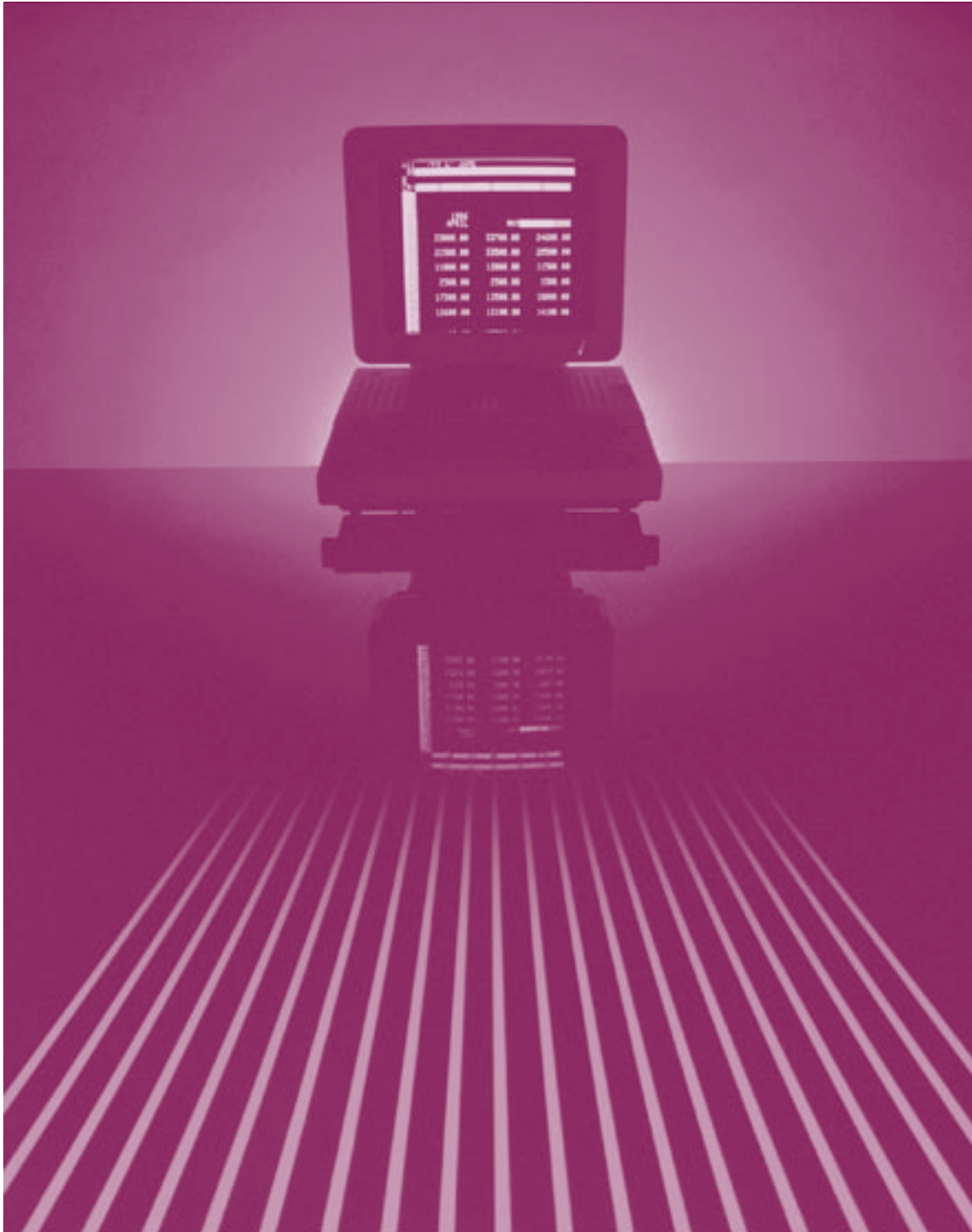


Information and Communication Technology: 2003

Issued June 2005

ICT/03



U S C E N S U S B U R E A U

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ACKNOWLEDGMENTS

The Company Statistics Division prepared this report. **Ruth A. Runyan**, Assistant Division Chief for Surveys and Programs, was responsible for the overall planning, management, and coordination. Planning and implementation were under the direction of **Charles A. Funk**, Chief, Business Investment Branch, assisted by **Jacqueline Eanes, Sara Prebble, Derrick Roy,** and **Victor Souphom**, Section Chiefs. Primary staff assistance was provided by **Ayub Abdallah, William Abriatis, Susan Andrichuk, George Chancellor, Tina Choe, Beth Evans, Jamie Faulkner, William Gainor, Venita Holland, Demetrius Lambeth, Anthony Matacale, Holly Merwin, Sean Morse, Conrad Munger, Omar Nix, Sherrita Powell, Monica Sovero, and James Thomas**. Additional assistance was provided by **Amanda Williams, Marie Rustin, John Seabold, Jessica Wellwood,** and **Jeremy Wiedemann**.

General direction for statistical methodology was provided by **Carol Caldwell**, Assistant Division Chief for Research and Methodology, and **Mark Sands**, Chief, Statistical Research and Methods Branch. **Amy Newman-Smith, Ana Rodriguez, Matthew Falkenstein, Tameka Johnson,** and **Justin Smith** developed and implemented the sample design, non-response adjustment and estimation methodology.

The Economic Planning and Coordination Division, **William Samples**, Chief, Mailout and Data Collection Branch, coordinated survey mailout and data collection with Section Chiefs **Betty McKay** and **Chris Berbert**. Primary assistance was provided by **Bernadette Gray** and **Dameka Hemsley**.

The staff of the National Processing Center, **Mark Grice**, Assistant Division Chief for Processing, performed mailout preparation and receipt operations, clerical and analytical review activities, and data entry.

The Economic Statistical Methods and Programming Division, **Edward Bates Jr.**, Chief, Current Manufacturing and Company Statistics Annuals Branch, developed and implemented computer processing systems. **Nestor Baez Jr.**, Supervisory Computer Specialist Systems Analyst, supervised the preparation of computer programs. **Stephen Potemkin** was responsible for frame creation and sample selection. **Tony Duong, Barbara Harris, Kavita Khaneja, Zbigniew Gorski,** and **Diane Musachio** were responsible for frame creation, sample selection and primary programming.

Wanda K. Cevis, Margaret A. Smith, Heather M. Lilley, and **Catherine M. Raymond** of the Administrative and Customer Services Division, **Walter C. Odom**, Chief, provided publications and printing management, graphics design and composition, and editorial review for print and electronic media. General direction and production management were provided by **James R. Clark**, Assistant Division Chief, and **Susan L. Rappa**, Chief, Publications Services Branch.

Finally, a special acknowledgment is due to the many businesses whose cooperation was essential to the success of this report.

If you have any questions concerning the statistics in this report, call 301-763-3324.

Information and Communication Technology: 2003

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CONTENTS

Introduction	v
Figures	
1. Noncapitalized ICT Expenditures by Business Sectors for Companies With Employees: 2003	vi
2. Noncapitalized and Capitalized Expenditures for ICT Equipment and Computer Software for Companies With Employees: 2003	x
3. Noncapitalized Expenditures of ICT Equipment and Computer Software for Companies With Employees: 2003	x
4. Total Noncapitalized Expenditures Distribution for ICT Equipment and Computer Software for Companies With Employees: 2003	xi
5. Noncapitalized and Capitalized Expenditures for ICT Equipment by Selected Business Sectors for Companies With Employees: 2003	xii
Tables	
1a. Expenditures for ICT Equipment and Computer Software for Companies With Employees: 2003	1
1b. Relative Standard Errors for Expenditures for ICT Equipment and Computer Software for Companies With Employees: 2003	1
2a. ICT Expenditures for Companies With Employees by Major Industry Sector: 2003	2
2b. Relative Standard Errors for ICT Expenditures for Companies With Employees by Major Industry Sector : 2003	3
3a. Noncapitalized Expenditures for ICT Equipment and Computer Software for Companies With Employees by Major Industry Sector: 2003	4
3b. Relative Standard Errors for Noncapitalized Expenditures for ICT Equipment and Computer Software for Companies With Employees by Major Industry Sector: 2003	5
3c. Capitalized Expenditures for ICT Equipment and Computer Software for Companies With Employees by Major Industry Sector: 2003	6
3d. Relative Standard Errors for Capitalized Expenditures for ICT Equipment and Computer Software for Companies With Employees by Major Industry Sector: 2003	7
4a. Noncapitalized Expenditures for Type of ICT Equipment for Companies With Employees by Major Industry Sector: 2003	8
4b. Relative Standard Errors for Noncapitalized Expenditures for Type of ICT Equipment for Companies With Employees by Major Industry Sector: 2003	9
4c. Capitalized Expenditures for Type of ICT Equipment for Companies With Employees by Major Industry Sector: 2003	10
4d. Relative Standard Errors for Capitalized Expenditures for Type of ICT Equipment for Companies With Employees by Major Industry Sector: 2003	11
Appendixes	
A. Definition of Terms	A-1
B. Sampling and Estimation Methodologies	B-1
C. Survey Forms and Instructions	C-1

Introduction

DESCRIPTION OF SURVEY

The Information and Communication Technology Survey (ICTS), a supplement to the Annual Capital Expenditures Survey (ACES), was created in response to economic data user and policymaker concerns about the lack of available data on e-business infrastructure investment by nonfarm businesses. Rapid changes and advances in information and communication technology (ICT) equipment have resulted in these assets having short useful lives and a tendency to be replaced much quicker than other types of equipment. Companies are expensing the full cost of such assets during the current annual period rather than capitalizing the value of such assets and expensing the cost over two or more years. In some cases this is due to the short useful life of the asset, and in other cases this is because companies have varying dollar levels for capitalization.

