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Prepared for the  
Canadian Association of Income Funds  
**Income Trusts and the National  
Economy**

April 6, 2006

**Canadian Association of Income Funds**

**INCOME TRUSTS AND THE NATIONAL ECONOMY**

**HDR|HLB Decision Economics Inc.**

**April 6, 2006**

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## EXECUTIVE SUMMARY

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### Purpose of Study

This study examines whether the trust sector is having a positive, neutral or negative effect on the Canadian economy. The study was commissioned to address the public policy concern raised by some in government, the media and elsewhere that the trust structure, by virtue of the need to make regular distributions to unit holders, might attract companies with little need to invest in productivity-enhancing capital projects.

This concern stems from two related facts -- first, that productivity growth (growth in output per hour) is by far the most important source of Canadian economic expansion and second, that “capital formation” (investment in innovative new plant, equipment and high-technology business processes) is where the lion’s share of productivity growth comes from.

If the trust structure is indeed being adopted principally by firms with little reliance on fixed plant and equipment (i.e., low capital intensity) and little propensity to capital formation, people putting their money in trusts would indeed be diverting resources away from companies where the economy’s true growth potential lies.

### Key Findings

The evidence amassed in this study demonstrates that the public policy concern over trusts negatively effecting productivity is not only unwarranted, but that suppressing growth in the trust sector – by means of law, regulation or taxation policies - could be tantamount to suppressing growth in the Canadian economy.

**This conclusion is grounded in the following evidentiary findings:**

- **Whereas it is capital intensive industries in which the propensity for Canadian productivity growth is the greatest, firms in the business and energy trust sector are disproportionately more capital intensive than firms in the economy at-large;**
- **The annual rate at which firms continue to invest in productivity-enhancing plant, equipment and high technology business processes is unaffected by conversion to the trust structure;**
- **Almost 40% of all business and energy trusts in 2004 resided in industry sectors exhibiting above-average productivity growth over the period 1997 to 2003; and**
- **Firms are taking capital needs into account as a precondition for adopting the trust structure. Firms are not adopting the trust structure unless sufficient cash or other sources of funds will remain available to finance capital formation. Having adopted the trust structure, some firms change their capital structure**

**(shifting from debt to equity-based financing of capital projects, for example); and some firms reduce their payout ratios in order to preserve funds for capital formation.**

## **Conclusion**

Income trusts are investing in the kind of productivity-enhancing technologies and business processes needed to fuel economic expansion. Market capital drawn to income trusts does not represent a diversion of resources from high growth to low growth industries.

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## 1. INTRODUCTION

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The Canadian Association of Income Funds commissioned this study to examine the role of income trusts in the national economy. Do income trusts make a positive contribution to the nation's economic growth? Or, does the trust structure attract companies with little prospect for growth and thereby divert capital resources from their highest and best use? Is a company's choice of financial structure tied to its outlook for growth? Or, are firms' prospects for expansion unrelated to their choice of financial structure? Answers to these questions can help guide the formulation of sound public policy in relation to the trust sector the coming years.

### 1.1 Plan of The Paper

Section 2 explores the overarching issue of economic growth and uncovers how it relates specifically to the trust sector. This discussion establishes the basis for the research framework and findings presented in Section 3. A summary of the conclusions is presented in Section 4.

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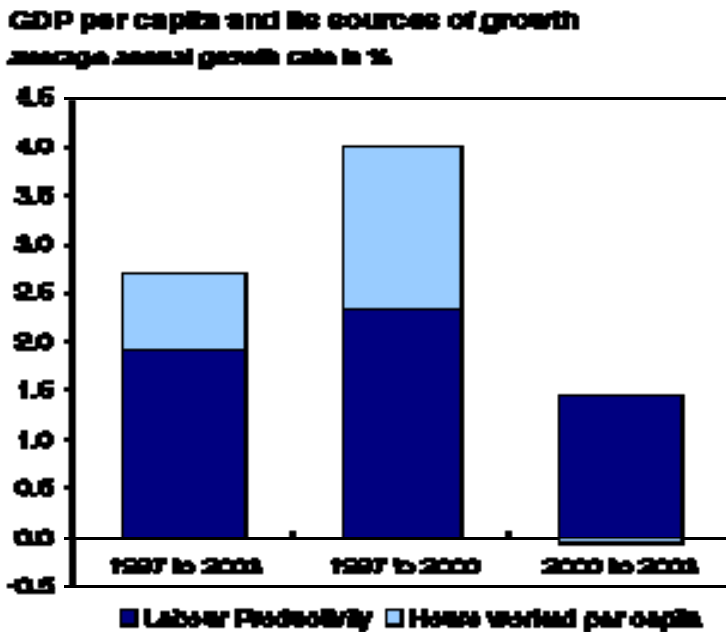
## 2. INCOME TRUSTS IN THE NATIONAL ECONOMY: FRAMING THE QUESTION

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Canada can grow – produce more goods, services, income and prosperity – either by employing more factors of production (labour and capital), or by increasing the productivity of those factors – the amount of output per unit of resource input. Simply stated, national output and income may be viewed as the product of the number of workers times the production per worker. Potential future growth will come from more workers or more productivity per worker – or from both.

Historically, it is productivity growth that has been crucial to economic growth. Economist Robert Solow reports that up to 85 percent of North American economic expansion over the last one hundred years is due to productivity increases as opposed to increases in the quantity of labour or capital employed. That statistic pertains to a period of rapid population growth and immigration. For the period 2000-2003, when population growth and immigration were significantly lower than the century average, Statistics Canada attributes literally all GDP growth to improvements in worker productivity (Figure 1). Looking ahead, the long term combined effect of an aging population, diminishing rates of net immigration and a progressively shorter work week means that the labour force will expand more slowly in the future than it did in the past. Growth in labour productivity – rather than number of workers -- will be the primary fuel for economic expansion and improvements in the living standards of Canadians.

Figure 1: Sources of Economic Growth

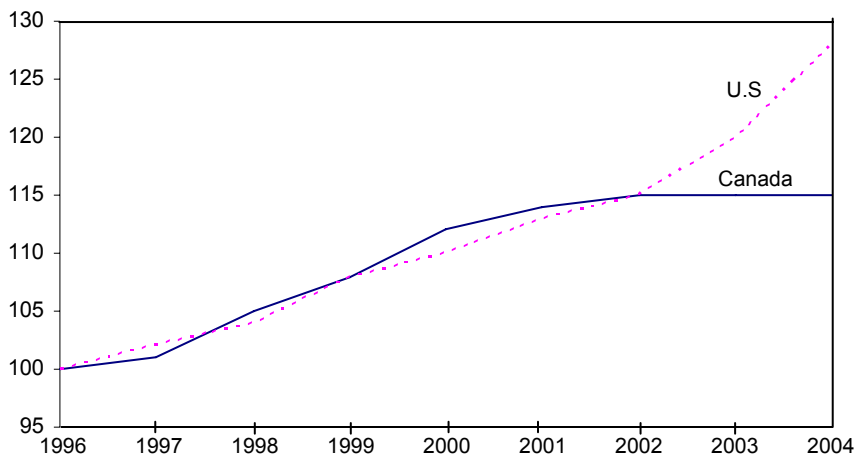


Source: Statistics Canada

## 2.1 Canadian Productivity Growth

Firms can offer competitive prices without squeezing real wages only if output per worker is on the rise. Without productivity growth people get poorer. Against the backdrop of this reality, government is understandably concerned about Canada's poor productivity performance. After increasing at an average annual rate of 2.8 percent over the period 1996-2000, output-per-hour in the Canadian business sector has averaged only 0.9 percent since the turn of the millennium (Figure 2). Although measurement issues give rise to some statistical uncertainty, measured productivity growth virtually collapsed altogether in 2003 and 2004. In the United States, Canada's largest trading partner, productivity grew by 3.8 percent a year between 2000 and 2004. In light of the trading relationship, persistent divergence between the Canadian and U.S. rate of productivity growth foreshadow steadily declining standards of living for Canadian households.

**Figure 2: Business Sector Cumulative Output per Hour Growth in Canada and the United States, 1996-2004**  
(1996=100)



Sources: Statistics Canada, Canadian Productivity Accounts (CANSIM Table 383-0008, quarterly data converted to annual averages) and the U.S. Bureau of Labor Statistics, Major Sector Productivity and Costs Program, Consistent with data released on June 9, 2000 in Canada and June 2, 2005 in the United States.

## 2.2 The Role of Capital Investment in Productivity Growth and Economic Performance

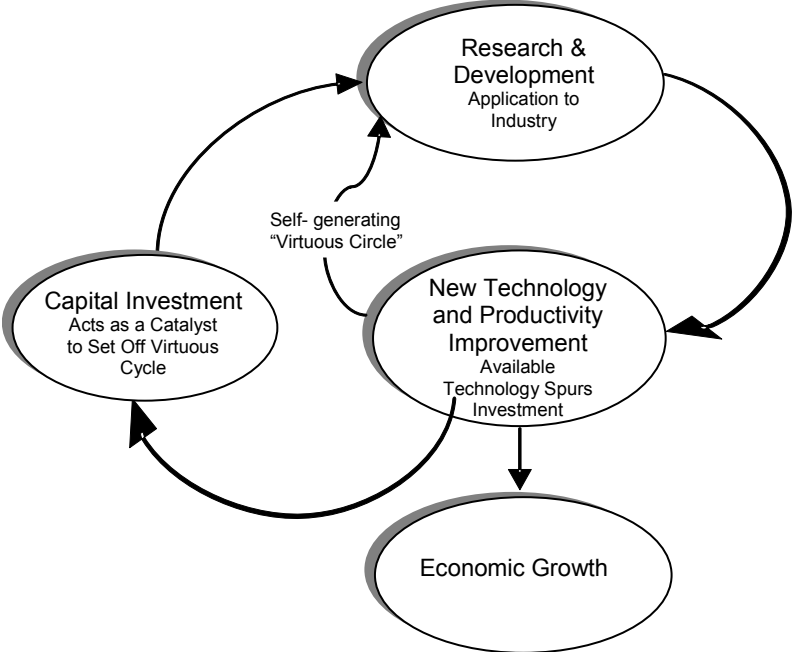
What factors give rise to productivity growth? It is well known that the productivity of labour, in addition to relying on the quality of labor, depends crucially on the total quantity of capital per worker. The greater the capital intensity per worker, the more leverage the worker has on production (and thus on his or her real wage rate, as explained above). The importance of capital

investment to productivity has been confirmed in a wide range of studies,<sup>1</sup> all indicating that the productivity of labour is significantly affected by the per-worker rate of capital investment – the amount of money spent in building up the nation’s capital stock of fixed assets.

The rate of capital investment has a significant effect on the productivity of capital itself. Because new and modernized plant, equipment and business systems embody the latest technology, the more rapidly new capital is added to the capital stock, the faster average productivity will grow. Indeed, the rate of technological progress itself is dependent on the rate of capital investment. The more quickly new capital is added to the capital stock, the better the quality of that capital is in terms of embedded technology. This in turn means higher productivity and higher growth.

How is it that capital investment stimulates technological advance and productivity growth? The answer is found in the way technological change is incorporated into fixed assets. Except for a small part devoted to basic science, research and development is seldom undertaken unless its results are expected to be applied in new facilities, machinery and equipment and business systems that can increase productivity, reduce costs or raise the quality of goods and services. Therefore, a larger rate of investment creates a market for technological improvements, spurring technological advance. Moreover, faster technological advance in turn spurs further investment, establishing a “virtuous circle” that drives further high rates of growth (Figure 3).

**Figure 3: Virtuous Circle of Capital Investment**



<sup>1</sup> See, Someshwar Rao, Andrew Sharpe and Jeremy Smith, “An Analysis of the Labour Productivity Slowdown in Canada since 2000” International Productivity Monitor, Spring 2005 (and) Robert Gordon, “Exploding Productivity Growth: Context, Causes and Implications,” Brookings Papers on Economic Activity, Brookings Institution, 2003

## 2.3 Sectoral Sources of Productivity Growth

To conclude that capital investment is the key to productivity growth is partly to miss the point: For the kind of capital investment matters also. In 1995, Solow remarked that -- “We see computers everywhere but in the productivity statistics.” By the late 1990s, however, the massive levels of investment in computer technology were indeed evident in Canadian economic performance. Whereas growth in total factor productivity puttered along at a sluggish annual rate between 1991 and 1995, it revved to more than three percent a year from 1996 to 1999. The unprecedented advance in real GDP witnessed in the late 1990s is widely acknowledged to be the reward of this productivity growth. The biggest winners were households, for whom take-home pay grew faster than at any time since the early 1960s. Corporate shareholders also did well, of course.

Econometric research by Stiroh of the Federal Reserve Bank of New York and Rao of Industry Canada attributes fully two-thirds of the late 90’s surge in Canadian and U.S. productivity growth to investment in digital technology. While a portion of this attribution is due to efficiency gains from automated processing in the semi-conductor and computer hardware and software manufacturing sectors (the “high technology” sectors) themselves, the lion’s share is ascribed to the effect of digital technology embedded in the business systems and machinery, equipment and facilities of capital intensive industries<sup>2</sup>. In short, manufacturers purchased machinery and equipment, and installed new business systems with embedded chip components that gave labour greater leverage over its hourly output.

Stiroh’s work makes its case with a number of econometric tests that show a robust link between capital formation and productivity growth. The tests demonstrate that technology-intensive industries experienced a productivity acceleration that is about two percentage points greater than other industries, a result that holds even when information technology producing industries are excluded from the analysis. Stiroh’s findings also link productivity growth to capital intensity: The size of the productivity acceleration for 1995-2000 rises with the 1995 share of technology-intensive capital services. These types of relationships are noticeably absent in the post-1982 surge in U.S. productivity growth and suggest real productivity benefits from technology use after 1995. Stiroh points out that if recent productivity gains were primarily cyclical, one would expect them to be independent of technology capital intensity.

