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August 27, 2013

Carol Rowan
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Division of Management Systems
Bureau of Labor Statistics, Room 4080
2 Massachusetts Avenue, NE
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Subject: Bureau of Labor Statistics —Proposed Revision of the Annual Refiling Survey (ARS).

Pursuant to the notice published in the July 23, 2013 Federal Register (78 Fed. Reg. 44160), the National Association of Home Builders (NAHB) would like to take this opportunity to comment on the proposed revision of the Annual Refiling Survey (ARS). In particular, NAHB would like to respond to the request in the above-referenced notice for comments on whether the proposed collection of information will have practical utility and how the quality, utility, and clarity of the information to be collected can be enhanced.

NAHB is a Washington-based trade association representing more than 140,000 members involved in building single family and multifamily housing, remodeling, manufacturing and distributing products, and other aspects of residential construction. NAHB is affiliated with more than 800 state and local home builders associations around the country.

The Quarterly Census of Employment and Wages (QCEW) provides comprehensive employment, wages, establishment count data by industry and geographic area for workers covered by State Unemployment Insurance Laws. The program aggregates data from quarterly tax reports filed by employers subject to various unemployment insurance programs. As a result of this compilation, the QCEW covers most of US jobs and constitutes a "virtual census". This wide, timely, and detailed industry coverage makes the QCEW one of the best sources to study industry employment and wages trends that is widely used by policymakers, industry consultants and analysts.

NAHB is a frequent user of the QCEW and consistently relies on its data to analyze residential construction employment, wages, and establishment count. Moreover, because NAHB deals with federal housing policy issues as well as issues of interest to its affiliated state and local associations, NAHB uses and analyzes the QCEW data for all geographic entities available in the QCEW on a regular basis, including the nation as a whole, states, counties, and Metropolitan Statistical Areas.

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Furthermore, NAHB estimates the share of residential construction in the entire construction industry based on the QCEW, an essential step in calculating housing's contribution to the Gross State Product and self-employment levels in home building. Therefore, NAHB would like to emphasize how crucial it is to have a very precise and detailed breakdown of residential construction employment and wages according to the North American Industry Classification System (NAICS) for all available geographic entities.

According to the July 23 Federal Register notice, the Annual Refiling Survey (ARS) is used periodically to verify the accuracy of the information supplied by employers subject to State Unemployment Insurance Laws. The ARS attempts to verify and correct the NAICS code assigned to establishments, seeks accurate addresses of establishments and checks geographic codes. The above mentioned notice also states that the BLS and the Census Bureau signed a Memorandum of Understanding in 2012 to share selected business data on multi-location companies and that the ARS will be used to verify NAICS codes and to provide these to the Census Bureau. NAHB strongly supports coordinating the ARS efforts to provide accurate industry establishment count with those of the US Census Bureau that provide similar establishment count in the Economic Census and County Business Patterns. In the past, the number of establishments in residential construction NAICS codes reported by the QCEW differed substantially from that reported by the US Census Bureau in the Economic Census and County Business Patterns. It would be of great value to all users if the industry establishment count was reliable and consistent across the three programs.

NAHB greatly appreciates this opportunity to comment on the proposed extension of the ARS, and looks forward to working with the Bureau of Labor Statistics in the future to maintain and enhance the quality of industry data in the United States.

Best regards,

A handwritten signature in cursive script that reads "David Crowe".

David Crowe