The ICTS data are critical for providing improved source data to the investment component of gross domestic product, capital stock estimates, and capital flow tables. The data will also be used to assess future productivity and economic growth prospects. In addition, the data provide facts about trends in such expenditures useful for identifying business opportunities, product development, and business planning.

The 2003 estimates in this report are based on data collected from a sample of 45,994 companies with employees. The sample frame for companies with employees was slightly more than 5.7 million.

COMPOSITION OF INDUSTRY CATEGORY CODES

The industry categories used in the 2003 ICTS were comprised primarily of 3-digit and selected 4-digit industries from the *North American Industry Classification System (NAICS): 1997*. Industry combinations were developed through consultation with data users.

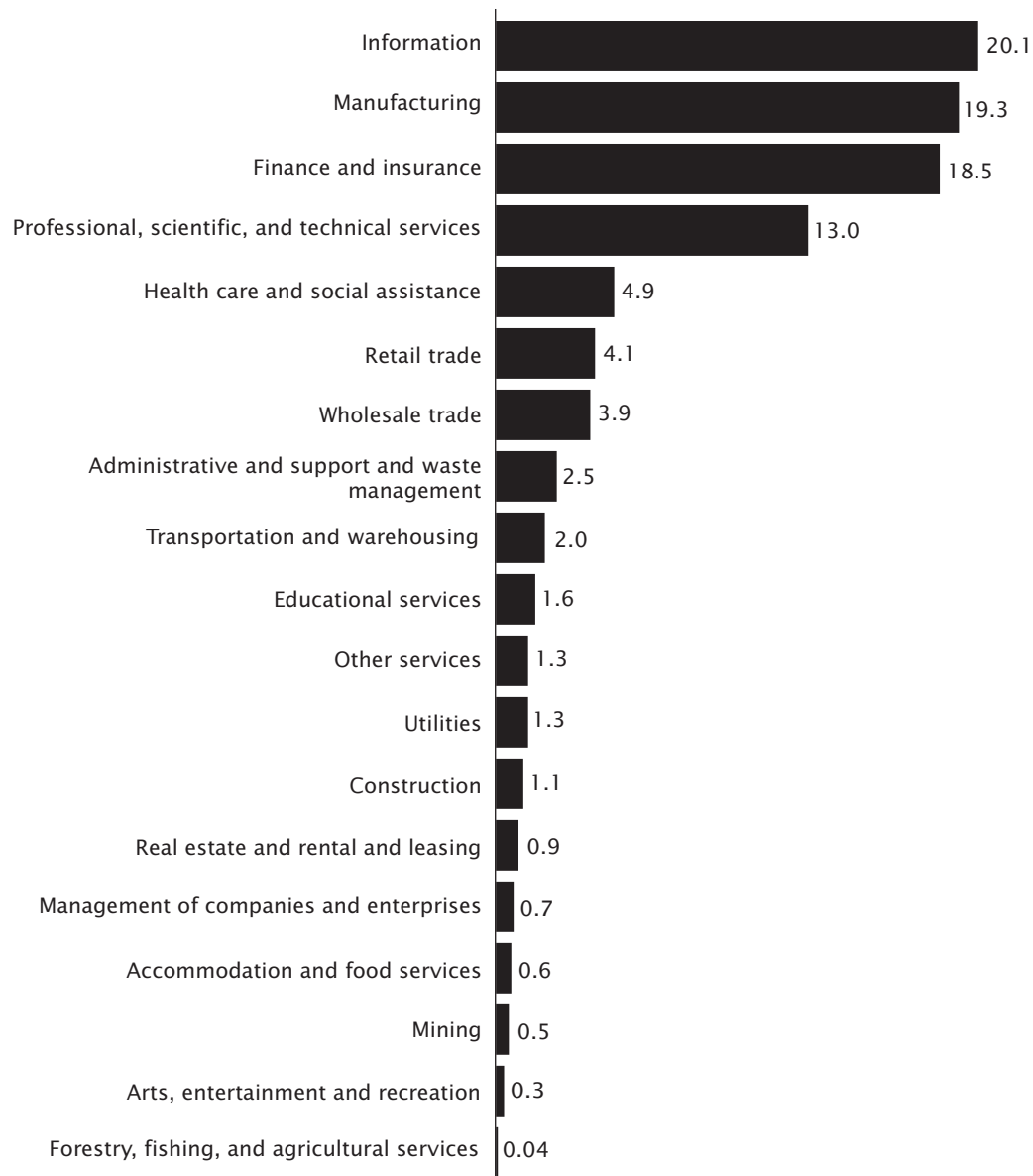
INFORMATION REQUESTED

Three survey forms (ICT-1(S), ICT-1(M), and ICT-1(L)) were used for the 2003 ICTS. Each company in the sample was sent one of the forms depending on the diversification of their operations. Recipients of these survey forms were asked to provide industry-level data for noncapitalized purchases, and operating leases and rental payments for three types of ICT equipment (computers and peripheral equipment; ICT equipment, excluding computers and peripherals; and, electromedical and electrotherapeutic apparatus). In addition, companies were asked to provide industry-level data for noncapitalized purchases and payroll for developing software, and noncapitalized software licensing and service/maintenance agreements. Additional detail regarding the ICTS forms and instructions can be found in Appendix C.

Figure 1.

Noncapitalized ICT Expenditures by Business Sectors for Companies With Employees: 2003

(Billion dollars)



SUMMARY OF FINDINGS

In 2003, U.S. businesses with employees invested \$229.3 billion on information and communication technology (ICT) equipment, including computer software. Noncapitalized spending was \$97.2 billion, or 42.4 percent of total spending and capitalized spending was \$132.1 billion (as reported in the 2003 Annual Capital Expenditures Survey), or 57.6 percent of total spending.

Of the 2003 noncapitalized spending (\$97.2 billion), purchases totaled \$23.5 billion (24.2 percent), operating leases and rental payments totaled nearly \$19.7 billion (20.3 percent), and computer software expenditures totaled \$53.9 billion (55.5 percent). Of the capitalized spending (\$132.1 billion), purchases totaled \$87.8 billion (66.5 percent), and computer software expenditures totaled \$44.3 billion (33.5 percent). *Additional information regarding capitalized spending can be found in the 2003 Annual Capital Expenditures Survey publication located at <<http://www.census.gov/csd/ace/index.html>>.*

Of the noncapitalized purchases (\$23.5 billion), computer and peripheral equipment accounted for \$16.8 billion, ICT equipment excluding computers and peripherals accounted for \$6.4 billion, and electromedical and electrotherapeutic apparatus accounted for \$0.4 billion.

Of the noncapitalized operating leases and rental payments (\$19.7 billion), computer and peripheral equipment accounted for \$12.4 billion, ICT equipment excluding computers and peripherals accounted for \$6.6 billion, and electromedical and electrotherapeutic apparatus accounted for nearly \$0.7 billion.

Of the \$53.9 billion for noncapitalized software expenditures, \$33.2 billion, or 61.5 percent, was spent on purchases and payroll for developing software, and \$20.7 billion was spent on software licensing and service/maintenance agreements.

Highlights of noncapitalized ICT expenditures by business sector for companies with employees

[Business sector data are based on the 1997 North American Industry Classification System]

Information. The information sector (e.g., publishing, broadcasting, telecommunications), spent \$20.1 billion on noncapitalized ICT expenditures. This spending level accounts for 20.6 percent of total noncapitalized expenditures. Of this sector's spending, equipment purchases accounted for \$2.3 billion; operating leases and rental payments accounted for \$4.9 billion; purchases and payroll for developing computer software accounted for \$8.3 billion; and, software licensing and service/maintenance agreements accounted for \$4.6 billion.

Manufacturing. The manufacturing sector spent \$19.3 billion on noncapitalized ICT expenditures in 2003 and accounts for 19.8 percent of total noncapitalized expenditures. Of this sector's spending, equipment purchases

accounted for \$6.2 billion; operating leases and rental payments accounted for \$3.2 billion; purchases and payroll for developing computer software accounted for \$5.7 billion; and, software licensing and service/maintenance agreements accounted for \$4.1 billion.

Noncapitalized spending by durable goods manufacturers totaled \$13.9 billion in 2003, or 72.2 percent of this sector's spending. Equipment purchases accounted for \$4.9 billion; operating leases and rental payments accounted for \$2.0 billion; purchases and payroll for developing computer software accounted for \$4.2 billion; and, software licensing and service/maintenance agreements accounted for \$2.7 billion.

Nondurable goods manufacturers spent \$5.4 billion on noncapitalized expenditures in 2003. Of this total, spending was about the same for equipment purchases, operating leases and rental payments, purchases and payroll for developing computer software, and software licensing and service/maintenance agreements.

Finance and insurance. This sector spent \$18.5 billion on noncapitalized expenditures, accounting for 19.0 percent of total noncapitalized expenditures. Of this sector's spending, equipment purchases accounted for \$4.4 billion; operating leases and rental payments accounted for \$3.1 billion; purchases and payroll for developing computer software accounted for \$6.6 billion; and, software licensing and service/maintenance agreements accounted for \$4.4 billion.

Professional, scientific, and technical services. Noncapitalized ICT spending in this sector totaled \$13.0 billion, or 13.4 percent of total noncapitalized expenditures. Of this sector's spending, equipment purchases accounted for \$2.8 billion; operating leases and rental payments accounted for \$2.1 billion; purchases and payroll for developing computer software accounted for \$6.3 billion; and, software licensing and service/maintenance agreements accounted for \$1.8 billion.