An important finding of Stiroh’s is that technology-producing and technology-using industries accounted for literally all the direct industry contributions to the productivity revival of the 1990s. In comparing 1995-2000 to 1987-1995 (for the United States<sup>3</sup>), he shows that 26 technology-using industries contributed 0.83 percentage point to the aggregate productivity acceleration and the two technology-producing industries (semi-conductors and computer hardware) contributed 0.17. The remaining 33 industries made a negative contribution of 0.21

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<sup>2</sup> Kevin Stiroh, *Investment Technology and the U.S. Productivity Revival: What Do the Industry Data Say?* Federal Reserve Bank of New York, January 12, 2001 (re-printed in, *American Economic Review*, December 2002, p1559). See also, Dale W. Jorgenson, *Investment Technology and the U.S. Economy*, *The American Economic Review*, March 2001

<sup>3</sup> Similar analysis is not available for Canada

percentage points, on net, suggesting technology-related industries drove the productivity revival. Although the same degree of econometric clarity has not been developed for the Canadian economy, Industry Canada surmises that the 2000 to 2004 collapse in Canadian productivity growth must be due, *inter alia*, to the precipitous decline in the high technology producing sector and the slower rate of investment in machinery and equipment.<sup>4</sup>

## **2.4 The Role of Income Trusts in The National Economy: Framing The Question**

The analysis above helps elucidate the specific questions that need to be addressed in attending to the question posed in this paper, “Whether income funds represent a positive or negative influence on the nation’s economy?” Four questions matter most:

- 1) Does the trust structure itself create barriers to capital investment in plant, equipment and business systems? This prompts the second question --**
- 2) Is the trust sector attracting low-growth firms, indicating that the trust structure diverts capital resources from high growth to low growth sectors?**
- 3) Do firms that adopt the trust structure reduce their rate of capital investment? What does the evidence say about this, and about the fourth question, namely:**
- 4) Are income trusts making the kind of investments that promote productivity growth?**

Section 3 below presents our findings in relation to each of the four questions. Conclusions are given in Section 4.

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<sup>4</sup> Rao, op. cit.

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## 3. RESEARCH FRAMEWORK AND FINDINGS

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The four questions posed in the previous section are of course related: If adoption of the trust structure inhibits to investment (question 1) or favours low growth industries (question 2), we might expect to see declining rates of capital spending among firms that adopt the trust structure (question 3). Similarly, impediments to investment and declining rates of capital spending might also be manifest in a low incidence of projects of the kind that boost firm productivity and thus the nation's economic growth (question 4). On the other hand, if trusts reside to high-growth sectors we would expect to find examples of productivity-enhancing capital investment projects among income funds.

For clarity and convenience, this section addresses the four questions individually. In Section 4 we examine the evidence collectively with a view to addressing the overarching question, namely whether the federal tax policy that gives rise to the trust structure represents a positive or negative stimulus to the investment behaviour of firms that enter trust sector.

### 3.1 Data and Analysis Instruments

Three principal sources of data are employed in addressing the questions posed in Section 2:

- *Income Trust Financial Database*, a data set of all income funds as of December 31, 2004 developed by HLB Decision Economics Inc. from published sources;
- *Statistics Canada* and *Canadian Business Resource*; and,
- *Sample Survey of Energy and Business Trusts* conducted by HDR|HLB Decision Economics in October and November, 2005.

#### **Income Trust Financial Database**

Summarized in Table 1 in terms of market capitalization, the HDR|HLB Income Trust Financial Database contains audited financial information for business trusts, energy trusts and real estate trusts (REITS).

**Table 1: Market Capitalization in Income Trusts as of December 31, 2004 (in billions of 2004 dollars)**

Income Trusts			Total
Business	Energy	REITS	
51.6	41.8	17.4	110.8

### Statistics Canada and Canadian Business Resource

Capital intensity and productivity growth statistics at the two-digit level of industrial classification were obtained from Statistics Canada. We then employed a two-step process to classify business and energy trusts by two-digit sector (excluding REITS). In Step 1, we identified the six-digit industry sector pertaining to the major holdings of each trust as of December 2004 using the Canadian Business Resource<sup>5</sup>. In Step 2, each trust was assigned to the corresponding two-digit sector in which productivity growth statistics from Statistics Canada were reported. Trusts in six-digit categories spanning more than one two-digit sector were assigned to the two-digit sector corresponding to the principal line of business. The results are reported in Table 2 and Table 3<sup>6</sup>.

### Sample Survey of Energy and Business Trusts

HDR|HLB conducted a sample survey of business and energy trusts belonging to the Canadian Association of Income Funds. Given in Appendix A, the survey instrument was designed to measure;

- Capital intensity;
- The value of capital investment in fixed assets and business systems before and after conversion for trusts that converted from the corporate form; and,
- The nature of capital projects undertaken.

A total of 24 firms completed the survey, representing 17 percent of all business and energy trusts as of December 31, 2004. Though not sufficient to yield results at the highest benchmark

<sup>5</sup> The Canadian Business Resource can be accessed at [www.cbr.ca](http://www.cbr.ca)

<sup>6</sup> Note that trusts operating in more than one industry may not be represented with precision. Note as well that productivity growth and capital intensity may differ between the six-digit and two-digit level in each category of industry classification.

of statistical reliability (accuracy within plus or minus three percent 95 percent of the time), the sample is statistically representative of the business and energy trust sector.<sup>7</sup>

**Table 2: Business and Energy Income Trusts Classified by 2-Digit Industry Category (As of December 31, 2004)**

<b>2-Digit Industry Category</b>	<b>Number of Income Funds</b>	<b>Percent of Total Number of Income Funds</b>	<b>Income Fund Market Capitalization (millions of dollars)</b>	<b>Percent of Total Income Fund Market Capitalization</b>
Mining and oil and gas extraction	41	29	49,921	53.4
Utilities	13	9	10,546	11.3
Information and cultural industries	10	7	8,409	9.0
Manufacturing	30	21	7,710	8.3
Transportation and Warehousing	10	7	5,152	5.5
Trade <sup>1</sup>	8	6	2,503	2.7
Miscellaneous Services <sup>2</sup>	6	4	2,409	2.6
Agriculture, Forestry, Fishing & Hunting	4	3	1,742	1.9
Real Estate and rental & leasing	4	3	1,512	1.6
Health care and social assistance	1	1	1,156	1.2
Accommodation and Food Services	8	6	1,152	1.2
Arts, Entertainment and Recreation	2	1	747	0.8
Finance and Insurance	3	2	381	0.4
Other services (except public administration)	1	1	69	0.1
Construction	0	0	0	0
Educational Services	0	0	0	0
Public Administration	0	0	0	0
<b>TOTAL</b>	<b>141</b>	<b>100</b>	<b>93,409</b>	<b>100</b>

**Source: Canadian Business Resource, Income Trust Financial Database, Statistics Canada**

<sup>1</sup> Includes wholesale and retail trade

<sup>2</sup> Includes professional, scientific and technical services, management of companies and enterprises, and administrative and support, waste management and remediation services

<sup>7</sup> Business acquisitions were excluded from the sample. Including business acquisitions would reduce measured rate of capital intensity (capital stock per worker) of trusts for reasons other than disinvestment in fixed assets.

## 3.2 Question-by-Question Analysis

Each of the four questions is motivated by the need to measure the risk that the trust structure inhibits economic growth in a particular way. The discussion of each question begins by explaining the risk at-issue. This is followed in each case with a presentation of the evidence and related analysis and findings.

### **Does Adoption of the Trust Structure Create Barriers to Capital Investment?**

This question follows from the notion expressed by some that making regular distributions limits the ability of firms in the trust sector to employ business revenue to pay for capital investment, or to borrow against business revenue in the capital markets. To be sure, firms that adopt the trust structure must convince the marketplace that they meet investor criteria, one of which is the ability to generate a steady and predictable cash flow. Yet we find no evidence that this requirement in itself is tied to firms' capital budgeting decisions. Firms examined have taken their capital requirements specifically into account in pricing their IPOs (Initial Public Offerings) prior to conversion. Rather than squeezing capital investment so as to make a business case for conversion to the trust structure, firms examine the business case for adopting the trust structure after first having considered their capital requirements. Firms also adapt payout ratios to protect capital requirements and some reduce their dependence on business revenue as a source of funds for capital investment (by raising new equity dollar<sup>8</sup>, for example.) In all the cases we examined, capital needs -- and the means of financing them -- were taken into account prior to establishing the business case for adopting the trust structure.

The finding reported above, that firms give weight to meeting their capital investment requirements when considering adoption of the trust structure, is consistent with the statistics reported in Table 3 below. As the table shows, firms in the business and energy trust sector are highly capital intensive. More than half the sector (by market capitalization) is represented by firms in the mining and oil and gas sectors wherein capital intensity in 2004 stood at \$1,848,000 in fixed assets per worker. This figure compares with a capital intensity ratio for Canadian industry as a whole of just \$188,000 in fixed assets per worker. In other words, more than half the trust sector is ten-times more dependent on capital (relative to labour) than industry in general. Utilities, which at 11 percent of all trusts (by market capitalization), comprise the second largest element of the sector, held \$3,010,000 of fixed assets for each worker in 2004, fully 16 times more capital intensive than industry overall. Firms whose output is highly dependent on fixed assets can anticipate their capital requirements long into the future, making it possible for them to take such requirements into account when considering the business case for adopting the trust structure. There is no evidence firms short-change their investment requirements in order to adopt trust structure. Nor is there any evidence to suggest that only firms with little in the way capital dependency adopt the trust structure.

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<sup>8</sup> CIBC World Markets Inc. reports that reducing payout ratios as a means of partially financing capital investment requirements is a growing trend in the trust sector. See, CIBC World Markets, Themes and Issues #4, September 27, 2005

**Table 3: Business and Energy Income Trusts Classified by 2-Digit Industry Category, Capital Intensity and Labour Productivity, at December, 31 2004 (in Thousands of Constant 1997 Dollars)**

2-Digit Industry Category	Percent of Total Income Fund Market Capitalization (2004)	Percent of Total Number of Income Funds (2004)	Capital Intensity of Industry (Dollar Value of Fixed Assets Per Worker – 2004)	Average Annual Growth Rate in Percent (1997-2003) in <u>Labour Productivity</u> of Industry	Sources of Growth in Labour Productivity:		
					Average Annual Growth Rate in Percent (1997-2003) in <u>Capital Intensity</u> of Industry	Average Annual Growth Rate in Percent (1997-2003) in <u>Labour Quality</u> of Industry	Average Annual Growth Rate in Percent (1997-2003) in <u>Multifactor Productivity</u> of Industry
Mining and oil and gas extraction	53.4	29	1,848	1.1	3.3	0.6	-2.8
Utilities	11.3	9	3,010	-0.9	0.6	0.1	-1.6
Information and cultural industries	9.0	7	414	3	0.9	0.7	1.4
Manufacturing	8.3	21	148	2.9	0.5	0.5	1.8
Transportation and Warehousing	5.5	7	349	1.8	1.1	0.6	0.2
Trade <sup>1</sup>	2.7	6	43	(4.2, 3.1) <sup>1-1</sup>	(1,0.5) <sup>1-1</sup>	(0.3,-0.3) <sup>1-1</sup>	(2.9,2.9) <sup>1-1</sup>
Miscellaneous Services <sup>2</sup>	2.6	4	29	(3.8,-0.8) <sup>2-1</sup>	(4.2,-0.5) <sup>2-1</sup>	(0,0.4) <sup>2-1</sup>	(-0.4,-0.6) <sup>2-1</sup>
Agriculture, Forestry, Fishing & Hunting	1.9	3	93	4.8	1.8	0.2	2.9
Real Estate and rental & leasing	1.6	3	856	1.4 <sup>3</sup>	0.4 <sup>3</sup>	0.1 <sup>3</sup>	0.9 <sup>3</sup>
Health care and social assistance	1.2	1	55	0	0.6	-0.5	-0.1
Accommodation and Food Services	1.2	6	31	0.6	-0.4	-0.5	1.6
Arts, Entertainment and Recreation	0.8	1	68	-1.8	-0.6	-1.9	0.7
Finance and Insurance	0.4	2	205	1.4 <sup>3</sup>	0.4 <sup>3</sup>	0.1 <sup>3</sup>	0.9 <sup>3</sup>
Other services (except public administration)	0.1	1	44	3.1	1.3	0.5	1.3
Construction	0	0	60	1.5	0.1	0.2	1.2
Educational Services	0	0	123	1.3	1.8	-0.9	0.4
Public Administration	0	0	551	n/a	n/a	n/a	n/a
<b>Total -All Industries</b>	<b>100%</b>	<b>100%</b>	<b>188</b>	n/a	n/a	n/a	n/a
<b>Total - Business Sector</b>				<b>2.1</b>	<b>0.4</b>	<b>0.2</b>	<b>1.5</b>

Source: Canadian Business Resource, Income Trust Financial Database, Statistics Canada

<sup>1</sup> Includes wholesale and retail trade

<sup>1-1</sup> (Wholesale trade\_ retail trade)

<sup>2</sup> Includes professional, scientific and technical services, management of companies and enterprises, and administrative and support, waste management and remediation services

<sup>2-1</sup> (Professional, scientific and technical \_ administrative and support services, waste management and remediation services)

<sup>3</sup> Finance, insurance and real estate, and rental and leasing are grouped into a single category

## **Is the Trust Sector Characterized by Industries with Low Growth Potential?**

This question follows from the notion that the trust structure, by virtue of the need it imposes upon firms to make regular cash distributions, encourages the flow of capital resources into mature, low-growth businesses, businesses with less attractive investment-oriented growth opportunities.

The statistics in Table 3 indicate no evidence in support of this concern. Almost one-quarter of all business and energy trusts in 2004 (by market capitalization) reside in industry sectors that exhibited above-average productivity growth over the period 1997 to 2003. Some 8.3 percent of all trusts (by market capitalization) and more than 20 percent by number, reside in the manufacturing sector wherein productivity growth over the period was 2.9 percent, a rate of growth that outpaced industry at-large by 40 percent. The effects on economic performance in the manufacturing sector of the “just-in-time revolution” are significant. Research for the U.S. federal government conducted by Professor Joseph Stiglitz and his colleagues<sup>9</sup> indicates that the average lead-time for ordering materials and supplies in advance of production has declined from 72 days in 1961 to less than 50 days by 1999. Inventories have fallen from roughly 1.6 times monthly sales in the 1970s to some 1.2 times monthly sales today. Whereas logistics costs (excluding transportation) represented 19.1 percent of U.S. GDP in 1990, these costs had fallen to less than 11 percent of GDP by the turn of the century.

Although two sectors significant for trusts (extraction and transportation) displayed below-average productivity growth over the period 1997 to 2003, neither can be characterized as low growth industries. The oil and gas sector is widely acknowledged for its huge potential for Canadian economic growth in the decades. Productivity growth in this industry has been disappointing for various reasons but not because it is structurally a low growth sector. The same is true of the transportation and warehousing sector. Experience in the United States and Europe have shown how investment in advanced technology and logistics can spur sharp and sustained productivity and growth rates in this sector. New technologies, such as networked truck, aircraft and rail dispatching technologies linked to global positioning satellites, and e-commerce for instantaneous re-supply using secure internet keys, give rise to major opportunities for productivity growth in transportation and warehousing.

## **Do Firms that Adopt the Trust Structure Reduce their Rate of Capital Investment?**

The question stems from the need to ensure that the rate of capital investment and productivity growth in Canadian industry is sufficient to sustain and improve family living standards. If firms adopting the trust structure were found to be reducing the rate at which they maintain and modernize their capital assets, the ability of workers to improve their hourly output and increase their real earning power accordingly would be seriously impaired. The evidence indicates that adoption of the trust structure has no such impairment effect.

