Biotechnology Innovation Organization
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VIA REGULATIONS.GOV

Re: BIO Comments on Office of Management and Budget (OMB) Statistical Policy Directive No. 8 North American Industry Classification System (NAICS)-Request for Comments on Possible Revisions for 2027 (USBC–2024–0032)

Karin A. Orvis
Chief Statistician of the United States
Statistical and Science Policy Branch Chief
Office of Information and Regulatory Affairs (OIRA)
Office of Management and Budget (OMB)

Dear Ms. Orvis,

The Biotechnology Innovation Organization (BIO) welcomes this opportunity to respond to the request for public comment from the Office of Management and Budget (OMB), on behalf of the Economic Classification Policy Committee (ECPC), as a part of the review of the 2022 North American Industry Classification System (NAICS) for potential revisions to be made to the structure and content of the NAICS for 2027.

BIO represents more than 1,000 members in a biotech ecosystem with a central mission — to advance public policy that supports a wide range of companies and academic research centers — that are working to apply biology and technology in the agriculture, energy, manufacturing, and health sectors to improve the lives of people and the health of the planet. BIO is committed to speaking up for the millions of families around the globe who depend upon our success.

BIO is a longtime supporter of the inclusion of new biotechnology NAICS codes and has worked with policymakers for many years at both the congressional and executive level to advance this important work. BIO calls on the Administration to continue these efforts to better enable stakeholders throughout government and the private sector to track, measure, and reach stated goals. Accurate measurement of the bioeconomy and understanding of its contribution alongside

traditional industries is critical as innovation continues to broaden the scope of the bioeconomy. To ensure the United States maintains its leadership in biotechnology and seizes both new and existing opportunities, the federal government must use the right metrics to strengthen our capacity to develop and create innovative technologies. The inclusion of new codes will enhance the measurement of emerging technologies and processes—thereby ensuring national security, human, animal, agricultural and environmental health and energy independence solutions can be fully realized.

Additionally, BIO supports the evaluation of proposals for new industries in NAICS for 2027 within the context of the industry and product classification systems to determine the most appropriate resolution. While the two classification systems are separate, both NAICS and the North American Product Classification System (NAPCS) will both be needed to fully account for the complex and evolving economic impact of the bioeconomy.

As the scope of the bioeconomy continues to grow, efforts to develop the comparative metrics needed to enable stakeholders – including federal government – to track, measure, and reach stated goals are critical. Updates to the NAICS and NAPCS codes will be needed to ensure we fully understand the contribution of the bioeconomy alongside traditional industries and are able to account for the fact that the bioeconomy crosses multiple sectors and hinges more on the techniques used to create a product, rather than the product itself.

In the 2018 Farm Bill, Congress called on the U.S. Department of Agriculture and the U.S. Department of Commerce to develop NAICS codes for renewable chemical manufacturers and producers of biobased products. Most recently, the Interagency Technical Working Group on Developing, Recommending and Assessing Current Industry and Product Classifications for the Emerging Bioeconomy (Working Group) submitted a report to OMB with recommendations for revisions to NAICS for advancing measurement of the bioeconomy.[1]

As cited in the Federal Register notice, the Working Group report "stated that there has been sustained growth and diversification in biotechnology, biomanufacturing, and the related use of biological resources to supplement, and in some industries, replace more traditional production methods." BIO urges OMB and the Economic Classification Policy Committee (ECPC) to advance the recommendations of the Working Group and continue the necessary work needed to ensure these recommendations are ready to be implemented for the 2027 NAICS cycle.

[1] Interagency Tech. Working Grp. on Developing, Recommending and Assessing Current Indus. & Product Classifications for the Emerging Bioeconomy, *Measuring the Bioeconomy: Recommended Revisions to the NAICS and NAPCS* (Sept. 12, 2023), *available at* www.usda.gov/sites/default/files/documents/OCE-Measuring-the-Bioeconomy.pdf.

BIO supports the recommendations adopted by the Working Group that would begin to address the need to differentiate the bioeconomy from its traditionally produced counterparts. BIO commends the Working Group on the inclusion of a wide range of industry sectors in its discussion. This diversity represents the ability of biotechnology to deliver solutions across economic sectors including but not limited to resins and plastics; fiber, yarn and threads; energy, agriculture, and biomedical. BIO is especially pleased to see that the Working Group report includes recommendations that not only split existing codes but move to establish new industry codes. Specifically, the report calls to establish five new industries under 325199 "All Other Basic Organic Chemical Manufacturing." The inclusion of these new codes reflects a growing understanding of current and future activity in the bioeconomy.

- Production of Basic Organic Chemicals Using Synthetic Biology (Split out of 325199)
- Production of Basic Organic Chemicals Using Biobased Feedstocks (Split out of 325199)
- Fatty Acid Ester Production from Biobased Feedstocks. (Includes fatty acid esters for non-fuel use and fuel use (biodiesel). Split out of 325199)
- Production of RNG from biogas. (Includes establishments whose primary output is pipeline-grade natural gas produced from biogas. Split out of 325199)
- Hydrotreatment of Esters and Fatty Acids (Production of hydrocarbon fuels from vegetable oils or animal fats. Includes production of renewable diesel, renewable jet fuel, renewable naphtha, and renewable propane/butane. Split out of 325199. Does not include biodiesel, since biodiesel is chemically distinct from hydrocarbon fuels.)

Additionally, BIO recommends additional consideration and inclusion of emerging technologies for inclusion in potential revisions to the 2022 NAICS for 2027. As noted, the techniques used to create a product can be a key factor whether a product is considered part of the bioeconomy. The Working Group report categorizes three areas as "Pending Further Discussion": Cellular metabolic engineering and chassis organism development (CRISPR); DNA Sequencing and Synthesis technology; and Computational analysis and AI/ML-guided design. The time horizon for developing and implementing updates to the NAICS lends credence to the need to better address and integrate these "emerging" technologies into the conversation now. To better align with the extensive and growing use of these technologies across the bioeconomy, we must account for these in the 2027 revision cycle pass. To better measure the bioeconomy, the NAICS and NAPCS must be future proofed to prevent a perpetual cycle where the lack of existing metrics hinders our ability to accurately capture and support the impact of new technologies on the overall economy.

BIO stands ready to work with OMB and the ECPC to help ensure the NAICS & NAPCS iterates at a rate that keeps pace with science innovation. Measurement tools must exist that industry and policymakers can leverage to support long-term goals – including national security, human,

animal, agricultural and environmental health and energy independence. BIO and its member companies look forward to continuing to engage with the Administration to move forward these efforts which will help to advance biotechnology and biomanufacturing innovation.

Sincerely,

Beth Ellikidis
Vice President, Agriculture & Environment
Biotechnology Innovation Organization