Health care and social assistance. The health care and social assistance sector spent \$4.9 billion on noncapitalized ICT expenditures in 2003. Of this spending, \$3.1 billion was for equipment excluding computer software, and \$1.8 billion for software.

Retail trade. In 2003, the retail trade sector spent \$4.1 billion on noncapitalized ICT expenditures. Of this amount, \$2.1 billion was spent on equipment excluding computer software, and \$2.0 billion was spent on software.

Wholesale trade The wholesale trade sector spent \$3.9 billion on noncapitalized ICT expenditures. Spending on equipment excluding computer software totaled \$1.5 billion, and \$2.3 billion was spent on software.

Administrative and support and waste management. Noncapitalized ICT spending in this sector totaled \$2.5 billion in 2003. Of this total, about the same amount was spent on ICT equipment excluding computer software as was spent on software.

Transportation and warehousing. The transportation and warehousing sector spent \$2.0 billion on noncapitalized expenditures in 2003. Of the total spending in this sector, \$1.2 billion was spent on equipment excluding computer software. The remaining \$0.8 billion was spent on software.

Educational services. In 2003, the educational services sector spent \$1.6 billion on noncapitalized ICT expenditures. Of this sector's total spending, about twice as much was spent on ICT equipment excluding computer software as was spent on software.

Other services (except public administration). Noncapitalized ICT spending in this sector totaled \$1.3 billion. Of this sector's total spending, about twice as much was spent on ICT equipment excluding computer software as was spent on software.

Utilities. The utilities sector spent \$1.3 billion on noncapitalized ICT expenditures in 2003. Of the total spending in this sector, about half (\$0.5 billion) as much was spent on ICT equipment excluding computer software as was spent (\$0.8 billion) on software.

Construction. The construction sector spent \$1.1 billion on noncapitalized ICT expenditures. Spending on ICT equipment excluding computer software totaled \$0.8 billion, and \$0.4 billion was spent on software.

Real estate and rental and leasing. Noncapitalized ICT spending in this sector totaled \$0.9 billion in 2003. Of this amount, \$0.6 billion was spent on ICT equipment excluding computer software, and \$0.3 billion was spent on software.

Management of companies and enterprises. This sector spent \$0.7 billion on noncapitalized expenditures in 2003. Of this amount, \$0.3 billion was spent on ICT equipment excluding computer software, and \$0.4 billion for software.

Accommodation and food services. The accommodation and food services sector spent \$0.6 billion on noncapitalized ICT expenditures in 2003. Spending on ICT equipment excluding computer software was \$0.4 billion, and spending on software was \$0.2 billion.

Mining. Noncapitalized ICT spending in the mining sector totaled \$0.5 billion in 2003. Spending was about the same for ICT equipment expenditures excluding computer software, and for software.

Arts, entertainment, and recreation. Spending in this sector totaled \$0.3 billion in 2003 with spending about even for ICT equipment expenditures excluding computer software, and for software.

Note: Associated relative standard error tables are included in this publication.

The data in this report are subject to sampling variability, as well as nonsampling error. Sources of nonsampling error include errors of response, nonreporting, and coverage. Further details concerning survey design, methodology, and data limitations are contained in the appendixes of this publication.

DISCLOSURE

In accordance with federal law governing census reports (Title 13 of the United States Code), no data are published that would disclose the operations of an individual establishment or company. Disclosure limitation is the process for protecting the confidentiality of data. A disclosure would occur if someone could use published statistical information to infer the identity or operations of a business that has provided information under a pledge of confidentiality. Disclosure suppression protects the confidentiality of individual businesses by withholding (suppressing) the cell values in tables of aggregate data for cases where only a few businesses are represented or dominate the statistic presented.

The disclosure analysis for the ICTS statistics is performed on each data item. When the estimate for a specific data item cannot be shown without disclosing information for individual companies, then the publication of that data item is suppressed. The process of suppression does not change the marginal totals, so the integrity of the data is not adversely affected.

ABBREVIATIONS AND SYMBOLS

The following abbreviations and symbols are used in this publication:

- Represents zero.
- (D) Withheld to avoid disclosing data for individual companies, data are included in higher level totals.
- (NA) Not available.
- (X) Not applicable.
- (Z) Less than half of unit shown.

ELECTRONIC ACCESS OF DATA

The 2003 Information and Communication Technology Survey data are available electronically on the Internet at <<http://www.census.gov/csd/ict/>>.

The 2003 Annual Capital Expenditures Survey data are available electronically on the Internet at <http://www.census.gov/csd/ace/>.

For further information regarding electronic releases, call 301-763-INFO (4636).

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DATA CONTACTS

For questions concerning the statistics in this report, call 1-800-227-1735, fax 301-457-3341, or write to:

U.S. Census Bureau
Company Statistics Division
Business Investment Branch
FB-3, Room 1285
Washington, DC 20233-6400

NOTICE OF FUTURE CHANGES

This will be the final year the U.S. Census Bureau publishes data for this survey using the 1997 North American Industry Classification System (NAICS). Beginning with the 2004 Survey year, we will publish data using the 2002 NAICS.

The following URL contains detailed information about NAICS and provides a comparison of the 1997 NAICS to the 2002 NAICS at <http://www.census.gov/epcd/www/naics.html>.

Figure 2.
Noncapitalized and Capitalized Expenditures for ICT Equipment and Computer Software for Companies With Employees: 2003

(Billion dollars)

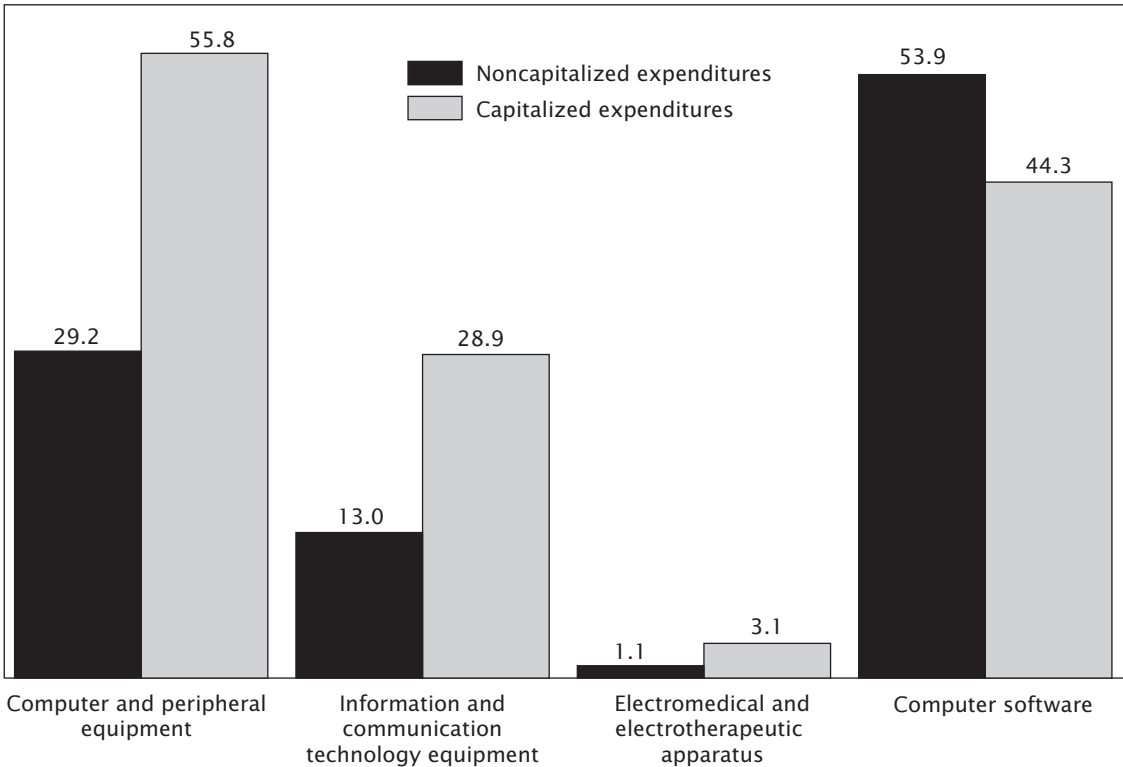


Figure 3.
Noncapitalized Expenditures of ICT Equipment and Computer Software for Companies With Employees: 2003

(Billion dollars)

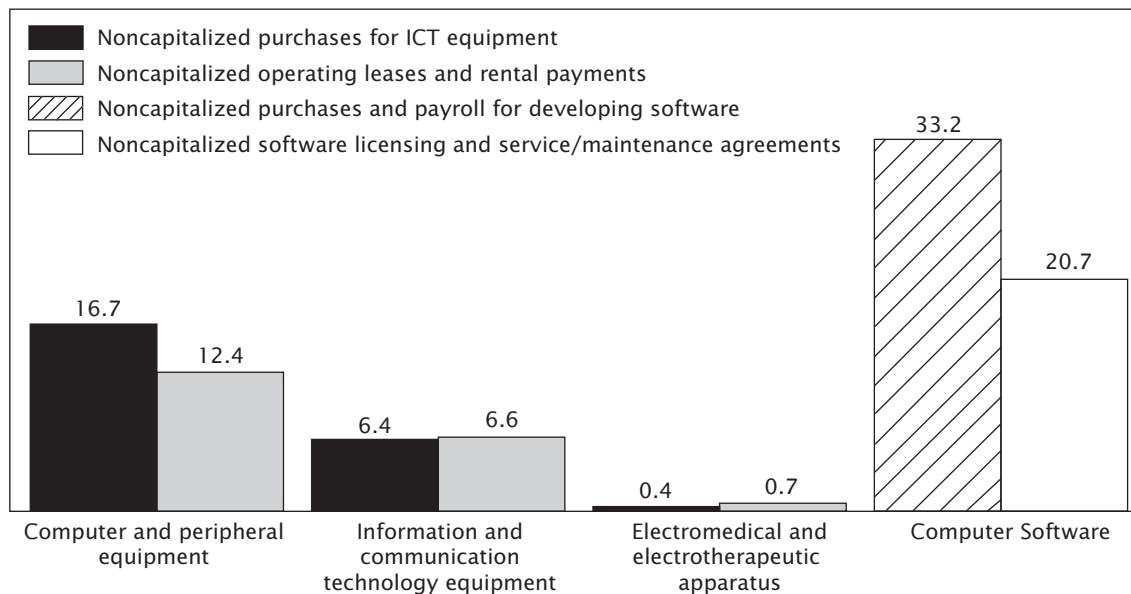


Figure 4.
Total Noncapitalized Expenditures Distribution for ICT Equipment and Computer Software for Companies With Employees: 2003