The survey evidence is summarized Table 4. The table shows that in the one to two years prior to adoption of the trust structure, firms averaged \$396,600 of capital investment per employee (in

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<sup>9</sup> Joseph E. Stiglitz, Peter R. Orszag, Jonathan M. Orszag, *The Role of Government in a Digital Age*, Commissioned by the Computer and Communications Industry Association, October 2000

constant 2004 dollars). That figure remained about the same in the one to two years following conversion. Measured at the median, the rate of investment per employee did fall somewhat after conversion to the trust structure, but the high dispersion of results (measured by the standard deviation) indicates that the decline is statistically insignificant.

**Table 4: Capital Expenditure Per Employee Before and After Adoption of the Trust Structure (All Trusts, in Thousands of Constant 2004 Dollars)**

Summary Statistic	Time Period	
	1-2 Years Prior to Conversion	1-2 Years After Conversion
Average	396.6	397.9
Median	45.2	39.3
Std Deviation	707	803
Number of Trusts in Sample	16	16

Source: HDR|HLB analysis of survey results

Note: Eight of 24 responses were excluded as both pre and post conversion data was not provided (or available) for these trusts

Tables 5 and 6 present the same analysis as that given in Table 4 but separates trusts into the energy (mining, oil and gas extraction and utilities) and non-energy sectors, respectively. The findings are similar, namely no statistical evidence of significant change in capital investment per employee.

**Table 5: Capital Expenditure Per Employee Before and After Adoption of the Trust Structure (Energy<sup>1</sup> Trusts, in Thousands of Constant 2004 Dollars)**

Summary Statistic	Time Period	
	1-2 Years Prior to Conversion	1-2 Years After Conversion
Average	861.9	874.4
Median	738.5	315.3
Std Deviation	894	1,068
Number of Trusts in Sample	7	7

Source: HDR|HLB analysis of survey results

<sup>1</sup> Includes mining, oil and gas extraction and utilities

**Table 6: New Capital Expenditure Per Employee Before and After Adoption of the Trust Structure (Non-Energy Trusts, in Thousands of Constant 2004 Dollars)**

Summary Statistic	Time Period	
	1-2 Years Prior to Conversion	1-2 Years After Conversion
Average	34.7	27.2
Median	15.2	21.3
Std Deviation	37	26
Number of Trusts in Sample	9	9

Source: HDR|HLB analysis of survey results

### **Are Firms in the Trust Sector Making the Kind of Investments that Promote Long-Term Productivity Growth?**

This question follows from the reality, explained in Section 2, that the nature of capital investment has a significant impact on extent to which it give rise to productivity growth and national economic expansion. As shown in Tables 2 and 3, income trusts cut across many industrial sectors, with an over-representation among industries that display above-average capital intensity. An examination of individual capital projects confirms that such projects include those of national significance, defined as the kind of projects that, collectively, boost national productivity growth. Of the 24 income trusts in the survey, 58 percent reported that they have invested in computer-related machinery, equipment and business systems with embedded digital technology to a moderate or high extent after converting to the trust structure. The five case studies reported in the text boxes below indicate the wide range of productivity-enhancing capital investments being undertaken by firms in the trust sector.

## Text Box 1: Case Study – ARC Energy Trust

- ❑ **Year of Conversion to Income Fund:** 1996
- ❑ **Market Capitalization (Dec. 31, 2004):** \$3.37 billion
- ❑ **Industry Classification:** Mining – Crude Petroleum and Natural Gas Extraction (#211111)
- ❑ **Profile:** ARC is one of Canada’s largest conventional oil and gas royalty trusts and Canada’s second largest oil and gas producer.
- ❑ **Example of Post-Conversion Investment:**

First company in Western Canada to use Haliburton's “Surgifrac” technology, applied at its major tight gas development site at Dawson in northeastern British Columbia. Tight oil and gas formations are characterized by low permeability rock, and in order to successfully produce from these formations, large hydraulic fracture stimulations are required along with sophisticated completion techniques. The advanced technology was applied to drill a horizontal well at the Dawson site, where prior to 2005, all of the wells were vertical.

- ❑ **Cost of Project:**  
\$6 million (post-conversion)

- ❑ **Productivity Impact:**

The drilling and completion costs for this horizontal well were almost \$6 million, or triple the \$2 million that it would have cost to drill a vertical well. However, the well has produced between 4 and 5 times the gas that a vertical well would have produced. The horizontal well results at the Dawson site imply that there is a potential savings of approximately \$100 million in full field development cost. Development plans now include the use of both horizontal and vertical wells.

## Text Box 2: Case Study - Davis + Henderson

- ❑ **Year of Conversion to Income Fund:** 2001
- ❑ **Market Capitalization (Dec. 31, 2004):** \$860 million
- ❑ **Industry Classification:** Manufacturing - Manifold Business Forms Printing (#323116)
- ❑ **Profile:** An integrated supplier to the retail operations of the country's financial institutions (FI's). Delivery of cheque supply programs and related services on behalf of its customers to 20 million individual account holders as well as cheque and deposit programs to more than one million small business enterprises.
- ❑ **Examples of Pre and Post-Conversion Investment:**
  - (1) Established *ChequeCentral*, a web-based electronic catalogue that enables in-home as well as in-branch ordering. This service is part of an overall strategy to move from branch initiated paper orders to integrated ordering channels. This service is available at no cost to the consumer or FI and provides both parties the ability to view cheques prior to ordering, eliminates branch initiated paper orders, and expedites delivery time as orders are transmitted electronically.
  - (2) Invested in automated packaging machines and digital presses to support manufacturing activities.
- ❑ **Cost of Projects:**
  - (1) \$1.8 million: \$0.1 million pre-conversion; \$1.7 million post-conversion
  - (2) \$7.8 million: \$3.6 million pre-conversion; \$4.2 million post-conversion
- ❑ **Productivity Impact:**
  - (1) There is an impact on both the productivity of FI's and internally. FI's are able to increase productivity by offering a more efficient delivery protocol to its customers. Less administrative time is required by branch staff and costly upgrades to order capturing systems are eliminated, resulting in a lower all-in cost to FI's. This gives them the ability to provide faster, more efficient and flexible service to its customers. Improved convenience to individual and business customers as a result of the web-based service has also led to productivity gains internally. Average order values have increased by approximately 20%, as customers often choose more products and greater premium products when ordering directly through Davis + Henderson.
  - (2) Davis + Henderson increased the flexibility and capabilities of its manufacturing operations, which has translated into productivity gains. By optimizing its production processes and utilizing labour more efficiently, it has also been able to offer a greater number of products and services, and provide more flexible personalized communications to its customers.

### Text Box 3: Case Study - Yellow Pages

- ❑ **Year of Conversion to Income Fund:** 2003
- ❑ **Market Capitalization (Dec. 31, 2004):** \$4.6 billion\*
- ❑ **Industry Classification:** Information and Cultural Industries - Directory and Mailing List Publishers (#51114)
- ❑ **Profile:** The fund indirectly holds Yellow Pages Group (YPG), Canada's largest telephone directories publisher, which has published more than 330 Yellow Pages™ directories and alphabetical pages. The Company also owns and manages some of Canada's most visited online directories.
- ❑ **Examples of Post-Conversion Investment:**

Launched *Customer First* in 2005, a corporate initiative to migrate its account and product-related information onto a single technology platform through the use of innovative Customer Relationship Management (CRM) tools. CRM tools provide an integrated approach to identifying, acquiring, and retaining customers. *Customer First* is a key enabler underpinning YPG's strategy to maximize the long-term sustainability of its business through: i.) increasing the productivity of its sales force; ii.) improving the effectiveness of its workflows and business processes; and, iii.) implementing new automated tools to optimize efficiency.
- ❑ **Cost of Project:**

\$12-\$15 million (post-conversion)
- ❑ **Productivity Impact:**

By enabling the management and coordination of customer interactions across multiple channels, departments, lines of business, and geographies, CRM tools work to maximize the value of customer interaction. Research has shown that companies that create satisfied and loyal customers have more repeat business, lower customer-acquisition costs, and a stronger brand value. The implementation of a single platform from pre-sales to contract closure is also expected to result in increased efficiency, performance and control.

Other productivity gains are achieved through:

  - The optimization of customer qualification and leads processes;
  - Decreased service costs, response times, and request resolution times;
  - Increased quality and efficiency in service order processing through automation;
  - Efficiency of sales assignment/targeting/account preparation which results in a shortened sales cycle and increased key sales-performance metrics; and,
  - Paperless call planning.

\* A \$2.55 billion acquisition of ADS (Advertising Directory Solutions, formerly SuperPages) was finalized in May 2005 and financed with \$1.7 billion of new equity. As a result, the market capitalization was closer to \$6.6 billion as of November 2005.

#### Text Box 4: Case Study – BFI Canada

- ❑ **Year of Conversion to Income Fund:** 2002
- ❑ **Market Capitalization (Dec. 31, 2004):** \$649 million
- ❑ **Industry Classification:** Waste Management and Remediation Services - Solid Waste Collection (#562111), Solid Waste Landfill (#562212), Materials Recovery Facilities (#562920),
- ❑ **Profile:** The fund operates through its subsidiaries as one of North America’s largest full-service waste management companies, providing non-hazardous solid waste collection and landfill disposal services for municipal, commercial, industrial and residential customers in five provinces and nine U.S. states.
- ❑ **Productivity Initiative:** A management philosophy that is focused on continuous improvement to generate greater return on invested capital and revenue growth.
- ❑ **Two Operational Areas Impacted By Productivity Initiative:**
  - (1) *Hauling Operations:* BFI operates hauling routes in each market in which it competes, and each route requires a fixed capital investment consisting of a collection vehicle and waste containers.
  - (2) *Landfill Operations:* BFI owns and operates 4 landfills in Canada. Each landfill requires significant capital to install a linear system, as well as heavy equipment to compact and handle the waste.
- ❑ **Examples of Productivity Improvements:**
  - (1) *Hauling Operations:* Through defined management processes, BFI has been able to increase its average profitability across all of its hauling/collection routes. Management continuously strives to improve its operations through the combination of capital improvements to its hauling fleet with the latest technologies, volume growth and route productivity improvements. The net effect is that BFI is able to service a larger account base with its capital on each collection route and add new routes to service its revenue growth.
  - (2) *Landfill Operations:* In 2004, BFI refurbished one of its large, 5 year old landfill compactors for approximately 50% of the cost of an equivalent new landfill compactor. The large refurbished compactor was moved from a large-scale landfill operating with multiple compactors to a small-scale landfill operating with a single small compactor that needed replacement. The large refurbished compactor was significantly heavier than the small compactor, enabling BFI to increase density at the small-scale landfill and accept waste without consuming any additional airspace (i.e., capacity) for 1 year. In future years, waste accepted consumes less airspace, which results in a continued higher return on invested capital.
  - (3) Meanwhile at the large-scale landfill, BFI purchased a landfill compactor to replace the unit that was refurbished, plus a second compactor in order to handle higher volumes of waste and increase efficiency at this site. Productivity is greatest using the refurbished large landfill compactor at the small-scale landfill, as the compactor has the greatest expected life (5-7 years) at this site.

## Text Box 5: Case Study - Bell Nordiq

- ❑ **Year of Conversion to Income Fund:** 2002
- ❑ **Market Capitalization (Dec. 31, 2004):** \$1.45 billion
- ❑ **Industry Classification:** Information and Cultural Industries - Wired Telecommunications Carriers (#51711), Paging (#517211), Cellular and Other Wireless Telecommunications (#517212), Internet Service Providers (#518111), Data Processing, Hosting, and Related Services (#51821)
- ❑ **Profile:** Holds a 36.6% interest in the combined operations of Télébec Limited Partnership and NorthernTel Limited Partnership, while Bell Canada indirectly holds the remaining 63.4%. Both Télébec and NorthernTel are leading telecommunications service providers to a significant portion of regional areas in Quebec and northern Ontario.
- ❑ **Examples of Post-Conversion Investment:**
  - (1) Deployment of Network X, a network access management platform to replace Télébec's obsolete network access management system and NorthernTel's manual paper design/drawing process. The network management system is a database which provides detailed information on network layout, location of components (i.e. copper wires, fibre optics, distribution equipment) and status of components (i.e. number of occupied versus available wires in a particular cable).
  - (2) Implementation of a new tool that utilizes wireless technologies in order to automate and optimize workforce management processes. This tool will automatically dispatch workload and set priorities for installation and repair (I&R) technicians based on selected parameters, such as technician specialty, urgency of response and location. At the completion of a work order, technicians will have the ability to electronically synchronize with dispatchers, eliminating manual paper-based time reports.
- ❑ **Cost of Projects:**
  - (1) \$4.7 million (post-conversion)
  - (2) \$1.6 million (post-conversion)
- ❑ **Productivity Impact:**
  - (1) Through adopting a common network platform management tool for the outside plant group in a centralized database at Télébec and NorthernTel, Bell Nordiq is able to improve productivity and realize net savings of \$230K per year by simplifying and harmonizing processes between the two companies. A technologically advanced network management system helps improve productivity as it operates with many other systems to provide information that: i.) allows engineers to produce "just in time" network expansion plans; ii.) improves response times to customer requests for services; and, iii.) optimizes deployment of technicians.
  - (2) Through the use of wireless technologies, Bell Nordiq is able to increase the productivity of its workforce. The advanced workforce management processes will lead to net savings of \$500K per year by increasing the number of work orders completed per day by I&R technicians.

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## 4. CONCLUSION

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The trust framework of operation poses no structural barriers to capital formation and firms are found to take capital needs into account in assessing the business case for adopting the trust structure. As such, market capital drawn to income trusts does not represent a diversion of resources from high investment and high growth industries to low investment, low growth ones. The rate at which firms invest in fixed assets, capital equipment and technology-based business processes and logistics remains largely unchanged following adoption of the trust structure, and the kind of projects undertaken include those of significance to national productivity growth.

As the number of firms electing to adopt the trust structure continues to grow, it is natural to ask whether the conclusions drawn above are sustainable. The practice of taking capital requirements into account in assessing the business case for adopting the trust structure suggests that the conclusions are likely to hold going forward. While this paper does not ask whether the trust structure is especially attractive to investment and growth-oriented firms, it can be said that such firms have thus far been drawn to the sector in numbers largely representative of their incidence in the economy. Evidence that might give rise to a shift in this pattern has not arisen in the analysis presented here.

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## APPENDIX A: SURVEY INSTRUMENT

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### Income Trust Survey

HDR|HLB Decision Economics has been engaged by the Canadian Association of Income Funds (CAIF) to conduct a study to determine whether the federal governments existing tax treatment of Income Funds stimulates national productivity growth, and promotes economic expansion and improved living standards.

