materials will identify which NAICS code applies to them for RCRA recycling purposes. It simply is not practicable for EPA to review and make determinations for all of the individual facilities involved.

This aspect of NAICS (and its predecessor SIC) is not new. There are already EPA regulations where certain facility owner/operators need to identify their SIC category (e.g., for determining the applicability of the Toxic Chemical Release Reporting/Community Right-To-Know requirements; see 40 CFR 372.22); or that refer to the SIC categories (e.g., RCRA regulations that rely in part on SIC codes to delineate the scope of certain existing industry-specific hazardous waste listings and exclusions); or that require SIC classification information as part of required reporting for large quantity hazardous waste generators and RCRA permit applicants). There is a relatively long history of the use of an accepted

³ “Sectors” are at the top of the classification hierarchy, the most fundamental category, such as agriculture, mining, manufacturing, education, retail, etc.