(Percent)

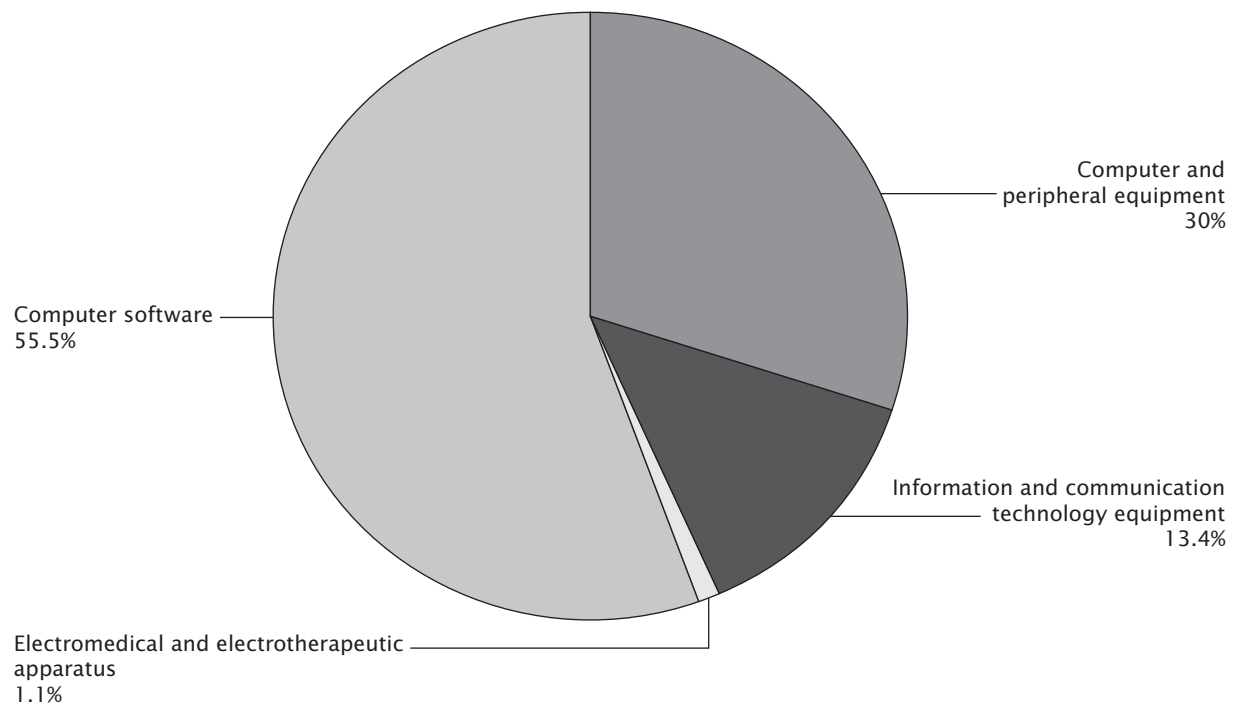


Figure 5.
Noncapitalized and Capitalized Expenditures for ICT Equipment by Selected Business Sectors for Companies With Employees: 2003

(Billion dollars)

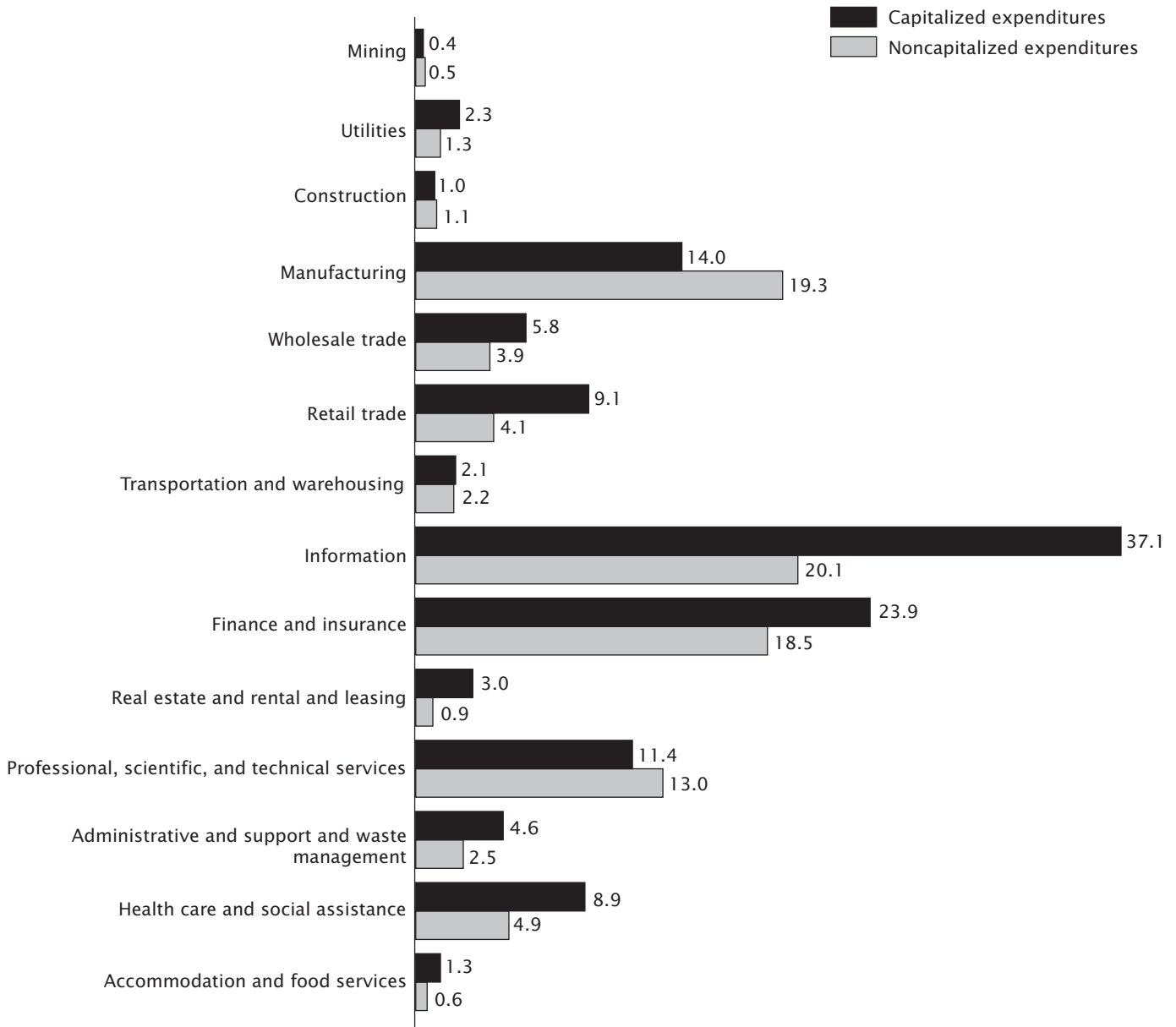


Table 1a. **Expenditures for ICT Equipment and Computer Software for Companies With Employees: 2003**

[Millions of current dollars. For meaning of abbreviations and symbols, see introductory text. See Appendixes A and B for definition of terms and sampling and estimation methodology]

Capital expenditures	Noncapitalized expenditures	Capitalized expenditures ¹
Total expenditures for ICT equipment and computer software	97 181	132 086
Total equipment expenditures	43 272	(NA)
Purchases	23 528	87 794
Computer and peripheral equipment	16 764	55 847
Information and communication technology equipment	6 351	28 894
Electromedical and electrotherapeutic apparatus	413	3 052
Operating leases and rental payments	19 744	(NA)
Computer and peripheral equipment	12 433	(NA)
Information and communication technology equipment	6 601	(NA)
Electromedical and electrotherapeutic apparatus	710	(NA)
Total computer software expenditures	53 910	(NA)
Purchases and payroll for developing software	33 167	44 292
Software licensing and service/maintenance agreements	20 742	(NA)

¹As reported in the 2003 Annual Capital Expenditures Survey.

Note: Detail may not add to total because of rounding.

Table 1b. **Relative Standard Errors for Expenditures for ICT Equipment and Computer Software for Companies With Employees: 2003**

[Percent. For meaning of abbreviations and symbols, see introductory text. See Appendixes A and B for definition of terms and sampling and estimation methodology]

Capital expenditures	Noncapitalized expenditures	Capitalized expenditures ¹
Total expenditures for ICT equipment and computer software	1.3	1.1
Total equipment expenditures	1.1	(NA)
Purchases	1.5	1.7
Computer and peripheral equipment	1.7	2.0
Information and communication technology equipment	2.3	2.2
Electromedical and electrotherapeutic apparatus	13.1	18.0
Operating leases and rental payments	1.6	(NA)
Computer and peripheral equipment	1.8	(NA)
Information and communication technology equipment	2.1	(NA)
Electromedical and electrotherapeutic apparatus	6.6	(NA)
Total computer software expenditures	1.9	(NA)
Purchases and payroll for developing software	2.9	1.0
Software licensing and service/maintenance agreements	0.7	(NA)

¹As reported in the 2003 Annual Capital Expenditures Survey.