The survey is being distributed to business and energy trusts, and its purpose is to collect information where possible that would permit some measurement of: i.) the capital intensity of firms both pre and post conversion to the income trust structure, and ii.) the amount of capital investment both pre and post conversion to the income trust structure.

An Annex is attached to this survey for reference with two questions in the survey. No information needs to be filled out in the Annex.

**ALL INFORMATION PROVIDED THROUGH THIS SURVEY INSTRUMENT WILL BE TREATED AS STRICTLY CONFIDENTIAL. ONLY HIGH LEVEL AGGREGATIONS OF THE DATA ARE TO BE EMPLOYED FOR ANALYSIS AND REPORTING PURPOSES.**

If you have any questions regarding completion of the survey, we ask that you direct your queries to **XX** at **XX** or **XX**. Thank you in advance for your consideration in assisting us.

#### **TIME IS OF THE ESSENCE**

THE INFORMATION REQUESTED HEREIN IS TO BE USED IN THE CAIF RESPONSE TO THE GOVERNMENT'S CONSULTATION PAPER ON INCOME FUNDS. CAIF APOLOGIZES FOR THE CALL TO IMMEDIATE ACTION AND REQUESTS THE PROVISION OF THE REQUESTED DATA BY **FRIDAY, OCTOBER 21** IF AT ALL POSSIBLE, AND NO LATER THAN **FRIDAY, OCTOBER 28**.

**Please fill in the information below**

**Date Completed:**

**Trust Name:**

**Address:**

**Contact Name:**

**Contact Position:**

**Contact Telephone:**

**Contact Fax:**

**Contact Email:**

**Response Handling Instructions**

Your response can be sent either by email, fax or by mail to the number or addresses provided below.

<b>To the attention of:</b>	<b>XX HDR   HLB Decision Economics</b>
<b>By email to:</b>	<b>XX</b>
<b>or by fax to:</b>	<b>1-800-275-9859</b>
<b>or by mail to:</b>	<b>1525 Carling Ave, Suite 500 Ottawa, Ontario K1Z 8R9</b>

Q#1. What was the date of conversion\* to the Income Trust Fund? (Annex 1 includes HDR|HLB's estimated dates of conversion for a number of income trusts for guidance (if required)).  
 \*Date of conversion refers to either an initial public offering (IPO) or conversion to a public income fund.

Q#2a. Prior to conversion to a trust, what was the name of the corporate entity? (if applicable)

Q#2b. Was the whole corporate entity converted to the Income Trust Fund? (Please circle or underline YES, NO or N/A. N/A applies if conversion was through an initial public offering)

YES                      NO                      N/A

Q#2c. If answered NO in Q#2b, what approximate percentage (in terms of revenue) of the corporate entity was converted to the Income Trust Fund? (Please circle or underline the approximate percentage).

Less than 10%                      10%-25%                      25%-50%                      50-75%

Greater than 75%

Q#3. Please input gross revenue/sales from operations in Table 1 for the two fiscal years prior to conversion to an income trust, the fiscal in which conversion occurred, and the two fiscal years post conversion. If data is not available for a time period, enter N/A for the relevant period.

Gross revenue/sales data is disclosed in the Consolidated Statement of Earnings in the annual reports. Do not make any revenue adjustments for gains and/or losses, such as those occurring as a result of commodity and foreign currency contracts.

**Table 1: Gross Revenue/Sales from Operations**

	Time Period				
	T= -2 (Fiscal Year two years prior to conversion)	T= -1 (Fiscal Year one year prior to conversion)	T= 0 (Fiscal Year of conversion)	T= +1 (Fiscal Year one year post conversion)	T= +2 (Fiscal Year two years post conversion)
<b>Gross Revenue/Sales from Operations (\$ thousands)</b>					

Q#4. Please input the additional data identified in Table 2 for the two fiscal years prior to conversion to an income trust, and the two fiscal years post conversion. If data is not available for a time period, enter N/A for the relevant period.

**For the purpose of this calculation: Capital Expenditure** = expenditure on plant and equipment, including computer technologies, software, advanced logistics, and business processes. Exclude any lease inducements, intangible acquisitions, business acquisitions, and investment in marketable securities.

Capital expenditure data is disclosed in the Investing Activities section of the Consolidated Statement of Cash Flows in the annual reports.

**Table 2: Other Data**

	Time Period			
	T= -2 (Fiscal Year two years prior to conversion)	T= -1 (Fiscal Year one year prior to conversion)	T= +1 (Fiscal Year one year post conversion)	T= +2 (Fiscal Year two years post conversion)
Capital Expenditures (in \$ thousands)				
Wages/Salary Expense (in \$ thousands)				
Total Number of Employees				
Depreciation /Amortization of Capital Assets (in \$ thousands)*				
Number of Professional Engineer Employees				
Number of Information Technology (IT) Employees				
Patents (in \$ thousands)				

\*Note: depreciation/amortization is restricted to plant and equipment, including computer technologies, software, advanced logistics, and business processes.

Q#5. Please provide the NAICS<sup>10</sup> (North American Industry Classification System) 6-digit code and title which correspond to the main operations (i.e. greatest value-add) of the Income Trust Fund. Refer to Annex 2 for a list of the 2002 NAIC codes and titles.

**6-digit code:**

**Title:**

Q#6. To what extent has **GROSS capital investment** involved computer-related technology, including any or all of the following: information technology; plant and equipment with embedded computer technology; advanced logistics and business processes (just-in-time based technologies). Use a single check mark (√) in the pre-conversion column and a single check (√) in the post-conversion column.

**Table 3: Extent of Computer Related Technology in Gross Capital Investment**

Extent	Pre-Conversion	Post-Conversion
Low		
Moderate		
High		

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<sup>10</sup> The North American Industry Classification System (NAICS) is an industry classification system developed by the statistical agencies of Canada, Mexico and the United States.

## Income Trust Survey – Annex

HDR|HLB Decision Economics has included this Annex as **REFERENCE** for two questions in the survey.

### **NO INFORMATION NEEDS TO BE FILLED OUT IN THIS ANNEX.**

**Annex 1** is referenced in Question #1 on page 3 of the survey. Table A1-1 provides estimated dates of conversion for a number of business trusts. Table A1-2 provides estimated dates of conversion for a number of energy trusts. **This information is provided as guidance to survey respondents only. If information of a survey respondent shows the date of conversion to be different than the date provided in Annex 1, the former is to be used in the response to Question #1.**

**Annex 2** is referenced in Question #5 (page 5) of the survey. Table A2-1 provides the 6-digit industry codes listed in the North American Industry Classification System (NAICS). The North American Industry Classification System (NAICS) is an industry classification system developed by the statistical agencies of Canada, Mexico and the United States. **This information is required to employ high level aggregations of the data for analysis and reporting procedures.**

## Annex 1

Table A1-1 provides a list of business trusts and Table A1-2 provides a list of energy trusts. HDR|HLB's estimated date of conversion to the income trust fund was obtained from the SEDAR website ([www.sedar.com](http://www.sedar.com)).

**Table A1-1: 2004 Business Trusts**

No.	Company Name	HDR HLB Estimated Date of Formation
1	Yellow Pages Income Fund	Jun 25 2003
2	Fording Canadian Coal Trust	Feb 27 2003
3	Superior Plus Income Fund	Aug 2 1996
4	Energy Savings Income Fund	Feb 14 2001
5	Bell Nordiq Income Fund	Mar 5 2002
6	Pembina Pipelines Income Fund	Sep 4 1997
7	Altagas Income Trust	May/01/04
8	CCS Income Trust	May 22 2002
9	CML Healthcare Income Fund	Feb/23/04
10	TimberWest Forest Corp.	Jan 3 1997
11	TransForce Income Fund	Sep 30 2002
12	Calpine Power Income Fund	Aug 29 2002
13	Great Lakes Hydro Income Fund	Sep 16 1999
14	Westshore Terminals	Dec 2 1996
15	Davis + Henderson Income Fund	Nov 6 2001
16	Connors Bros. Income Fund	Sep 24 2001
17	The Brick Group Income Fund	Apr/30/2004
18	Algonquin Power Income Fund	Sep. 8 1997
19	Labrador Iron Ore Royalty Trust	Oct 5 1995
20	Cineplex Galaxy Income Fund	Oct 2 2003
21	Northland Power Income Fund	Feb 17 1997
22	Boralex Power Income Fund	Dec. 21 2001
23	BFI Income Fund	Apr 25 2002
24	Noranda Income Fund	May 3 2002
25	Newalta Income Fund	Jan 16 2003
26	Gateway Casinos Income Fund	Nov 28 2002
27	UE Waterheater Income Fund	Nov 10 2003
28	Enbridge Income Fund	May 22 2003

**Table A1-1: 2004 Business Trusts (Cont'd)**

<b>No.</b>	<b>Company Name</b>	<b>HDR HLB Estimated Date of Formation</b>
29	Chemtrade Logistics Income Fund	May 17 2001
30	North West Company Fund	Mar 27 1997
31	Osprey Media Income Fund	Jan/01/04
32	SFK Pulp Fund	Aug 1 2002
33	Menu Foods	May 22 2002
34	Trinidad Energy Services	Sep 18 2002
35	Roger Sugar Income Fund	Sep 15 1997
36	Contrans Income Fund	Aug 1 2002
37	Prizm Canadian Income Fund	Sep 24 2003
38	Atlas Cold Storage Income Trust	Feb 25 1997
39	KCP Income Fund	Aug 13 2002
40	Tree Island Wire Income Fund	Nov 12 2002
41	Livingston International Income Fund	Feb 11 2002
42	Sleep Country Canada Income Fund	Mar 5 2003
43	Arctic Glacier Income Fund	Jan 22 2002
44	Innergex Power Income Fund	Jun 16 2003
45	Parkland Industries Income Fund	Jan 1 1997
46	Clean Power Income Fund	Oct 31 2001
47	Macquarie Power Income Fund*	Mar/12/04
48	ROW Entertainment Income Fund	Sep 15 2003
49	Versacold Income Fund	Dec 19 2001
50	Hardwoods Distribution Income Fund	Jan/30/04
51	Foremost Industries Income Fund	Nov 14 2001
52	Badger Income Fund	Feb/17/04
53	Sun Gro Horticulture Income Fund	Mar 27 2002
54	Home Equity Income Trust	Aug 8 2002
55	Boston Pizza Royalties Income Fund	Jul 17 2002
56	A&W Income Fund	Feb 15 2002
57	Wellco Energy Services Trust	Aug 6 2002
58	Royal LePage Franchise Services Fund	Jan 3 2003
59	PBB Global Logistics Income Fund	May 15 2002
60	Oceanex Income Fund	Oct 31 1997
61	Avenir Diversified Income Trust	June 30/04
62	Armtec Infrastructure Income Fund	Jun/15/04
63	Liquor Stores Income Fund	Sep/16/04
64	Richards Packaging Income fund	Feb/26/04
65	Associated Brands Income Fund	Sep 25 2002
66	Big Rock Brewery Income Trust	Nov 18 2002
67	Swiss Water Income Fund	Jul 24 2002
68	Cathedral Energy Services Income Trust	Jul 30 2002
69	SCI Income Trust	Aug 22 1997
70	Prime Restaurants Royalty Income Fund	July 22 2002

**Table A1-1: 2004 Business Trusts (Cont'd)**

No.	Company Name	HDR HLB Estimated Date of Formation
71	Advanced Fiber Technologies Income Fund	Feb 12 2002
72	Amtelecom Income Fund	Jan 14 2003
73	Art in Motion Income Fund	Jun/21/04
74	PRT Forest Regeneration Income Fund	May 14 1997
75	Boyd Group Income Fund	Feb 28 2003
76	PDM Royalties Income Fund	Apr/12/04
77	Halterm Income Fund	Mar 25 1997
78	IAT Air Cargo Facilities Income Fund	Mar 15 1997
79	Hot House Growers Income Fund	Nov/10/03
80	Rainmaker Income Fund	May 31 2002
81	General Donlee Income Fund	May 3 2002
82	Exchange Industrial Income Fund	Mar/24/04

**Table A1-2: 2004 Energy Trusts**

No.	Company Name	HDR HLB Estimated Date of Formation
1	Acclaim Energy Trust	Nov 28 1996
2	Advantage Energy Income Trust	Apr 17 2001
3	APF Energy Trust	Oct 10 1996
4	ARC Energy Trust	May 7 1996
5	Baytex Energy Ltd. Trust	Jul 24 2003
6	Bonavista Energy Trust	May 23 2003
7	Bonterra Energy Income Trust	Jul 1 2001
8	Calpine Natural Gas Trust	Aug 22 2003
9	Canadian Oil Sands Trusts	Oct 5 1995
10	Crescent Point Energy Ltd. Trust	Sep 4 2003
11	Enerplus Resources Trust	Mar 2 1987
12	Enterra Energy Trust	Nov 25 2003
13	Focus Energy Trust	Aug 23 2002
14	Freehold Royalty Trust	Nov 25 1996
15	Harvest Energy Trust	Dec 5 2002
16	NAL Oil & Gas Trust	Mar 8 1996
17	NAV Energy Trust	Nov 12 2003
18	Paramount Energy Trust	
19	Pengrowth Energy Trust	Dec 2 1988
20	Petrofund Energy Trust	Dec 16 1988
21	Peyto Energy Trust	May 22 2003
22	PrimeWest Energy Trust	Aug 2 1996
23	Progress Energy Trust	May/26/04
24	Provident Energy Trust	Mar 6 2001
25	Shiningbank Energy Income Fund	May 16 1996
26	Vermilion Energy Trust	Jan 22 2003
27	Viking Energy Royalty Trust	Dec 18 1996
28	Zargon Energy Trust	Jul/15/04

## Annex 2

The **first 2 digits** of the NAICS Code and their relation to high level industry groups is provided in the table below. **This information is provided to assist you in locating the 6 digit code and title in Table A2-1.**

<b>First 2 digits of NAICS Code</b>	<b>2002 Industry Grouping</b>
11	Agriculture, Forestry, Fishing and Hunting
21	Mining
22	Utilities
23	Construction
31,32,33	Manufacturing
42	Wholesale Trade
44,45	Retail Trade
48,49	Transportation and Warehousing
51	Information
52	Finance and Insurance
53	Real Estate and Rental and Leasing
54	Professional, Scientific, and Technical Services
56	Administrative and Support and Waste Management and Remediation Services
61	Educational Services
62	Health Care and Social Assistance
71	Arts, Entertainment, and Recreation
72	Accommodation and Food Services
81	Other Services (except Public Administration)
92	Public Administration

