



DEPARTMENT FOR PROFESSIONAL EMPLOYEES, AFL-CIO

July 28, 2021

Kerrie Leslie
Office of Management and Budget
9215 New Executive Office Building
725 17th St. NW
Washington, DC 20503

Re: DPE Comment on North American Industry Classification System
(NAICS)—Updates for 2022 (Docket ID USBC-2021-0004).

Dear Ms. Leslie,

On behalf of the 24 national unions in the Department for Professional Employees, AFL-CIO (DPE), I write in support of the Economic Classification Policy Committee's recommendations for NAICS code changes for online industries in the information sector. In particular, DPE supports the ECPC recommendations in section B3, which would group internet news and periodical publishers with other similar publishers, regardless of their product delivery mechanism.

The NAICS classification of Internet news and periodical publishers is of particular concern for DPE as many journalists and other news professionals who work for digital-native news organizations are members of our affiliate union Writers Guild of America, East (WGAE). This change will allow these professionals to be counted among their colleagues for the purposes of public policy, statistical analysis, and other important uses.

Currently, Internet news and periodical outlets are included in NAICS code 519130, Internet publishing and broadcasting and web search portals. This overly broad classification places news organizations such as Vox and Slate in the same category as search engines like Google and Bing and social media platforms including Facebook and Twitter. However, beyond their shared use of the Internet as a common resource, Internet news and periodical publishers have very little in common with these other businesses.

The proposed NAICS update correctly recognizes that Internet news and periodical publishers, known colloquially as “digital-native publications” or “digital-native news” organizations, are much more similar to newspapers (current NAICS code 511110) and periodicals (current NAICS code 511120). Digital-native outlets employ journalists, editors, and other media professionals to collect and disseminate news and information on a variety of topics and themes through mediums that can include a combination of writing, video, and podcasting. Outlets like Vox, HuffPost, Thrillist, Curbed, Gizmodo, Refinery29, Slate, SB Nation, and Talking Points Memo cover local and national businesses, politics, and sports, in addition to other issues Americans need to know about – science, health care, the economy, and more. These

companies typically maintain editorial standards and operate news bureaus, just like traditional newspapers and magazines. However, unlike legacy newspapers and magazines, Internet news and periodical publishers do not distribute print versions of their content.

The overly broad nature of certain current NAICS codes, including 519130, can make it difficult to properly tailor public policies that are intended for certain industries. For instance, when Congress responded to the COVID-19 pandemic, some relief proposals were targeted to certain industries based on NAICS codes. Designing programs to provide assistance to news organizations hurt by the pandemic's economic impact posed a challenge because the existing NAICS codes did not group all news organizations together in a distinct category.

Fortunately, the proposed NAICS code updates included in 86 FR 35350 solve this problem, which is why DPE voices its support for the improvements. If approved, the new NAICS codes 513110 and 513120 will properly situate digital-native news businesses in their relevant industries, newspaper publishers and periodical publishers. Print publications are increasingly reliant on revenue from both digital subscriptions and online advertising as a growing majority of Americans read the news online. Additionally, news professionals move seamlessly between digital-native and print-based news publishers throughout their careers and the proposed updates will ensure that professionals working for Internet news and periodical outlets are counted in statistical reports alongside their peers at other publications. As the news business continues to transform, it is critical that policy makers and the public have the most accurate classification of businesses in the industry, regardless of transmission methods.

DPE appreciates OMB taking our perspective and our suggestions into consideration. If you have any questions, please contact DPE Assistant to the President/Legislative Director, Michael Wasser at mwasser@dpeaficio.org.

Sincerely,

A handwritten signature in blue ink, appearing to read "JDorning", written in a cursive style.

Jennifer Dorning, President