Note: Detail may not add to total because of rounding.

Table 2a. ICT Expenditures for Companies With Employees by Major Industry Sector: 2003

[Millions of current dollars. For meaning of abbreviations and symbols, see introductory text. See Appendixes A and B for definition of terms and sampling and estimation methodology]

NAICS code	Industry	2003 noncapitalized expenditures	2003 capitalized expenditures ¹
	Total expenditures	97 181	132 086
113-115	Forestry, fishing, and agricultural services	42	53
21	Mining	530	421
22	Utilities	1 251	2 271
23	Construction	1 109	1 043
31-33	Manufacturing	19 264	14 014
321, 327, 33	Durable goods industries	13 906	7 863
31, 322-326	Nondurable goods industries	5 358	6 150
42	Wholesale trade	3 866	5 790
44-45	Retail trade	4 101	9 129
48-49	Transportation and warehousing	2 025	2 054
51	Information	20 051	37 088
52	Finance and insurance	18 503	23 857
53	Real estate and rental and leasing	866	3 043
54	Professional, scientific, and technical services	13 001	11 409
55	Management of companies and enterprises	665	1 258
56	Administrative and support and waste management	2 542	4 602
61	Educational services	1 589	2 255
62	Health care and social assistance	4 939	8 928
71	Arts, entertainment, and recreation	349	976
72	Accommodation and food services	602	1 338
81	Other services (except public administration)	1 338	1 980
	Equipment expenditures serving multiple industry codes	547	575

¹As reported in the 2003 Annual Capital Expenditures Survey.

Note: Detail may not add to total because of rounding.

Table 2b. **Relative Standard Errors for ICT Expenditures for Companies With Employees by Major Industry Sector: 2003**

[Percent. For meaning of abbreviations and symbols, see introductory text. See Appendixes A and B for definition of terms and sampling and estimation methodology]

NAICS code	Industry	2003 noncapitalized expenditures	2003 capitalized expenditures ¹
	Total expenditures	1.3	1.1
113-115	Forestry, fishing, and agricultural services	3.2	8.8
21	Mining	2.3	3.9
22	Utilities	1.6	2.7
23	Construction	9.9	6.8
31-33	Manufacturing	0.8	0.7
321, 327, 33	Durable goods industries	0.9	1.0
31, 322-326	Nondurable goods industries	1.2	1.2
42	Wholesale trade	11.7	5.7
44-45	Retail trade	4.4	3.9
48-49	Transportation and warehousing	8.1	2.9
51	Information	1.9	2.6
52	Finance and insurance	1.0	2.2
53	Real estate and rental and leasing	9.0	26.0
54	Professional, scientific, and technical services	8.1	3.2
55	Management of companies and enterprises	3.5	5.1
56	Administrative and support and waste management	4.5	5.0
61	Educational services	9.5	17.4
62	Health care and social assistance	2.8	8.0
71	Arts, entertainment, and recreation	6.5	3.0
72	Accommodation and food services	8.2	6.1
81	Other services (except public administration)	6.3	9.7
	Equipment expenditures serving multiple industry codes	(Z)	1.0

¹As reported in the 2003 Annual Capital Expenditures Survey.

Note: Detail may not add to total because of rounding.

Table 3a. **Noncapitalized Expenditures for ICT Equipment and Computer Software for Companies With Employees by Major Industry Sector: 2003**

[Millions of current dollars. For meaning of abbreviations and symbols, see introductory text. See Appendixes A and B for definition of terms and sampling and estimation methodology]

NAICS code	Industry	Total non-capitalized expenditures	Noncapitalized equipment expenditures			Noncapitalized computer software expenditures		
			Total	Purchases	Operating leases and rental payments	Total	Purchases and payroll for developing software	Software licensing and service/maintenance agreements
	Total expenditures	97 181	43 272	23 528	19 744	53 910	33 167	20 742
113-115	Forestry, fishing, and agricultural services	42	20	14	6	22	13	9
21	Mining	530	251	127	123	279	96	183
22	Utilities	1 251	452	172	280	799	404	395
23	Construction	1 109	758	533	225	351	242	109
31-33	Manufacturing	19 264	9 418	6 171	3 247	9 846	5 730	4 116
321, 327, 33	Durable goods industries	13 906	6 969	4 926	2 042	6 937	4 207	2 730
31, 322-326	Nondurable goods industries	5 358	2 449	1 244	1 205	2 909	1 523	1 386
42	Wholesale trade	3 866	1 529	937	593	2 336	1 729	607
44-45	Retail trade	4 101	2 059	1 007	1 052	2 042	750	1 292
48-49	Transportation and warehousing	2 025	1 233	726	507	792	414	378
51	Information	20 051	7 161	2 300	4 860	12 891	8 287	4 604
52	Finance and insurance	18 503	7 506	4 382	3 123	10 998	6 592	4 406
53	Real estate and rental and leasing	866	576	354	222	290	152	138
54	Professional, scientific, and technical services	13 001	4 970	2 827	2 144	8 030	6 268	1 763
55	Management of companies and enterprises	665	286	115	172	378	167	211
56	Administrative and support and waste management	2 542	1 261	505	756	1 282	589	693
61	Educational services	1 589	1 053	714	339	536	281	255
62	Health care and social assistance	4 939	3 141	1 666	1 476	1 798	679	1 119
71	Arts, entertainment, and recreation	349	169	95	74	180	120	60
72	Accommodation and food services	602	374	230	145	228	115	112
81	Other services (except public administration)	1 338	903	576	327	435	246	190
	Equipment expenditures serving multiple industry codes	547	150	78	72	397	294	103

Note: Detail may not add to total because of rounding.

Table 3b. **Relative Standard Errors for Noncapitalized Expenditures for ICT Equipment and Computer Software for Companies With Employees by Major Industry Sector: 2003**

[Percent. For meaning of abbreviations and symbols, see introductory text. See Appendixes A and B for definition of terms and sampling and estimation methodology]

NAICS code	Industry	Total non-capitalized expenditures	Noncapitalized equipment expenditures			Noncapitalized computer software expenditures		
			Total	Purchases	Operating leases and rental payments	Total	Purchases and payroll for developing software	Software licensing and service/maintenance agreements
	Total expenditures	1.3	1.1	1.5	1.6	1.9	2.9	0.7
113-115	Forestry, fishing, and agricultural services	3.2	5.7	7.1	6.7	3.5	5.5	3.3
21	Mining	2.3	2.0	3.1	3.1	3.0	4.1	4.5
22	Utilities	1.6	1.8	1.1	2.7	1.6	2.0	3.0
23	Construction	9.9	9.8	9.3	18.2	17.7	26.1	7.0
31-33	Manufacturing	0.8	0.7	0.8	0.9	1.4	2.0	0.9
321, 327, 33	Durable goods industries	0.9	0.7	0.9	1.2	1.7	2.5	0.9
31, 322-326	Nondurable goods industries	1.2	1.3	1.6	1.4	1.3	1.4	1.4
42	Wholesale trade	11.7	5.2	7.1	5.7	18.2	24.5	7.1
44-45	Retail trade	4.4	6.6	11.2	7.6	4.4	4.7	6.0
48-49	Transportation and warehousing	8.1	13.3	11.3	24.6	3.4	5.8	2.3
51	Information	1.9	3.0	3.8	3.3	2.0	3.1	0.9
52	Finance and insurance	1.0	1.6	3.0	2.1	1.1	1.3	1.9
53	Real estate and rental and leasing	9.0	11.7	14.5	21.3	6.5	7.6	8.3
54	Professional, scientific, and technical services	8.1	3.4	4.4	4.3	12.0	15.2	3.3
55	Management of companies and enterprises	3.5	5.0	6.9	5.5	3.1	2.8	3.5
56	Administrative and support and waste management	4.5	5.4	6.7	6.3	4.8	10.0	4.8
61	Educational services	9.5	10.1	8.0	25.0	9.9	9.6	11.6
62	Health care and social assistance	2.8	3.6	5.7	4.4	3.2	3.8	5.1
71	Arts, entertainment, and recreation	6.5	10.6	8.5	20.4	3.2	1.7	9.1
72	Accommodation and food services	8.2	12.1	11.5	17.2	5.1	6.7	7.6
81	Other services (except public administration)	6.3	6.3	7.7	9.5	7.9	9.8	8.5
	Equipment expenditures serving multiple industry codes	(Z)	0.1	0.2	-	-	-	-

Note: Detail may not add to total because of rounding.