**Table A2-1: 2002 NAICS Codes**

<b>Code</b>	<b>2002 NAICS Title</b>
111110	Soybean Farming
111120	Oilseed (except Soybean) Farming
111130	Dry Pea and Bean Farming
111140	Wheat Farming
111150	Corn Farming
111160	Rice Farming
111191	Oilseed and Grain Combination Farming
111199	All Other Grain Farming
111211	Potato Farming
111219	Other Vegetable (except Potato) and Melon Farming
111310	Orange Groves
111320	Citrus (except Orange) Groves
111331	Apple Orchards
111332	Grape Vineyards
111333	Strawberry Farming
111334	Berry (except Strawberry) Farming
111335	Tree Nut Farming
111336	Fruit and Tree Nut Combination Farming
111339	Other Noncitrus Fruit Farming
111411	Mushroom Production
111419	Other Food Crops Grown Under Cover
111421	Nursery and Tree Production
111422	Floriculture Production
111910	Tobacco Farming
111920	Cotton Farming
111930	Sugarcane Farming
111940	Hay Farming
111991	Sugar Beet Farming
111992	Peanut Farming
111998	All Other Miscellaneous Crop Farming
112111	Beef Cattle Ranching and Farming
112112	Cattle Feedlots
112120	Dairy Cattle and Milk Production
112130	Dual-Purpose Cattle Ranching and Farming
112210	Hog and Pig Farming
112310	Chicken Egg Production
112320	Broilers and Other Meat Type Chicken Production
112330	Turkey Production
112340	Poultry Hatcheries
112390	Other Poultry Production
112410	Sheep Farming

**Table A2-1: 2002 NAICS Codes (Cont'd)**

<b>Code</b>	<b>2002 NAICS Title</b>
112420	Goat Farming
112511	Finfish Farming and Fish Hatcheries
112512	Shellfish Farming
112519	Other Animal Aquaculture
112910	Apiculture
112920	Horses and Other Equine Production
112930	Fur-Bearing Animal and Rabbit Production
112990	All Other Animal Production
113110	Timber Tract Operations
113210	Forest Nurseries and Gathering of Forest Products
113310	Logging
114111	Finfish Fishing
114112	Shellfish Fishing
114119	Other Marine Fishing
114210	Hunting and Trapping
115111	Cotton Ginning
115112	Soil Preparation, Planting, and Cultivating
115113	Crop Harvesting, Primarily by Machine
115114	Postharvest Crop Activities (except Cotton Ginning)
115115	Farm Labor Contractors and Crew Leaders
115116	Farm Management Services
115210	Support Activities for Animal Production
115310	Support Activities for Forestry
211111	Crude Petroleum and Natural Gas Extraction
211112	Natural Gas Liquid Extraction
212111	Bituminous Coal and Lignite Surface Mining
212112	Bituminous Coal Underground Mining
212113	Anthracite Mining
212210	Iron Ore Mining
212221	Gold Ore Mining
212222	Silver Ore Mining
212231	Lead Ore and Zinc Ore Mining
212234	Copper Ore and Nickel Ore Mining
212291	Uranium-Radium-Vanadium Ore Mining
212299	All Other Metal Ore Mining
212311	Dimension Stone Mining and Quarrying
212312	Crushed and Broken Limestone Mining and Quarrying
212313	Crushed and Broken Granite Mining and Quarrying
212319	Other Crushed and Broken Stone Mining and Quarrying
212321	Construction Sand and Gravel Mining
212322	Industrial Sand Mining
212324	Kaolin and Ball Clay Mining
212325	Clay and Ceramic and Refractory Minerals Mining
212391	Potash, Soda, and Borate Mineral Mining
212392	Phosphate Rock Mining

**Table A2-1: 2002 NAICS Codes (Cont'd)**

<b>Code</b>	<b>2002 NAICS Title</b>
212393	Other Chemical and Fertilizer Mineral Mining
212399	All Other Nonmetallic Mineral Mining
213111	Drilling Oil and Gas Wells
213112	Support Activities for Oil and Gas Operations
213113	Support Activities for Coal Mining
213114	Support Activities for Metal Mining
213115	Support Activities for Nonmetallic Minerals (except Fuels)
221111	Hydroelectric Power Generation
221112	Fossil Fuel Electric Power Generation
221113	Nuclear Electric Power Generation
221119	Other Electric Power Generation
221121	Electric Bulk Power Transmission and Control
221122	Electric Power Distribution
221210	Natural Gas Distribution
221310	Water Supply and Irrigation Systems
221320	Sewage Treatment Facilities
221330	Steam and Air-Conditioning Supply
236115	New Single-Family Housing Construction (except Operative Builders)
236116	New Multifamily Housing Construction (except Operative Builders)
236117	New Housing Operative Builders
236118	Residential Remodelers
236210	Industrial Building Construction
236220	Commercial and Institutional Building Construction
237110	Water and Sewer Line and Related Structures Construction
237120	Oil and Gas Pipeline and Related Structures Construction
237130	Power and Communication Line and Related Structures Construction
237210	Land Subdivision
237310	Highway, Street, and Bridge Construction
237990	Other Heavy and Civil Engineering Construction
238110	Poured Concrete Foundation and Structure Contractors
238120	Structural Steel and Precast Concrete Contractors
238130	Framing Contractors
238140	Masonry Contractors
238150	Glass and Glazing Contractors
238160	Roofing Contractors
238170	Siding Contractors
238190	Other Foundation, Structure, and Building Exterior Contractors
238210	Electrical Contractors
238220	Plumbing, Heating, and Air-Conditioning Contractors
238290	Other Building Equipment Contractors
238310	Drywall and Insulation Contractors
238320	Painting and Wall Covering Contractors
238330	Flooring Contractors
238340	Tile and Terrazzo Contractors
238350	Finish Carpentry Contractors

**Table A2-1: 2002 NAICS Codes (Cont'd)**

<b>Code</b>	<b>2002 NAICS Title</b>
238390	Other Building Finishing Contractors
238910	Site Preparation Contractors
238990	All Other Specialty Trade Contractors
311111	Dog and Cat Food Manufacturing
311119	Other Animal Food Manufacturing
311211	Flour Milling
311212	Rice Milling
311213	Malt Manufacturing
311221	Wet Corn Milling
311222	Soybean Processing
311223	Other Oilseed Processing
311225	Fats and Oils Refining and Blending
311230	Breakfast Cereal Manufacturing
311311	Sugarcane Mills
311312	Cane Sugar Refining
311313	Beet Sugar Manufacturing
311320	Chocolate and Confectionery Manufacturing from Cacao Beans
311330	Confectionery Manufacturing from Purchased Chocolate
311340	Nonchocolate Confectionery Manufacturing
311411	Frozen Fruit, Juice, and Vegetable Manufacturing
311412	Frozen Specialty Food Manufacturing
311421	Fruit and Vegetable Canning
311422	Specialty Canning
311423	Dried and Dehydrated Food Manufacturing
311511	Fluid Milk Manufacturing
311512	Creamery Butter Manufacturing
311513	Cheese Manufacturing
311514	Dry, Condensed, and Evaporated Dairy Product Manufacturing
311520	Ice Cream and Frozen Dessert Manufacturing
311611	Animal (except Poultry) Slaughtering
311612	Meat Processed from Carcasses
311613	Rendering and Meat Byproduct Processing
311615	Poultry Processing
311711	Seafood Canning
311712	Fresh and Frozen Seafood Processing
311811	Retail Bakeries
311812	Commercial Bakeries
311813	Frozen Cakes, Pies, and Other Pastries Manufacturing
311821	Cookie and Cracker Manufacturing
311822	Flour Mixes and Dough Manufacturing from Purchased Flour
311823	Dry Pasta Manufacturing
311830	Tortilla Manufacturing
311911	Roasted Nuts and Peanut Butter Manufacturing
311919	Other Snack Food Manufacturing
311920	Coffee and Tea Manufacturing

**Table A2-1: 2002 NAICS Codes (Cont'd)**

<b>Code</b>	<b>2002 NAICS Title</b>
311930	Flavoring Syrup and Concentrate Manufacturing
311941	Mayonnaise, Dressing, and Other Prepared Sauce Manufacturing
311942	Spice and Extract Manufacturing
311991	Perishable Prepared Food Manufacturing
311999	All Other Miscellaneous Food Manufacturing
312111	Soft Drink Manufacturing
312112	Bottled Water Manufacturing
312113	Ice Manufacturing
312120	Breweries
312130	Wineries
312140	Distilleries
312210	Tobacco Stemming and Redrying
312221	Cigarette Manufacturing
312229	Other Tobacco Product Manufacturing
313111	Yarn Spinning Mills
313112	Yarn Texturizing, Throwing, and Twisting Mills
313113	Thread Mills
313210	Broadwoven Fabric Mills
313221	Narrow Fabric Mills
313222	Schiffli Machine Embroidery
313230	Nonwoven Fabric Mills
313241	Weft Knit Fabric Mills
313249	Other Knit Fabric and Lace Mills
313311	Broadwoven Fabric Finishing Mills
313312	Textile and Fabric Finishing (except Broadwoven Fabric) Mills
313320	Fabric Coating Mills
314110	Carpet and Rug Mills
314121	Curtain and Drapery Mills
314129	Other Household Textile Product Mills
314911	Textile Bag Mills
314912	Canvas and Related Product Mills
314991	Rope, Cordage, and Twine Mills
314992	Tire Cord and Tire Fabric Mills
314999	All Other Miscellaneous Textile Product Mills
315111	Sheer Hosiery Mills
315119	Other Hosiery and Sock Mills
315191	Outerwear Knitting Mills
315192	Underwear and Nightwear Knitting Mills
315211	Men's and Boys' Cut and Sew Apparel Contractors
315212	Women's, Girls', and Infants' Cut and Sew Apparel Contractors
315221	Men's and Boys' Cut and Sew Underwear and Nightwear Manufacturing

**Table A2-1: 2002 NAICS Codes (Cont'd)**

<b>Code</b>	<b>2002 NAICS Title</b>
315222	Men's and Boys' Cut and Sew Suit, Coat, and Overcoat Manufacturing
315223	Men's and Boys' Cut and Sew Shirt (except Work Shirt) Manufacturing
315224	Men's and Boys' Cut and Sew Trouser, Slack, and Jean Manufacturing
315225	Men's and Boys' Cut and Sew Work Clothing Manufacturing
315228	Men's and Boys' Cut and Sew Other Outerwear Manufacturing
315231	Women's and Girls' Cut and Sew Lingerie, Loungewear, and Nightwear Manufacturing
315232	Women's and Girls' Cut and Sew Blouse and Shirt Manufacturing
315233	Women's and Girls' Cut and Sew Dress Manufacturing
315234	Women's and Girls' Cut and Sew Suit, Coat, Tailored Jacket, and Skirt Manufacturing
315239	Women's and Girls' Cut and Sew Other Outerwear Manufacturing
315291	Infants' Cut and Sew Apparel Manufacturing
315292	Fur and Leather Apparel Manufacturing
315299	All Other Cut and Sew Apparel Manufacturing
315991	Hat, Cap, and Millinery Manufacturing
315992	Glove and Mitten Manufacturing
315993	Men's and Boys' Neckwear Manufacturing
315999	Other Apparel Accessories and Other Apparel Manufacturing
316110	Leather and Hide Tanning and Finishing
316211	Rubber and Plastics Footwear Manufacturing
316212	House Slipper Manufacturing
316213	Men's Footwear (except Athletic) Manufacturing
316214	Women's Footwear (except Athletic) Manufacturing
316219	Other Footwear Manufacturing
316991	Luggage Manufacturing
316992	Women's Handbag and Purse Manufacturing
316993	Personal Leather Good (except Women's Handbag and Purse) Manufacturing
316999	All Other Leather Good Manufacturing
321113	Sawmills
321114	Wood Preservation
321211	Hardwood Veneer and Plywood Manufacturing
321212	Softwood Veneer and Plywood Manufacturing
321213	Engineered Wood Member (except Truss) Manufacturing
321214	Truss Manufacturing
321219	Reconstituted Wood Product Manufacturing
321911	Wood Window and Door Manufacturing
321912	Cut Stock, Resawing Lumber, and Planing
321918	Other Millwork (including Flooring)
321920	Wood Container and Pallet Manufacturing
321991	Manufactured Home (Mobile Home) Manufacturing

**Table A2-1: 2002 NAICS Codes (Cont'd)**

<b>Code</b>	<b>2002 NAICS Title</b>
321992	Prefabricated Wood Building Manufacturing
321999	All Other Miscellaneous Wood Product Manufacturing
322110	Pulp Mills
322121	Paper (except Newsprint) Mills
322122	Newsprint Mills
322130	Paperboard Mills
322211	Corrugated and Solid Fiber Box Manufacturing
322212	Folding Paperboard Box Manufacturing
322213	Setup Paperboard Box Manufacturing
322214	Fiber Can, Tube, Drum, and Similar Products Manufacturing
322215	Nonfolding Sanitary Food Container Manufacturing
322221	Coated and Laminated Packaging Paper and Plastics Film Manufacturing
322222	Coated and Laminated Paper Manufacturing
322223	Plastics, Foil, and Coated Paper Bag Manufacturing
322224	Uncoated Paper and Multiwall Bag Manufacturing
322225	Laminated Aluminum Foil Manufacturing for Flexible Packaging Uses
322226	Surface-Coated Paperboard Manufacturing
322231	Die-Cut Paper and Paperboard Office Supplies Manufacturing
322232	Envelope Manufacturing
322233	Stationery, Tablet, and Related Product Manufacturing
322291	Sanitary Paper Product Manufacturing
322299	All Other Converted Paper Product Manufacturing
323110	Commercial Lithographic Printing
323111	Commercial Gravure Printing
323112	Commercial Flexographic Printing
323113	Commercial Screen Printing
323114	Quick Printing
323115	Digital Printing
323116	Manifold Business Forms Printing
323117	Books Printing
323118	Blankbook, Looseleaf Binders, and Devices Manufacturing
323119	Other Commercial Printing
323121	Tradebinding and Related Work
323122	Prepress Services
324110	Petroleum Refineries
324121	Asphalt Paving Mixture and Block Manufacturing
324122	Asphalt Shingle and Coating Materials Manufacturing
324191	Petroleum Lubricating Oil and Grease Manufacturing
324199	All Other Petroleum and Coal Products Manufacturing
325110	Petrochemical Manufacturing
325120	Industrial Gas Manufacturing
325131	Inorganic Dye and Pigment Manufacturing
325132	Synthetic Organic Dye and Pigment Manufacturing
325181	Alkalies and Chlorine Manufacturing