Table 3c. **Capitalized Expenditures for ICT Equipment and Computer Software for Companies With Employees by Major Industry Sector: 2003**

[Data based on the 2003 Annual Capital Expenditures Survey (ACES). Millions of current dollars. For meaning of abbreviations and symbols, see introductory text. See Appendixes A and B for definition of terms and sampling and estimation methodology]

NAICS code	Industry	Total capitalized expenditures	Capitalized equipment expenditures	Capitalized computer software expenditures
	Total expenditures	132 086	87 794	44 292
113-115	Forestry, fishing, and agricultural services	53	39	14
21	Mining	421	175	246
22	Utilities	2 271	963	1 308
23	Construction	1 043	722	321
31-33	Manufacturing	14 014	6 794	7 220
321, 327, 33	Durable goods industries	7 863	4 423	3 440
31, 322-326	Nondurable goods industries	6 150	2 371	3 779
42	Wholesale trade	5 790	3 552	2 238
44-45	Retail trade	9 129	6 508	2 621
48-49	Transportation and warehousing	2 054	1 015	1 039
51	Information	37 088	29 140	7 949
52	Finance and insurance	23 857	13 142	10 715
53	Real estate and rental and leasing	3 043	2 417	627
54	Professional, scientific, and technical services	11 409	8 556	2 853
55	Management of companies and enterprises	1 258	844	414
56	Administrative and support and waste management	4 602	2 661	1 942
61	Educational services	2 255	1 668	586
62	Health care and social assistance	8 928	6 165	2 764
71	Arts, entertainment, and recreation	976	689	287
72	Accommodation and food services	1 338	990	348
81	Other services (except public administration)	1 980	1 369	611
	Equipment expenditures serving multiple industry codes	575	385	190

Note: Detail may not add to total because of rounding.

Table 3d. **Relative Standard Errors for Capitalized Expenditures for ICT Equipment and Computer Software for Companies With Employees by Major Industry Sector: 2003**

[Data based on the 2003 Annual Capital Expenditures Survey (ACES). Percent. For meaning of abbreviations and symbols, see introductory text. See Appendixes A and B for definition of terms and sampling and estimation methodology]

NAICS code	Industry	Total capitalized expenditures	Capitalized equipment expenditures	Capitalized computer software expenditures
	Total expenditures	1.1	1.7	1.0
113-115	Forestry, fishing, and agricultural services	8.8	9.6	9.3
21	Mining	3.8	2.8	5.4
22	Utilities	2.7	2.9	2.9
23	Construction	6.8	9.8	10.5
31-33	Manufacturing	0.7	1.1	0.8
321, 327, 33	Durable goods industries	1.0	1.3	1.4
31, 322-326	Nondurable goods industries	1.2	2.2	0.8
42	Wholesale trade	5.7	6.0	8.1
44-45	Retail trade	3.9	5.7	3.2
48-49	Transportation and warehousing	2.8	3.4	4.7
51	Information	2.6	3.2	2.3
52	Finance and insurance	2.2	2.6	2.4
53	Real estate and rental and leasing	26.0	29.3	14.5
54	Professional, scientific, and technical services	3.2	4.1	3.9
55	Management of companies and enterprises	5.1	6.6	4.5
56	Administrative and support and waste management	5.0	8.0	6.2
61	Educational services	17.4	16.5	24.0
62	Health care and social assistance	8.0	9.8	5.2
71	Arts, entertainment, and recreation	3.0	4.3	3.0
72	Accommodation and food services	6.1	8.2	2.7
81	Other services (except public administration)	9.7	9.5	14.4
	Equipment expenditures serving multiple industry codes	1.0	1.2	0.8

Note: Detail may not add to total because of rounding.

Table 4a. **Noncapitalized Expenditures for Type of ICT Equipment for Companies With Employees by Major Industry Sector: 2003**

[Millions of current dollars. For meaning of abbreviations and symbols, see introductory text. See Appendixes A and B for definition of terms and sampling and estimation methodology]

NAICS code	Industry	Total non-capitalized equipment expenditures	Noncapitalized purchases				Noncapitalized operating leases and rental payments			
			Total purchases	Computer and peripheral equipment	Information and communication technology equipment	Electro-medical and electro-therapeutic apparatus	Total operating leases and rental payments	Computer and peripheral equipment	Information and communication technology equipment	Electro-medical and electro-therapeutic apparatus
	Total expenditures	43 272	23 528	16 764	6 351	413	19 744	12 433	6 601	710
113-115	Forestry, fishing, and agricultural services ...	20	14	10	3	1	6	4	1	1
21	Mining	251	127	74	53	(Z)	123	67	56	-
22	Utilities	452	172	97	75	(Z)	280	231	50	-
23	Construction	758	533	353	179	1	225	173	53	(Z)
31-33	Manufacturing	9 418	6 171	5 318	835	18	3 247	2 426	817	5
321, 327, 33	Durable goods industries	6 969	4 926	4 426	495	6	2 042	1 512	528	2
31, 322-326	Nondurable goods industries	2 449	1 244	892	340	13	1 205	913	289	3
42	Wholesale trade	1 529	937	751	180	5	593	406	184	3
44-45	Retail trade	2 059	1 007	819	186	1	1 052	845	205	3
48-49	Transportation and warehousing	1 233	726	410	316	(Z)	507	357	150	(Z)
51	Information	7 161	2 300	1 541	754	6	4 860	1 904	2 956	(Z)
52	Finance and insurance	7 506	4 382	2 245	2 133	5	3 123	2 321	797	5
53	Real estate and rental and leasing	576	354	241	112	1	222	136	86	-
54	Professional, scientific, and technical services	4 970	2 827	2 208	562	57	2 144	1 668	459	17
55	Management of companies and enterprises .	286	115	85	30	(Z)	172	122	50	(Z)
56	Administrative and support and waste management	1 261	505	323	172	10	756	574	180	2
61	Educational services	1 053	714	581	131	2	339	255	84	(Z)
62	Health care and social assistance	3 141	1 666	1 013	355	298	1 476	516	288	673
71	Arts, entertainment, and recreation	169	95	72	23	(Z)	74	43	31	(Z)
72	Accommodation and food services	374	230	148	81	(Z)	145	103	40	2
81	Other services (except public administration)	903	576	422	152	2	327	232	95	(Z)
	Equipment expenditures serving multiple industry codes	150	78	54	19	5	72	52	20	-

Note: Detail may not add to total because of rounding.

Table 4b. **Relative Standard Errors for Noncapitalized Expenditures for Type of ICT Equipment for Companies With Employees by Major Industry Sector: 2003**

[Percent. For meaning of abbreviations and symbols, see introductory text. See Appendixes A and B for definition of terms and sampling and estimation methodology]

NAICS code	Industry	Total non-capitalized equipment expenditures	Noncapitalized purchases				Noncapitalized operating leases and rental payments			
			Total purchases	Computer and peripheral equipment	Information and communication technology equipment	Electro-medical and electro-therapeutic apparatus	Total operating leases and rental payments	Computer and peripheral equipment	Information and communication technology equipment	Electro-medical and electro-therapeutic apparatus
	Total expenditures	1.1	1.5	1.7	2.3	13.1	1.6	1.8	2.1	6.6
113-115	Forestry, fishing, and agricultural services ...	5.7	7.1	8.2	14.7	—	6.7	8.1	21.9	—
21	Mining	2.0	3.1	3.8	4.8	—	3.1	0.5	6.9	—
22	Utilities	1.8	1.1	1.9	0.9	49.8	2.7	3.2	2.1	—
23	Construction	9.8	9.3	7.2	21.1	39.2	18.2	23.8	27.0	—
31-33	Manufacturing	0.7	0.8	0.7	2.6	14.7	0.9	0.9	2.6	13.2
321, 327, 33	Durable goods industries	0.7	0.9	0.7	4.5	46.7	1.2	1.0	3.9	2.5
31, 322-326	Nondurable goods industries	1.3	1.6	2.2	1.3	1.9	1.4	1.5	2.2	21.6
42	Wholesale trade	5.2	7.1	8.3	7.1	97.6	5.7	5.5	11.4	51.7
44-45	Retail trade	6.6	11.2	12.0	11.1	59.3	7.6	8.2	7.5	52.6
48-49	Transportation and warehousing	13.3	11.3	18.9	3.0	6.3	24.6	34.2	8.1	93.1
51	Information	3.0	3.8	2.8	8.0	52.3	3.3	3.1	4.4	16.5
52	Finance and insurance	1.6	3.0	5.1	1.4	7.0	2.1	2.6	2.5	—
53	Real estate and rental and leasing	11.7	14.5	16.3	12.6	99.8	21.3	24.5	38.1	—
54	Professional, scientific, and technical services	3.4	4.4	3.4	14.6	19.6	4.3	4.4	11.9	22.5
55	Management of companies and enterprises .	5.0	6.9	9.3	2.4	—	5.5	4.5	16.3	—
56	Administrative and support and waste management	5.4	6.7	8.6	9.2	28.1	6.3	8.2	9.1	49.7
61	Educational services	10.1	8.0	7.8	10.3	—	25.0	31.9	41.1	—
62	Health care and social assistance	3.6	5.7	6.4	7.9	16.8	4.4	9.1	7.9	6.9
71	Arts, entertainment, and recreation	10.6	8.5	10.3	10.1	3.9	20.4	27.2	20.3	9.7
72	Accommodation and food services	12.1	11.5	11.0	15.9	—	17.2	24.1	16.4	—
81	Other services (except public administration)	6.3	7.7	8.1	17.8	47.6	9.5	12.4	12.0	76.2
	Equipment expenditures serving multiple industry codes	0.1	0.2	0.1	0.3	—	—	—	—	—

Note: Detail may not add to total because of rounding.