**Table A2-1: 2002 NAICS Codes (Cont'd)**

<b>Code</b>	<b>2002 NAICS Title</b>
325182	Carbon Black Manufacturing
325188	All Other Basic Inorganic Chemical Manufacturing
325191	Gum and Wood Chemical Manufacturing
325192	Cyclic Crude and Intermediate Manufacturing
325193	Ethyl Alcohol Manufacturing
325199	All Other Basic Organic Chemical Manufacturing
325211	Plastics Material and Resin Manufacturing
325212	Synthetic Rubber Manufacturing
325221	Cellulosic Organic Fiber Manufacturing
325222	Noncellulosic Organic Fiber Manufacturing
325311	Nitrogenous Fertilizer Manufacturing
325312	Phosphatic Fertilizer Manufacturing
325314	Fertilizer (Mixing Only) Manufacturing
325320	Pesticide and Other Agricultural Chemical Manufacturing
325411	Medicinal and Botanical Manufacturing
325412	Pharmaceutical Preparation Manufacturing
325413	In-Vitro Diagnostic Substance Manufacturing
325414	Biological Product (except Diagnostic) Manufacturing
325510	Paint and Coating Manufacturing
325520	Adhesive Manufacturing
325611	Soap and Other Detergent Manufacturing
325612	Polish and Other Sanitation Good Manufacturing
325613	Surface Active Agent Manufacturing
325620	Toilet Preparation Manufacturing
325910	Printing Ink Manufacturing
325920	Explosives Manufacturing
325991	Custom Compounding of Purchased Resins
325992	Photographic Film, Paper, Plate, and Chemical Manufacturing
325998	All Other Miscellaneous Chemical Product and Preparation Manufacturing
326111	Plastics Bag Manufacturing
326112	Plastics Packaging Film and Sheet (including Laminated) Manufacturing
326113	Unlaminated Plastics Film and Sheet (except Packaging) Manufacturing
326121	Unlaminated Plastics Profile Shape Manufacturing
326122	Plastics Pipe and Pipe Fitting Manufacturing
326130	Laminated Plastics Plate, Sheet (except Packaging), and Shape Manufacturing
326140	Polystyrene Foam Product Manufacturing
326150	Urethane and Other Foam Product (except Polystyrene) Manufacturing
326160	Plastics Bottle Manufacturing
326191	Plastics Plumbing Fixture Manufacturing
326192	Resilient Floor Covering Manufacturing

**Table A2-1: 2002 NAICS Codes (Cont'd)**

<b>Code</b>	<b>2002 NAICS Title</b>
326199	All Other Plastics Product Manufacturing
326211	Tire Manufacturing (except Retreading)
326212	Tire Retreading
326220	Rubber and Plastics Hoses and Belting Manufacturing
326291	Rubber Product Manufacturing for Mechanical Use
326299	All Other Rubber Product Manufacturing
327111	Vitreous China Plumbing Fixture and China and Earthenware Bathroom Accessories Manufacturing
327112	Vitreous China, Fine Earthenware, and Other Pottery Product Manufacturing
327113	Porcelain Electrical Supply Manufacturing
327121	Brick and Structural Clay Tile Manufacturing
327122	Ceramic Wall and Floor Tile Manufacturing
327123	Other Structural Clay Product Manufacturing
327124	Clay Refractory Manufacturing
327125	Nonclay Refractory Manufacturing
327211	Flat Glass Manufacturing
327212	Other Pressed and Blown Glass and Glassware Manufacturing
327213	Glass Container Manufacturing
327215	Glass Product Manufacturing Made of Purchased Glass
327310	Cement Manufacturing
327320	Ready-Mix Concrete Manufacturing
327331	Concrete Block and Brick Manufacturing
327332	Concrete Pipe Manufacturing
327390	Other Concrete Product Manufacturing
327410	Lime Manufacturing
327420	Gypsum Product Manufacturing
327910	Abrasive Product Manufacturing
327991	Cut Stone and Stone Product Manufacturing
327992	Ground or Treated Mineral and Earth Manufacturing
327993	Mineral Wool Manufacturing
327999	All Other Miscellaneous Nonmetallic Mineral Product Manufacturing
331111	Iron and Steel Mills
331112	Electrometallurgical Ferroalloy Product Manufacturing
331210	Iron and Steel Pipe and Tube Manufacturing from Purchased Steel
331221	Rolled Steel Shape Manufacturing
331222	Steel Wire Drawing
331311	Alumina Refining
331312	Primary Aluminum Production
331314	Secondary Smelting and Alloying of Aluminum
331315	Aluminum Sheet, Plate, and Foil Manufacturing
331316	Aluminum Extruded Product Manufacturing
331319	Other Aluminum Rolling and Drawing
331411	Primary Smelting and Refining of Copper

**Table A2-1: 2002 NAICS Codes (Cont'd)**

<b>Code</b>	<b>2002 NAICS Title</b>
331419	Primary Smelting and Refining of Nonferrous Metal (except Copper and Aluminum)
331421	Copper Rolling, Drawing, and Extruding
331422	Copper Wire (except Mechanical) Drawing
331423	Secondary Smelting, Refining, and Alloying of Copper
331491	Nonferrous Metal (except Copper and Aluminum) Rolling, Drawing, and Extruding
331492	Secondary Smelting, Refining, and Alloying of Nonferrous Metal (except Copper and Aluminum)
331511	Iron Foundries
331512	Steel Investment Foundries
331513	Steel Foundries (except Investment)
331521	Aluminum Die-Casting Foundries
331522	Nonferrous (except Aluminum) Die-Casting Foundries
331524	Aluminum Foundries (except Die-Casting)
331525	Copper Foundries (except Die-Casting)
331528	Other Nonferrous Foundries (except Die-Casting)
332111	Iron and Steel Forging
332112	Nonferrous Forging
332114	Custom Roll Forming
332115	Crown and Closure Manufacturing
332116	Metal Stamping
332117	Powder Metallurgy Part Manufacturing
332211	Cutlery and Flatware (except Precious) Manufacturing
332212	Hand and Edge Tool Manufacturing
332213	Saw Blade and Handsaw Manufacturing
332214	Kitchen Utensil, Pot, and Pan Manufacturing
332311	Prefabricated Metal Building and Component Manufacturing
332312	Fabricated Structural Metal Manufacturing
332313	Plate Work Manufacturing
332321	Metal Window and Door Manufacturing
332322	Sheet Metal Work Manufacturing
332323	Ornamental and Architectural Metal Work Manufacturing
332410	Power Boiler and Heat Exchanger Manufacturing
332420	Metal Tank (Heavy Gauge) Manufacturing
332431	Metal Can Manufacturing
332439	Other Metal Container Manufacturing
332510	Hardware Manufacturing
332611	Spring (Heavy Gauge) Manufacturing
332612	Spring (Light Gauge) Manufacturing
332618	Other Fabricated Wire Product Manufacturing
332710	Machine Shops
332721	Precision Turned Product Manufacturing
332722	Bolt, Nut, Screw, Rivet, and Washer Manufacturing

**Table A2-1: 2002 NAICS Codes (Cont'd)**

<b>Code</b>	<b>2002 NAICS Title</b>
332811	Metal Heat Treating
332812	Metal Coating, Engraving (except Jewelry and Silverware), and Allied Services to Manufacturers
332813	Electroplating, Plating, Polishing, Anodizing, and Coloring
332911	Industrial Valve Manufacturing
332912	Fluid Power Valve and Hose Fitting Manufacturing
332913	Plumbing Fixture Fitting and Trim Manufacturing
332919	Other Metal Valve and Pipe Fitting Manufacturing
332991	Ball and Roller Bearing Manufacturing
332992	Small Arms Ammunition Manufacturing
332993	Ammunition (except Small Arms) Manufacturing
332994	Small Arms Manufacturing
332995	Other Ordnance and Accessories Manufacturing
332996	Fabricated Pipe and Pipe Fitting Manufacturing
332997	Industrial Pattern Manufacturing
332998	Enameled Iron and Metal Sanitary Ware Manufacturing
332999	All Other Miscellaneous Fabricated Metal Product Manufacturing
333111	Farm Machinery and Equipment Manufacturing
333112	Lawn and Garden Tractor and Home Lawn and Garden Equipment Manufacturing
333120	Construction Machinery Manufacturing
333131	Mining Machinery and Equipment Manufacturing
333132	Oil and Gas Field Machinery and Equipment Manufacturing
333210	Sawmill and Woodworking Machinery Manufacturing
333220	Plastics and Rubber Industry Machinery Manufacturing
333291	Paper Industry Machinery Manufacturing
333292	Textile Machinery Manufacturing
333293	Printing Machinery and Equipment Manufacturing
333294	Food Product Machinery Manufacturing
333295	Semiconductor Machinery Manufacturing
333298	All Other Industrial Machinery Manufacturing
333311	Automatic Vending Machine Manufacturing
333312	Commercial Laundry, Drycleaning, and Pressing Machine Manufacturing
333313	Office Machinery Manufacturing
333314	Optical Instrument and Lens Manufacturing
333315	Photographic and Photocopying Equipment Manufacturing
333319	Other Commercial and Service Industry Machinery Manufacturing
333411	Air Purification Equipment Manufacturing
333412	Industrial and Commercial Fan and Blower Manufacturing
333414	Heating Equipment (except Warm Air Furnaces) Manufacturing
333415	Air-Conditioning and Warm Air Heating Equipment and Commercial and Industrial Refrigeration Equipment Manufacturing
333511	Industrial Mold Manufacturing
333512	Machine Tool (Metal Cutting Types) Manufacturing

**Table A2-1: 2002 NAICS Codes (Cont'd)**

<b>Code</b>	<b>2002 NAICS Title</b>
333513	Machine Tool (Metal Forming Types) Manufacturing
333514	Special Die and Tool, Die Set, Jig, and Fixture Manufacturing
333515	Cutting Tool and Machine Tool Accessory Manufacturing
333516	Rolling Mill Machinery and Equipment Manufacturing
333518	Other Metalworking Machinery Manufacturing
333611	Turbine and Turbine Generator Set Units Manufacturing
333612	Speed Changer, Industrial High-Speed Drive, and Gear Manufacturing
333613	Mechanical Power Transmission Equipment Manufacturing
333618	Other Engine Equipment Manufacturing
333911	Pump and Pumping Equipment Manufacturing
333912	Air and Gas Compressor Manufacturing
333913	Measuring and Dispensing Pump Manufacturing
333921	Elevator and Moving Stairway Manufacturing
333922	Conveyor and Conveying Equipment Manufacturing
333923	Overhead Traveling Crane, Hoist, and Monorail System Manufacturing
333924	Industrial Truck, Tractor, Trailer, and Stacker Machinery Manufacturing
333991	Power-Driven Handtool Manufacturing
333992	Welding and Soldering Equipment Manufacturing
333993	Packaging Machinery Manufacturing
333994	Industrial Process Furnace and Oven Manufacturing
333995	Fluid Power Cylinder and Actuator Manufacturing
333996	Fluid Power Pump and Motor Manufacturing
333997	Scale and Balance (except Laboratory) Manufacturing
333999	All Other Miscellaneous General Purpose Machinery Manufacturing
334111	Electronic Computer Manufacturing
334112	Computer Storage Device Manufacturing
334113	Computer Terminal Manufacturing
334119	Other Computer Peripheral Equipment Manufacturing
334210	Telephone Apparatus Manufacturing
334220	Radio and Television Broadcasting and Wireless Communications Equipment Manufacturing
334290	Other Communications Equipment Manufacturing
334310	Audio and Video Equipment Manufacturing
334411	Electron Tube Manufacturing
334412	Bare Printed Circuit Board Manufacturing
334413	Semiconductor and Related Device Manufacturing
334414	Electronic Capacitor Manufacturing
334415	Electronic Resistor Manufacturing
334416	Electronic Coil, Transformer, and Other Inductor Manufacturing
334417	Electronic Connector Manufacturing
334418	Printed Circuit Assembly (Electronic Assembly) Manufacturing

**Table A2-1: 2002 NAICS Codes (Cont'd)**

<b>Code</b>	<b>2002 NAICS Title</b>
334419	Other Electronic Component Manufacturing
334510	Electromedical and Electrotherapeutic Apparatus Manufacturing
334511	Search, Detection, Navigation, Guidance, Aeronautical, and Nautical System and Instrument Manufacturing
334512	Automatic Environmental Control Manufacturing for Residential, Commercial, and Appliance Use
334513	Instruments and Related Products Manufacturing for Measuring, Displaying, and Controlling Industrial Process Variables
334514	Totalizing Fluid Meter and Counting Device Manufacturing
334515	Instrument Manufacturing for Measuring and Testing Electricity and Electrical Signals
334516	Analytical Laboratory Instrument Manufacturing
334517	Irradiation Apparatus Manufacturing
334518	Watch, Clock, and Part Manufacturing
334519	Other Measuring and Controlling Device Manufacturing
334611	Software Reproducing
334612	Prerecorded Compact Disc (except Software), Tape, and Record Reproducing
334613	Magnetic and Optical Recording Media Manufacturing
335110	Electric Lamp Bulb and Part Manufacturing
335121	Residential Electric Lighting Fixture Manufacturing
335122	Commercial, Industrial, and Institutional Electric Lighting Fixture Manufacturing
335129	Other Lighting Equipment Manufacturing
335211	Electric Housewares and Household Fan Manufacturing
335212	Household Vacuum Cleaner Manufacturing
335221	Household Cooking Appliance Manufacturing
335222	Household Refrigerator and Home Freezer Manufacturing
335224	Household Laundry Equipment Manufacturing
335228	Other Major Household Appliance Manufacturing
335311	Power, Distribution, and Specialty Transformer Manufacturing
335312	Motor and Generator Manufacturing
335313	Switchgear and Switchboard Apparatus Manufacturing
335314	Relay and Industrial Control Manufacturing
335911	Storage Battery Manufacturing
335912	Primary Battery Manufacturing
335921	Fiber Optic Cable Manufacturing
335929	Other Communication and Energy Wire Manufacturing
335931	Current-Carrying Wiring Device Manufacturing
335932	Noncurrent-Carrying Wiring Device Manufacturing
335991	Carbon and Graphite Product Manufacturing
335999	All Other Miscellaneous Electrical Equipment and Component Manufacturing
336111	Automobile Manufacturing
336112	Light Truck and Utility Vehicle Manufacturing

**Table A2-1: 2002 NAICS Codes (Cont'd)**

<b>Code</b>	<b>2002 NAICS Title</b>
336120	Heavy Duty Truck Manufacturing
336211	Motor Vehicle Body Manufacturing
336212	Truck Trailer Manufacturing
336213	Motor Home Manufacturing
336214	Travel Trailer and Camper Manufacturing
336311	Carburetor, Piston, Piston Ring, and Valve Manufacturing
336312	Gasoline Engine and Engine Parts Manufacturing
336321	Vehicular Lighting Equipment Manufacturing
336322	Other Motor Vehicle Electrical and Electronic Equipment Manufacturing
336330	Motor Vehicle Steering and Suspension Components (except Spring) Manufacturing
336340	Motor Vehicle Brake System Manufacturing
336350	Motor Vehicle Transmission and Power Train Parts Manufacturing
336360	Motor Vehicle Seating and Interior Trim Manufacturing
336370	Motor Vehicle Metal Stamping
336391	Motor Vehicle Air-Conditioning Manufacturing
336399	All Other Motor Vehicle Parts Manufacturing
336411	Aircraft Manufacturing
336412	Aircraft Engine and Engine Parts Manufacturing
336413	Other Aircraft Parts and Auxiliary Equipment Manufacturing
336414	Guided Missile and Space Vehicle Manufacturing
336415	Guided Missile and Space Vehicle Propulsion Unit and Propulsion Unit Parts Manufacturing
336419	Other Guided Missile and Space Vehicle Parts and Auxiliary Equipment Manufacturing
336510	Railroad Rolling Stock Manufacturing
336611	Ship Building and Repairing
336612	Boat Building
336991	Motorcycle, Bicycle, and Parts Manufacturing
336992	Military Armored Vehicle, Tank, and Tank Component Manufacturing
336999	All Other Transportation Equipment Manufacturing
337110	Wood Kitchen Cabinet and Countertop Manufacturing
337121	Upholstered Household Furniture Manufacturing
337122	Nonupholstered Wood Household Furniture Manufacturing
337124	Metal Household Furniture Manufacturing
337125	Household Furniture (except Wood and Metal) Manufacturing
337127	Institutional Furniture Manufacturing
337129	Wood Television, Radio, and Sewing Machine Cabinet Manufacturing
337211	Wood Office Furniture Manufacturing
337212	Custom Architectural Woodwork and Millwork Manufacturing
337214	Office Furniture (except Wood) Manufacturing
337215	Showcase, Partition, Shelving, and Locker Manufacturing
337910	Mattress Manufacturing

**Table A2-1: 2002 NAICS Codes (Cont'd)**

<b>Code</b>	<b>2002 NAICS Title</b>
337920	Blind and Shade Manufacturing
339111	Laboratory Apparatus and Furniture Manufacturing
339112	Surgical and Medical Instrument Manufacturing
339113	Surgical Appliance and Supplies Manufacturing
339114	Dental Equipment and Supplies Manufacturing
339115	Ophthalmic Goods Manufacturing
339116	Dental Laboratories
339911	Jewelry (except Costume) Manufacturing
339912	Silverware and Hollowware Manufacturing
339913	Jewelers' Material and Lapidary Work Manufacturing
339914	Costume Jewelry and Novelty Manufacturing
339920	Sporting and Athletic Goods Manufacturing
339931	Doll and Stuffed Toy Manufacturing
339932	Game, Toy, and Children's Vehicle Manufacturing
339941	Pen and Mechanical Pencil Manufacturing
339942	Lead Pencil and Art Good Manufacturing
339943	Marking Device Manufacturing
339944	Carbon Paper and Inked Ribbon Manufacturing
339950	Sign Manufacturing
339991	Gasket, Packing, and Sealing Device Manufacturing
339992	Musical Instrument Manufacturing
339993	Fastener, Button, Needle, and Pin Manufacturing
339994	Broom, Brush, and Mop Manufacturing
339995	Burial Casket Manufacturing
339999	All Other Miscellaneous Manufacturing
423110	Automobile and Other Motor Vehicle Merchant Wholesalers
423120	Motor Vehicle Supplies and New Parts Merchant Wholesalers
423130	Tire and Tube Merchant Wholesalers
423140	Motor Vehicle Parts (Used) Merchant Wholesalers
423210	Furniture Merchant Wholesalers
423220	Home Furnishing Merchant Wholesalers
423310	Lumber, Plywood, Millwork, and Wood Panel Merchant Wholesalers
423320	Brick, Stone, and Related Construction Material Merchant Wholesalers
423330	Roofing, Siding, and Insulation Material Merchant Wholesalers
423390	Other Construction Material Merchant Wholesalers
423410	Photographic Equipment and Supplies Merchant Wholesalers
423420	Office Equipment Merchant Wholesalers
423430	Computer and Computer Peripheral Equipment and Software Merchant Wholesalers
423440	Other Commercial Equipment Merchant Wholesalers
423450	Medical, Dental, and Hospital Equipment and Supplies Merchant Wholesalers
423460	Ophthalmic Goods Merchant Wholesalers
423490	Other Professional Equipment and Supplies Merchant Wholesalers

**Table A2-1: 2002 NAICS Codes (Cont'd)**

<b>Code</b>	<b>2002 NAICS Title</b>
423510	Metal Service Centers and Other Metal Merchant Wholesalers
423520	Coal and Other Mineral and Ore Merchant Wholesalers
423610	Electrical Apparatus and Equipment, Wiring Supplies, and Related Equipment Merchant Wholesalers
423620	Electrical and Electronic Appliance, Television, and Radio Set Merchant Wholesalers
423690	Other Electronic Parts and Equipment Merchant Wholesalers
423710	Hardware Merchant Wholesalers
423720	Plumbing and Heating Equipment and Supplies (Hydronics) Merchant Wholesalers
423730	Warm Air Heating and Air-Conditioning Equipment and Supplies Merchant Wholesalers
423740	Refrigeration Equipment and Supplies Merchant Wholesalers
423810	Construction and Mining (except Oil Well) Machinery and Equipment Merchant Wholesalers
423820	Farm and Garden Machinery and Equipment Merchant Wholesalers
423830	Industrial Machinery and Equipment Merchant Wholesalers
423840	Industrial Supplies Merchant Wholesalers
423850	Service Establishment Equipment and Supplies Merchant Wholesalers
423860	Transportation Equipment and Supplies (except Motor Vehicle) Merchant Wholesalers
423910	Sporting and Recreational Goods and Supplies Merchant Wholesalers
423920	Toy and Hobby Goods and Supplies Merchant Wholesalers
423930	Recyclable Material Merchant Wholesalers
423940	Jewelry, Watch, Precious Stone, and Precious Metal Merchant Wholesalers
423990	Other Miscellaneous Durable Goods Merchant Wholesalers
424110	Printing and Writing Paper Merchant Wholesalers
424120	Stationery and Office Supplies Merchant Wholesalers
424130	Industrial and Personal Service Paper Merchant Wholesalers
424210	Drugs and Druggists' Sundries Merchant Wholesalers
424310	Piece Goods, Notions, and Other Dry Goods Merchant Wholesalers
424320	Men's and Boys' Clothing and Furnishings Merchant Wholesalers
424330	Women's, Children's, and Infants' Clothing and Accessories Merchant Wholesalers
424340	Footwear Merchant Wholesalers
424410	General Line Grocery Merchant Wholesalers
424420	Packaged Frozen Food Merchant Wholesalers
424430	Dairy Product (except Dried or Canned) Merchant Wholesalers
424440	Poultry and Poultry Product Merchant Wholesalers
424450	Confectionery Merchant Wholesalers
424460	Fish and Seafood Merchant Wholesalers
424470	Meat and Meat Product Merchant Wholesalers

**Table A2-1: 2002 NAICS Codes (Cont'd)**

<b>Code</b>	<b>2002 NAICS Title</b>
424480	Fresh Fruit and Vegetable Merchant Wholesalers
424490	Other Grocery and Related Products Merchant Wholesalers
424510	Grain and Field Bean Merchant Wholesalers
424520	Livestock Merchant Wholesalers
424590	Other Farm Product Raw Material Merchant Wholesalers
424610	Plastics Materials and Basic Forms and Shapes Merchant Wholesalers
424690	Other Chemical and Allied Products Merchant Wholesalers
424710	Petroleum Bulk Stations and Terminals
424720	Petroleum and Petroleum Products Merchant Wholesalers (except Bulk Stations and Terminals)
424810	Beer and Ale Merchant Wholesalers
424820	Wine and Distilled Alcoholic Beverage Merchant Wholesalers
424910	Farm Supplies Merchant Wholesalers
424920	Book, Periodical, and Newspaper Merchant Wholesalers
424930	Flower, Nursery Stock, and Florists' Supplies Merchant Wholesalers
424940	Tobacco and Tobacco Product Merchant Wholesalers
424950	Paint, Varnish, and Supplies Merchant Wholesalers
424990	Other Miscellaneous Nondurable Goods Merchant Wholesalers
425110	Business to Business Electronic Markets
425120	Wholesale Trade Agents and Brokers
441110	New Car Dealers
441120	Used Car Dealers
441210	Recreational Vehicle Dealers
441221	Motorcycle Dealers
441222	Boat Dealers
441229	All Other Motor Vehicle Dealers
441310	Automotive Parts and Accessories Stores
441320	Tire Dealers
442110	Furniture Stores
442210	Floor Covering Stores
442291	Window Treatment Stores
442299	All Other Home Furnishings Stores
443111	Household Appliance Stores
443112	Radio, Television, and Other Electronics Stores
443120	Computer and Software Stores
443130	Camera and Photographic Supplies Stores
444110	Home Centers
444120	Paint and Wallpaper Stores
444130	Hardware Stores
444190	Other Building Material Dealers
444210	Outdoor Power Equipment Stores
444220	Nursery, Garden Center, and Farm Supply Stores
445110	Supermarkets and Other Grocery (except Convenience) Stores
445120	Convenience Stores

**Table A2-1: 2002 NAICS Codes (Cont'd)**

<b>Code</b>	<b>2002 NAICS Title</b>
445210	Meat Markets
445220	Fish and Seafood Markets
445230	Fruit and Vegetable Markets
445291	Baked Goods Stores
445292	Confectionery and Nut Stores
445299	All Other Specialty Food Stores
445310	Beer, Wine, and Liquor Stores
446110	Pharmacies and Drug Stores
446120	Cosmetics, Beauty Supplies, and Perfume Stores
446130	Optical Goods Stores
446191	Food (Health) Supplement Stores
446199	All Other Health and Personal Care Stores
447110	Gasoline Stations with Convenience Stores
447190	Other Gasoline Stations
448110	Men's Clothing Stores
448120	Women's Clothing Stores
448130	Children's and Infants' Clothing Stores
448140	Family Clothing Stores
448150	Clothing Accessories Stores
448190	Other Clothing Stores
448210	Shoe Stores
448310	Jewelry Stores
448320	Luggage and Leather Goods Stores
451110	Sporting Goods Stores
451120	Hobby, Toy, and Game Stores
451130	Sewing, Needlework, and Piece Goods Stores
451140	Musical Instrument and Supplies Stores
451211	Book Stores
451212	News Dealers and Newsstands
451220	Prerecorded Tape, Compact Disc, and Record Stores
452111	Department Stores (except Discount Department Stores)
452112	Discount Department Stores
452910	Warehouse Clubs and Supercenters
452990	All Other General Merchandise Stores
453110	Florists
453210	Office Supplies and Stationery Stores
453220	Gift, Novelty, and Souvenir Stores
453310	Used Merchandise Stores
453910	Pet and Pet Supplies Stores
453920	Art Dealers
453930	Manufactured (Mobile) Home Dealers
453991	Tobacco Stores
453998	All Other Miscellaneous Store Retailers (except Tobacco Stores)
454111	Electronic Shopping
454112	Electronic Auctions

**Table A2-1: 2002 NAICS Codes (Cont'd)**

<b>Code</b>	<b>2002 NAICS Title</b>
454113	Mail-Order Houses
454210	Vending Machine Operators
454311	Heating Oil Dealers
454312	Liquefied Petroleum Gas (Bottled Gas) Dealers
454319	Other Fuel Dealers
454390	Other Direct Selling Establishments
481111	Scheduled Passenger Air Transportation
481112	Scheduled Freight Air Transportation
481211	Nonscheduled Chartered Passenger Air Transportation
481212	Nonscheduled Chartered Freight Air Transportation
481219	Other Nonscheduled Air Transportation
482111	Line-Haul Railroads
482112	Short Line Railroads
483111	Deep Sea Freight Transportation
483112	Deep Sea Passenger Transportation
483113	Coastal and Great Lakes Freight Transportation
483114	Coastal and Great Lakes Passenger Transportation
483211	Inland Water Freight Transportation
483212	Inland Water Passenger Transportation
484110	General Freight Trucking, Local
484121	General Freight Trucking, Long-Distance, Truckload
484122	General Freight Trucking, Long-Distance, Less Than Truckload
484210	Used Household and Office Goods Moving
484220	Specialized Freight (except Used Goods) Trucking, Local
484230	Specialized Freight (except Used Goods) Trucking, Long-Distance
485111	Mixed Mode Transit Systems
485112	Commuter Rail Systems
485113	Bus and Other Motor Vehicle Transit Systems
485119	Other Urban Transit Systems
485210	Interurban and Rural Bus Transportation
485310	Taxi Service
485320	Limousine Service
485410	School and Employee Bus Transportation
485510	Charter Bus Industry
485991	Special Needs Transportation
485999	All Other Transit and Ground Passenger Transportation
486110	Pipeline Transportation of Crude Oil
486210	Pipeline Transportation of Natural Gas
486910	Pipeline Transportation of Refined Petroleum Products
486990	All Other Pipeline Transportation
487110	Scenic and Sightseeing Transportation, Land
487210	Scenic and Sightseeing Transportation, Water
487990	Scenic and Sightseeing Transportation, Other
488111	Air Traffic Control
488119	Other Airport Operations

**Table A2-1: 2002 NAICS Codes (Cont'd)**

<b>Code</b>	<b>2002 NAICS Title</b>
488190	Other Support Activities for Air Transportation
488210	Support Activities for Rail Transportation
488310	Port and Harbor Operations
488320	Marine Cargo Handling
488330	Navigational Services to Shipping
488390	Other Support Activities for Water Transportation
488410	Motor Vehicle Towing
488490	Other Support Activities for Road Transportation
488510	Freight Transportation Arrangement
488991	Packing and Crating
488999	All Other Support Activities for Transportation
491110	Postal Service
492110	Couriers
492210	Local Messengers and Local Delivery
493110	General Warehousing and Storage
493120	Refrigerated Warehousing and Storage
493130	Farm Product Warehousing and Storage
493190	Other Warehousing and Storage
511110	Newspaper Publishers
511120	Periodical Publishers
511130	Book Publishers
511140	Directory and Mailing List Publishers
511191	Greeting Card Publishers
511199	All Other Publishers
511210	Software Publishers
512110	Motion Picture and Video Production
512120	Motion Picture and Video Distribution
512131	Motion Picture Theaters (except Drive-Ins)
512132	Drive-In Motion Picture Theaters
512191	Teleproduction and Other Postproduction Services
512199	Other Motion Picture and Video Industries
512210	Record Production
512220	Integrated Record Production/Distribution
512230	Music Publishers
512240	Sound Recording Studios
512290	Other Sound Recording Industries
515111	Radio Networks
515112	Radio Stations
515120	Television Broadcasting
515210	Cable and Other Subscription Programming
516110	Internet Publishing and Broadcasting
517110	Wired Telecommunications Carriers
517211	Paging
517212	Cellular and Other Wireless Telecommunications
517310	Telecommunications Resellers