Table 4c. **Capitalized Expenditures for Type of ICT Equipment for Companies With Employees by Major Industry Sector: 2003**

[Data based on the 2003 Annual Capital Expenditures Survey (ACES). Millions of current dollars. For meaning of abbreviations and symbols, see introductory text. See Appendixes A and B for definition of terms and sampling and estimation methodology]

NAICS code	Industry	Total capitalized equipment expenditures	Capitalized equipment expenditures			
			Total purchases	Computer and peripheral equipment	Information and communication technology equipment	Electromedical and electrotherapeutic apparatus
	Total expenditures	132 086	87 794	55 847	28 894	3 052
113-115	Forestry, fishing, and agricultural services	53	39	31	8	-
21	Mining	421	175	156	19	-
22	Utilities	2 271	963	651	312	1
23	Construction	1 043	722	651	71	(Z)
31-33	Manufacturing	14 014	6 794	5 912	751	131
321, 327, 33	Durable goods industries	7 863	4 423	3 768	547	109
31, 322-326	Nondurable goods industries	6 150	2 371	2 144	205	22
42	Wholesale trade	5 790	3 552	3 092	308	151
44-45	Retail trade	9 129	6 508	5 606	894	9
48-49	Transportation and warehousing	2 054	1 015	918	97	(Z)
51	Information	37 088	29 140	7 804	21 335	(Z)
52	Finance and insurance	23 857	13 142	11 257	1 872	13
53	Real estate and rental and leasing	3 043	2 417	2 045	367	4
54	Professional, scientific, and technical services	11 409	8 556	7 664	797	94
55	Management of companies and enterprises	1 258	844	709	133	2
56	Administrative and support and waste management	4 602	2 661	2 014	637	9
61	Educational services	2 255	1 668	1 254	145	269
62	Health care and social assistance	8 928	6 165	3 278	521	2 366
71	Arts, entertainment, and recreation	976	689	553	135	1
72	Accommodation and food services	1 338	990	805	185	(Z)
81	Other services (except public administration)	1 980	1 369	1 075	293	2
	Equipment expenditures serving multiple industry codes	575	385	371	14	-

Note: Detail may not add to total because of rounding.

Table 4d. **Relative Standard Errors for Capitalized Expenditures for Type of ICT Equipment for Companies With Employees by Major Industry Sector: 2003**

[Data based on the 2003 Annual Capital Expenditures Survey (ACES). Percent. For meaning of abbreviations and symbols, see introductory text. See Appendixes A and B for definition of terms and sampling and estimation methodology]

NAICS code	Industry	Total capitalized equipment expenditures	Capitalized equipment expenditures			
			Total purchases	Computer and peripheral equipment	Information and communication technology equipment	Electromedical and electrotherapeutic apparatus
	Total expenditures	1.1	1.7	2.0	2.2	18.0
113-115	Forestry, fishing, and agricultural services	8.8	9.6	12.1	8.3	—
21	Mining	3.8	2.8	2.9	4.8	—
22	Utilities	2.7	2.9	3.4	5.9	—
23	Construction	6.8	9.8	10.8	12.2	97.0
31-33	Manufacturing	0.7	1.1	1.3	2.2	3.2
321, 327, 33	Durable goods industries	1.0	1.3	1.6	3.1	3.9
31, 322-326	Nondurable goods industries	1.2	2.2	2.5	2.0	2.4
42	Wholesale trade	5.7	6.0	4.4	31.0	96.7
44-45	Retail trade	3.9	5.7	2.6	33.6	67.3
48-49	Transportation and warehousing	2.8	3.4	3.6	8.3	42.7
51	Information	2.6	3.2	10.1	3.1	—
52	Finance and insurance	2.2	2.6	3.0	3.2	85.5
53	Real estate and rental and leasing	26.0	29.3	34.9	18.0	88.3
54	Professional, scientific, and technical services	3.2	4.1	4.8	13.1	42.9
55	Management of companies and enterprises	5.1	6.6	7.9	2.3	—
56	Administrative and support and waste management	5.0	8.0	10.1	8.8	85.1
61	Educational services	17.4	16.5	9.6	9.1	81.0
62	Health care and social assistance	8.0	9.8	5.0	4.6	19.9
71	Arts, entertainment, and recreation	3.0	4.3	4.5	5.5	63.8
72	Accommodation and food services	6.1	8.2	10.2	10.8	77.6
81	Other services (except public administration)	9.7	9.5	7.5	26.3	64.3
	Equipment expenditures serving multiple industry codes	1.0	1.2	1.3	1.6	—

Note: Detail may not add to total because of rounding.

Appendix A.

Definition of Terms

NONCAPITALIZED EXPENDITURES

Noncapitalized expenditures include expenses made during the year for ICT equipment including computer software **not** charged to asset accounts for which depreciation or amortization accounts are ordinarily maintained. Noncapitalized expenditures include purchases, operating leases and rental payments for ICT equipment, purchases and payroll for developing computer software, and software licensing and service/maintenance agreements. Such expenses generally fall below a firm's capitalization threshold and are immediately written off and charged to expense accounts as incurred.

CAPITALIZED EXPENDITURES

Capitalized expenditures include all expenditures during the year for ICT equipment including computer software chargeable to asset accounts for which depreciation or amortization accounts are ordinarily maintained. For projects lasting more than one year, this definition includes gross additions of ICT equipment to construction-in-progress accounts even if the equipment was not in use and not yet depreciated. For capital leases, the company using the asset (lessee) is asked to include the cost or present value of the leased equipment in the year in which the lease was entered.

PURCHASES

Purchases include acquisitions and upgrades of equipment.

OPERATING LEASES AND RENTAL PAYMENTS

Operating Leases and Rental Payments refer to payments made in exchange for use of equipment with no transfer of ownership. In multi-year agreements, only expenses for the current year are included.

COMPUTER AND PERIPHERAL EQUIPMENT

Computer and peripheral equipment include mainframes, personal computers, laptops, workstations, terminals, computer servers, printers, plotters, monitors, storage devices, personal digital assistants (PDAs), automatic teller machines (ATMs), point-of-sale terminals, etc.

INFORMATION AND COMMUNICATION TECHNOLOGY EQUIPMENT

Information and communication technology equipment include central office switching equipment, telephones and telephone apparatus, facsimile equipment, bridges,

routers, gateways, portable transmitting and receiving antennas, communication satellites, cable television equipment, global positioning system (GPS) equipment, radio and television studio broadcasting equipment, fire detection and alarm systems, intercom systems, etc.

ELECTROMEDICAL AND ELECTROTHERAPEUTIC APPARATUS

Electromedical and electrotherapeutic apparatus include magnetic resonance imaging equipment, electrocardiographs, medical ultrasound equipment, electromedical endoscopic equipment, defibrillators, etc.

COMPUTER SOFTWARE EXPENDITURES

Computer software expenditures include purchases and payroll for developing software, and software licensing and service/maintenance agreements.

PURCHASES AND PAYROLL FOR DEVELOPING SOFTWARE

Purchases and payroll for developing software refers to acquisitions and/or upgrades for computer software. Computer software purchases (prepackaged, vendor-customized, and internally-developed) and payroll consist of costs of materials and services directly related to the development or acquisition of software, payroll and payroll-related costs for employees directly associated with software development, and interest costs incurred while developing the software. Purchased computer services are included only if they related to vendor-customized software or adaptation to existing software.

Capitalized computer software is defined by the criteria in Statement of Position 98-1, Accounting for the Costs of Computer Software Developed or Obtained for Internal Use.

SOFTWARE LICENSING AND SERVICE/MAINTENANCE AGREEMENTS

Software licensing and service/maintenance agreements refer to expenses for software acquired under operating leases, site and seat licenses, and software service/maintenance agreements.

Appendix B.

Sampling and Estimation Methodologies

The estimates in this report are based on a stratified simple random sample. The sample consists of 45,994 companies with paid employees (determined by the presence of payroll) in 2002.

The scope of the survey was defined to include all private, nonfarm, domestic companies. Major exclusions from the frame were government-owned operations (including the U.S. Postal Service), foreign-owned operations of domestic companies, establishments located in U.S. Territories, establishments engaged in agricultural production (not agricultural services), and private households.

The 2002 Business Register (BR) was used to develop the 2003 sample frame. The BR is the U.S. Census Bureau's establishment-based database. The database contains records for each physical business entity with payroll located in the United States, including company ownership information and current-year administrative data. In creating the frame, establishment data in the BR file were consolidated to create company-level records. Employment and payroll information was maintained for each six-digit North American Industry Classification System¹ (NAICS) industry in which the company had activity. Next, payroll data for each company-level record were run through an algorithm to assign the company, first to an industry sector (i.e., manufacturing, construction, etc.), then to a subsector (three-digit NAICS code), then to an industry group (four-digit NAICS code), then to an industry (five-digit NAICS code), and finally to a sample industry code based on the industry. The resulting sample frame contained slightly more than 5.7 million companies.

The 2003 sampling frame consists of a certainty portion and a noncertainty portion. The 16,970 companies with 500 or more employees were selected with certainty. The remaining companies with 1 to 499 employees were then grouped into 132 industry categories. Each industry was then further divided into four strata. Since noncapitalized expenditures data were not available on the sampling

frame, 2002 payroll was used as the stratification variable. The stratification methodology resulted in minimizing the sample-size subject to a desired level of reliability for each industry. The expected relative standard errors (RSEs) ranged from 1 to 3 percent.

ESTIMATION

Each company selected for the survey has a sample weight which is the inverse of its probability of selection. All sampled companies within the same stratum and industry grouping have the same weight. Weights were increased to adjust for nonresponse. The coverage rate for all companies was 78.0 percent. The coverage rate is calculated by multiplying 100 by the ratio of the noncapitalized expenditures of all reporting companies weighted by the original sample weights, to the noncapitalized expenditures of all reporting companies weighted by the adjusted-for-nonresponse sample weights. Weight adjustment and publication estimation are described in the following subsections.

Weight Adjustment

For estimation purposes, each company was placed into 1 of 4 response-related categories:

1. Respondents.
2. Nonrespondents.
3. Not in business.
4. Known duplicates.

A company was considered a respondent or nonrespondent based on whether the company provided sufficient data in items 1, 2, or 3 of the survey form. Companies that went out of business prior to 2003 and duplicates were dropped from the survey. Companies that went out of business during the survey year were kept in the sample and efforts were made to collect data for the period the company was active.