**Table A2-1: 2002 NAICS Codes (Cont'd)**

<b>Code</b>	<b>2002 NAICS Title</b>
517410	Satellite Telecommunications
517510	Cable and Other Program Distribution
517910	Other Telecommunications
518111	Internet Service Providers
518112	Web Search Portals
518210	Data Processing, Hosting, and Related Services
519110	News Syndicates
519120	Libraries and Archives
519190	All Other Information Services
521110	Monetary Authorities - Central Bank
522110	Commercial Banking
522120	Savings Institutions
522130	Credit Unions
522190	Other Depository Credit Intermediation
522210	Credit Card Issuing
522220	Sales Financing
522291	Consumer Lending
522292	Real Estate Credit
522293	International Trade Financing
522294	Secondary Market Financing
522298	All Other Nondepository Credit Intermediation
522310	Mortgage and Nonmortgage Loan Brokers
522320	Financial Transactions Processing, Reserve, and Clearinghouse Activities
522390	Other Activities Related to Credit Intermediation
523110	Investment Banking and Securities Dealing
523120	Securities Brokerage
523130	Commodity Contracts Dealing
523140	Commodity Contracts Brokerage
523210	Securities and Commodity Exchanges
523910	Miscellaneous Intermediation
523920	Portfolio Management
523930	Investment Advice
523991	Trust, Fiduciary, and Custody Activities
523999	Miscellaneous Financial Investment Activities
524113	Direct Life Insurance Carriers
524114	Direct Health and Medical Insurance Carriers
524126	Direct Property and Casualty Insurance Carriers
524127	Direct Title Insurance Carriers
524128	Other Direct Insurance (except Life, Health, and Medical) Carriers
524130	Reinsurance Carriers
524210	Insurance Agencies and Brokerages
524291	Claims Adjusting
524292	Third Party Administration of Insurance and Pension Funds
524298	All Other Insurance Related Activities

**Table A2-1: 2002 NAICS Codes (Cont'd)**

<b>Code</b>	<b>2002 NAICS Title</b>
525110	Pension Funds
525120	Health and Welfare Funds
525190	Other Insurance Funds
525910	Open-End Investment Funds
525920	Trusts, Estates, and Agency Accounts
525930	Real Estate Investment Trusts
525990	Other Financial Vehicles
531110	Lessors of Residential Buildings and Dwellings
531120	Lessors of Nonresidential Buildings (except Miniwarehouses)
531130	Lessors of Miniwarehouses and Self-Storage Units
531190	Lessors of Other Real Estate Property
531210	Offices of Real Estate Agents and Brokers
531311	Residential Property Managers
531312	Nonresidential Property Managers
531320	Offices of Real Estate Appraisers
531390	Other Activities Related to Real Estate
532111	Passenger Car Rental
532112	Passenger Car Leasing
532120	Truck, Utility Trailer, and RV (Recreational Vehicle) Rental and Leasing
532210	Consumer Electronics and Appliances Rental
532220	Formal Wear and Costume Rental
532230	Video Tape and Disc Rental
532291	Home Health Equipment Rental
532292	Recreational Goods Rental
532299	All Other Consumer Goods Rental
532310	General Rental Centers
532411	Commercial Air, Rail, and Water Transportation Equipment Rental and Leasing
532412	Construction, Mining, and Forestry Machinery and Equipment Rental and Leasing
532420	Office Machinery and Equipment Rental and Leasing
532490	Other Commercial and Industrial Machinery and Equipment Rental and Leasing
533110	Lessors of Nonfinancial Intangible Assets (except Copyrighted Works)
541110	Offices of Lawyers
541120	Offices of Notaries
541191	Title Abstract and Settlement Offices
541199	All Other Legal Services
541211	Offices of Certified Public Accountants
541213	Tax Preparation Services
541214	Payroll Services
541219	Other Accounting Services
541310	Architectural Services
541320	Landscape Architectural Services

**Table A2-1: 2002 NAICS Codes (Cont'd)**

<b>Code</b>	<b>2002 NAICS Title</b>
541330	Engineering Services
541340	Drafting Services
541350	Building Inspection Services
541360	Geophysical Surveying and Mapping Services
541370	Surveying and Mapping (except Geophysical) Services
541380	Testing Laboratories
541410	Interior Design Services
541420	Industrial Design Services
541430	Graphic Design Services
541490	Other Specialized Design Services
541511	Custom Computer Programming Services
541512	Computer Systems Design Services
541513	Computer Facilities Management Services
541519	Other Computer Related Services
541611	Administrative Management and General Management Consulting Services
541612	Human Resources and Executive Search Consulting Services
541613	Marketing Consulting Services
541614	Process, Physical Distribution, and Logistics Consulting Services
541618	Other Management Consulting Services
541620	Environmental Consulting Services
541690	Other Scientific and Technical Consulting Services
541710	Research and Development in the Physical, Engineering, and Life Sciences
541720	Research and Development in the Social Sciences and Humanities
541810	Advertising Agencies
541820	Public Relations Agencies
541830	Media Buying Agencies
541840	Media Representatives
541850	Display Advertising
541860	Direct Mail Advertising
541870	Advertising Material Distribution Services
541890	Other Services Related to Advertising
541910	Marketing Research and Public Opinion Polling
541921	Photography Studios, Portrait
541922	Commercial Photography
541930	Translation and Interpretation Services
541940	Veterinary Services
541990	All Other Professional, Scientific, and Technical Services
551111	Offices of Bank Holding Companies
551112	Offices of Other Holding Companies
551114	Corporate, Subsidiary, and Regional Managing Offices
561110	Office Administrative Services
561210	Facilities Support Services
561310	Employment Placement Agencies

**Table A2-1: 2002 NAICS Codes (Cont'd)**

<b>Code</b>	<b>2002 NAICS Title</b>
561320	Temporary Help Services
561330	Professional Employer Organizations
561410	Document Preparation Services
561421	Telephone Answering Services
561422	Telemarketing Bureaus
561431	Private Mail Centers
561439	Other Business Service Centers (including Copy Shops)
561440	Collection Agencies
561450	Credit Bureaus
561491	Repossession Services
561492	Court Reporting and Stenotype Services
561499	All Other Business Support Services
561510	Travel Agencies
561520	Tour Operators
561591	Convention and Visitors Bureaus
561599	All Other Travel Arrangement and Reservation Services
561611	Investigation Services
561612	Security Guards and Patrol Services
561613	Armored Car Services
561621	Security Systems Services (except Locksmiths)
561622	Locksmiths
561710	Exterminating and Pest Control Services
561720	Janitorial Services
561730	Landscaping Services
561740	Carpet and Upholstery Cleaning Services
561790	Other Services to Buildings and Dwellings
561910	Packaging and Labeling Services
561920	Convention and Trade Show Organizers
561990	All Other Support Services
562111	Solid Waste Collection
562112	Hazardous Waste Collection
562119	Other Waste Collection
562211	Hazardous Waste Treatment and Disposal
562212	Solid Waste Landfill
562213	Solid Waste Combustors and Incinerators
562219	Other Nonhazardous Waste Treatment and Disposal
562910	Remediation Services
562920	Materials Recovery Facilities
562991	Septic Tank and Related Services
562998	All Other Miscellaneous Waste Management Services
611110	Elementary and Secondary Schools
611210	Junior Colleges
611310	Colleges, Universities, and Professional Schools
611410	Business and Secretarial Schools
611420	Computer Training

**Table A2-1: 2002 NAICS Codes (Cont'd)**

<b>Code</b>	<b>2002 NAICS Title</b>
611430	Professional and Management Development Training
611511	Cosmetology and Barber Schools
611512	Flight Training
611513	Apprenticeship Training
611519	Other Technical and Trade Schools
611610	Fine Arts Schools
611620	Sports and Recreation Instruction
611630	Language Schools
611691	Exam Preparation and Tutoring
611692	Automobile Driving Schools
611699	All Other Miscellaneous Schools and Instruction
611710	Educational Support Services
621111	Offices of Physicians (except Mental Health Specialists)
621112	Offices of Physicians, Mental Health Specialists
621210	Offices of Dentists
621310	Offices of Chiropractors
621320	Offices of Optometrists
621330	Offices of Mental Health Practitioners (except Physicians)
621340	Offices of Physical, Occupational and Speech Therapists, and Audiologists
621391	Offices of Podiatrists
621399	Offices of All Other Miscellaneous Health Practitioners
621410	Family Planning Centers
621420	Outpatient Mental Health and Substance Abuse Centers
621491	HMO Medical Centers
621492	Kidney Dialysis Centers
621493	Freestanding Ambulatory Surgical and Emergency Centers
621498	All Other Outpatient Care Centers
621511	Medical Laboratories
621512	Diagnostic Imaging Centers
621610	Home Health Care Services
621910	Ambulance Services
621991	Blood and Organ Banks
621999	All Other Miscellaneous Ambulatory Health Care Services
622110	General Medical and Surgical Hospitals
622210	Psychiatric and Substance Abuse Hospitals
622310	Specialty (except Psychiatric and Substance Abuse) Hospitals
623110	Nursing Care Facilities
623210	Residential Mental Retardation Facilities
623220	Residential Mental Health and Substance Abuse Facilities
623311	Continuing Care Retirement Communities
623312	Homes for the Elderly
623990	Other Residential Care Facilities
624110	Child and Youth Services

**Table A2-1: 2002 NAICS Codes (Cont'd)**

<b>Code</b>	<b>2002 NAICS Title</b>
624120	Services for the Elderly and Persons with Disabilities
624190	Other Individual and Family Services
624210	Community Food Services
624221	Temporary Shelters
624229	Other Community Housing Services
624230	Emergency and Other Relief Services
624310	Vocational Rehabilitation Services
624410	Child Day Care Services
711110	Theater Companies and Dinner Theaters
711120	Dance Companies
711130	Musical Groups and Artists
711190	Other Performing Arts Companies
711211	Sports Teams and Clubs
711212	Racetracks
711219	Other Spectator Sports
711310	Promoters of Performing Arts, Sports, and Similar Events with Facilities
711320	Promoters of Performing Arts, Sports, and Similar Events without Facilities
711410	Agents and Managers for Artists, Athletes, Entertainers, and Other Public Figures
711510	Independent Artists, Writers, and Performers
712110	Museums
712120	Historical Sites
712130	Zoos and Botanical Gardens
712190	Nature Parks and Other Similar Institutions
713110	Amusement and Theme Parks
713120	Amusement Arcades
713210	Casinos (except Casino Hotels)
713290	Other Gambling Industries
713910	Golf Courses and Country Clubs
713920	Skiing Facilities
713930	Marinas
713940	Fitness and Recreational Sports Centers
713950	Bowling Centers
713990	All Other Amusement and Recreation Industries
721110	Hotels (except Casino Hotels) and Motels
721120	Casino Hotels
721191	Bed-and-Breakfast Inns
721199	All Other Traveler Accommodation
721211	RV (Recreational Vehicle) Parks and Campgrounds
721214	Recreational and Vacation Camps (except Campgrounds)
721310	Rooming and Boarding Houses
722110	Full-Service Restaurants
722211	Limited-Service Restaurants

**Table A2-1: 2002 NAICS Codes (Cont'd)**

<b>Code</b>	<b>2002 NAICS Title</b>
722212	Cafeterias
722213	Snack and Nonalcoholic Beverage Bars
722310	Food Service Contractors
722320	Caterers
722330	Mobile Food Services
722410	Drinking Places (Alcoholic Beverages)
811111	General Automotive Repair
811112	Automotive Exhaust System Repair
811113	Automotive Transmission Repair
811118	Other Automotive Mechanical and Electrical Repair and Maintenance
811121	Automotive Body, Paint, and Interior Repair and Maintenance
811122	Automotive Glass Replacement Shops
811191	Automotive Oil Change and Lubrication Shops
811192	Car Washes
811198	All Other Automotive Repair and Maintenance
811211	Consumer Electronics Repair and Maintenance
811212	Computer and Office Machine Repair and Maintenance
811213	Communication Equipment Repair and Maintenance
811219	Other Electronic and Precision Equipment Repair and Maintenance
811310	Commercial and Industrial Machinery and Equipment (except Automotive and Electronic) Repair and Maintenance
811411	Home and Garden Equipment Repair and Maintenance
811412	Appliance Repair and Maintenance
811420	Reupholstery and Furniture Repair
811430	Footwear and Leather Goods Repair
811490	Other Personal and Household Goods Repair and Maintenance
812111	Barber Shops
812112	Beauty Salons
812113	Nail Salons
812191	Diet and Weight Reducing Centers
812199	Other Personal Care Services
812210	Funeral Homes and Funeral Services
812220	Cemeteries and Crematories
812310	Coin-Operated Laundries and Drycleaners
812320	Drycleaning and Laundry Services (except Coin-Operated)
812331	Linen Supply
812332	Industrial Launderers
812910	Pet Care (except Veterinary) Services
812921	Photofinishing Laboratories (except One-Hour)
812922	One-Hour Photofinishing
812930	Parking Lots and Garages
812990	All Other Personal Services
813110	Religious Organizations
813211	Grantmaking Foundations
813212	Voluntary Health Organizations

**Table A2-1: 2002 NAICS Codes (Cont'd)**

<b>Code</b>	<b>2002 NAICS Title</b>
813219	Other Grantmaking and Giving Services
813311	Human Rights Organizations
813312	Environment, Conservation and Wildlife Organizations
813319	Other Social Advocacy Organizations
813410	Civic and Social Organizations
813910	Business Associations
813920	Professional Organizations
813930	Labor Unions and Similar Labor Organizations
813940	Political Organizations
813990	Other Similar Organizations (except Business, Professional, Labor, and Political Organizations)
814110	Private Households
921110	Executive Offices
921120	Legislative Bodies
921130	Public Finance Activities
921140	Executive and Legislative Offices, Combined
921150	American Indian and Alaska Native Tribal Governments
921190	Other General Government Support
922110	Courts
922120	Police Protection
922130	Legal Counsel and Prosecution
922140	Correctional Institutions
922150	Parole Offices and Probation Offices
922160	Fire Protection
922190	Other Justice, Public Order, and Safety Activities
923110	Administration of Education Programs
923120	Administration of Public Health Programs
923130	Administration of Human Resource Programs (except Education, Public Health, and Veterans' Affairs Programs)
923140	Administration of Veterans' Affairs
924110	Administration of Air and Water Resource and Solid Waste Management Programs
924120	Administration of Conservation Programs
925110	Administration of Housing Programs
925120	Administration of Urban Planning and Community and Rural Development
926110	Administration of General Economic Programs
926120	Regulation and Administration of Transportation Programs
926130	Regulation and Administration of Communications, Electric, Gas, and Other Utilities
926140	Regulation of Agricultural Marketing and Commodities
926150	Regulation, Licensing, and Inspection of Miscellaneous Commercial Sectors
927110	Space Research and Technology
928110	National Security
928120	International Affairs



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