The following discussion assumes 660 strata (strata designation $h = 1, 2, \dots, 660$) which are based on 132 industries, each containing five strata (including the certainty stratum).

¹North American Industry Classification System (NAICS) – United States, 1997. For sale by National Technical Information Service (NTIS), Springfield, VA 22161. Call NTIS at 1-800-553-6847.

The original stratum weights (W_h) were adjusted to compensate for nonresponse. The adjusted weight is computed as follows:

$$W_{h(\text{adj})} = W_h * \frac{(P_{hr} + P_{hn})}{(P_{hr})}$$

where,

$W_{h(\text{adj})}$	is the adjusted stratum weight of the h^{th} stratum
$W_h = \frac{N_h}{n_h}$	is the original stratum weight of the h^{th} stratum
N_h	is the population size of the h^{th} stratum
n_h	is the sample size of the h^{th} stratum
P_{hr}	is the sum of total company payroll for respondent companies in stratum h
P_{hn}	is the sum of total company payroll for nonrespondent companies in stratum h

Publication Estimation

Publication cell estimates were computed by obtaining a weighted sum of reported values for companies treated as respondents. For those strata undergoing nonresponse adjustment, the estimates for X_j are biased, since this method assumes that nonresponse is not a purely random event. No attempt was made to estimate the magnitude of this bias.

The estimates were derived as follows. Each estimated cell total, \hat{X}_j , is of the form

$$\hat{X}_j = \sum_{h=1}^{660} \sum_{i \in h} (W_{h(\text{adj})} * X_{(j),i,h})$$

where,

$W_{h(\text{adj})}$	is the adjusted weight of the h^{th} stratum
$X_{(j),i,h}$	is the value attributed to the i^{th} company of stratum h , where j is the publication cell of interest.

Note: Although a company was assigned to and sampled in one sample industry, it could report expenditures in multiple industries. When this occurred, the reported data for all industries were inflated by the weight in the sample industry.

RELIABILITY OF THE ESTIMATES

The data shown in this report are estimated from a sample and will differ from the data which would have been obtained from a complete census. Two types of possible errors are associated with estimates based on data from sample surveys: sampling errors and nonsampling errors.

The accuracy of a survey result depends not only on the sampling errors and nonsampling errors measured, but also on the nonsampling errors not explicitly measured. For particular estimates, the total error may considerably exceed the measured errors.

Sampling Variability

The sample used in this survey is one of many possible samples that could have been selected using the sampling methodology described earlier. Each of these possible samples would likely yield different results. The RSE is a measure of the variability among the estimates from these possible samples. The RSEs were calculated using a delete-a-group jackknife replicate variance estimator. The RSE accounts for sampling variability but does not account for nonsampling error or systematic biases in the data. Bias is the difference, averaged over all possible samples of the same design and size, between the estimate and the true value being estimated.

The RSEs presented in the tables can be used to derive the SE of the estimate. The SE can be used to derive interval estimates with prescribed levels of confidence that the interval includes the average results of all samples:

- intervals defined by one SE above and below the sample estimate will contain the true value about 68 percent of the time,
- intervals defined by 1.6 SE above and below the sample estimate will contain the true value about 90 percent of the time,
- intervals defined by two SEs above and below the sample estimate will contain the true value about 95 percent of the time.

The SE of the estimate can be calculated by multiplying the RSE presented in the tables by the corresponding estimate. Note, the RSE is the measure of variability presented for all estimates in this publication. Also note that RSEs in this publication are in percentage form. They must be divided by 100 before being multiplied by the corresponding estimate. For example, using data from Tables 4a and 4b, the SE for total nondurable manufacturing noncapitalized expenditures would be calculated as follows:

$$\hat{\sigma}(\hat{X}_j) = \left[\frac{\text{RSE}(\hat{X}_j)}{100} \right] * X_j = \left(\frac{1.3}{100} \right) * \$2,449 \text{ million} = \$32$$

The 90-percent confidence interval can be constructed by multiplying 1.6 by the SE, adding this value to the estimate to create the upper bound, and subtracting it from the estimate to create the lower bound.

$$\hat{X}_j \pm [1.6 * \hat{\sigma}(\hat{X}_j)]$$

Using data from Table 4a, for nondurable manufacturing noncapitalized expenditures, a 90-percent confidence interval would be calculated as:

\$2,449 million \pm 1.6(\$32) = \$2,449 \pm \$51 million

Nonsampling Error

All surveys and censuses are subject to nonsampling errors. Nonsampling errors can be attributed to many sources: inability to obtain information about all companies in the sample; inability or unwillingness on the part of respondents to provide correct information; response errors; definition difficulties; differences in the interpretation of questions; mistakes in recording or coding the

data; and other errors of collection, response, coverage, and estimation for nonresponse.

Explicit measures of the effects of these nonsampling errors are not available. However, to minimize nonsampling error, all reports were reviewed for reasonableness and consistency, and every effort was made to achieve accurate response from all survey participants.

Coverage errors may have a significant effect on the accuracy of estimates for this survey. The BR, which forms the basis of our survey universe frame, may not contain all businesses. Also, businesses that are contained in the BR may have their payroll misreported.

Appendix C. Survey Forms and Instructions

2003 Information and Communication Technology Survey (ICT-1 (Long))	C-2
2003 Instructions, Definitions, and Codes List (ICT-1 (I)).....	C-12

FORM ICT-1(Long)
(3-2-2004)

2003 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SURVEY

Industry Category Codes:

Printed above are the industries in which we believe your company operates. If necessary, correct the above industry category code(s) to reflect your company's operations.

Refer to the list of industry codes and descriptions beginning on page 5 of the Instructions and Industry Category Codes List Manual.

(Please correct any errors in name, address, and ZIP Code.)

YOUR RESPONSE IS REQUIRED BY LAW. Title 13, United States Code, requires businesses and other organizations that receive this questionnaire to answer the questions and return the report to the U.S. Census Bureau. By the same law, YOUR REPORT IS **CONFIDENTIAL**. It may be seen only by persons sworn to uphold the confidentiality of Census Bureau information and may be used only for statistical purposes. Further, copies retained in respondents' files are immune from legal process.

Respondents are not required to respond to any information collection unless it displays a valid approval number from the Office of Management and Budget. This 8-digit number appears at the top of this page.

2003 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SURVEY

Industry Category Codes – Continued:

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FROM THE DIRECTOR
U. S. CENSUS BUREAU

We are conducting the Information and Communication Technology (ICT) Survey, and we would like you to help by completing the enclosed survey form.

The Information and Communication Technology Survey will supplement the Annual Capital Expenditures Survey (ACES) and be a key source of information about our country's economic performance. These data are very important for calculating the investment component of gross domestic product. Investment data are useful for identifying business opportunities, product development and strategic planning.

Title 13 of the United States Code requires you to answer this survey, and it also requires us to keep your response confidential.

We realize that completing this survey is a burden for you. We hope, however, that you appreciate the importance of your response in providing accurate data about our Nation's economic performance. We have limited the survey sample to the fewest possible number of representative firms, and we accept estimates if book figures are not available.

Please review the instructions, complete the form, and return it within 30 days. The instructions can assist you on how to report for each item. Returning your form promptly helps us keep follow-up costs down. If you have any questions or comments, please call us toll-free at 1-800-528-3049.

Thank you in advance for your cooperation.

Sincerely,



Charles Louis Kincannon

Enclosure

DEFINITIONS AND GENERAL INSTRUCTIONS

PLEASE REFER TO THE ENCLOSED INSTRUCTIONS AND INDUSTRY CATEGORY CODES LIST MANUAL.

- SURVEY SCOPE – This survey collects expenditure data for nonfarm companies, organizations, and associations operating within the United States. Information for agricultural production operations should be excluded. However, companies performing agricultural services are included. Information for churches, non-profit organizations, and organizations that are government owned but privately operated, should be included.
- SURVEY PERIOD – Report data for calendar year 2003. Refer to page 1 of the instruction manual if your records are on a fiscal year basis.
- If your company ceased operations during the survey year, complete the form for the period of time the company was in operation.

- Reasonable estimates are acceptable.

- Report dollar values rounded to thousands.

Example: if figure is	\$Mill	\$Thou	\$Dol
\$179,125,628.00 report	179	126	1

- Please complete and return the form in the envelope provided by the due date shown on the top of the page with your mailing address. To request another survey form or an extension of time for filing, call 1-800-528-3049.
- To return the form by FAX, fax to 1-800-438-8040.
- If you have any questions regarding this survey or need help completing it, call 1-800-528-3049.

**SAMPLE COPY
DO NOT SUBMIT.**

This is a guide for completing the form. It is intended to supplement the enclosed instruction booklet. Use the page numbers on this guide to reference more detailed descriptions in the instruction booklet.

For more information, refer to: <http://www.census.gov/ict>

2003 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SURVEY Non-capitalized Expenses		Non-capitalized Purchases (Excluding purchased computer and communication services and maintenance and repairs)		Non-capitalized Operating Leases and Rental Payments (Excluding maintenance and repairs)	
ITEM 1		ITEM 2		ITEM 3	
Report for all domestic operations only. Reasonable estimates are acceptable. Exclude depreciation.		EQUIPMENT EXPENDITURES (Report Computer Software in Item 3)		Non-capitalized Purchases and Payroll for Developing Software (Excluding maintenance and repairs)	
Enter Industry Category Code from cover page		\$Mill	\$Thou.	\$Mill	\$Thou.
<p>Complete a separate page for each industry in which this company operated and had non-capitalized ICT expenditures in 2003.</p> <ul style="list-style-type: none"> The list of Industry Category Codes on the cover page are the industries in which we expected this company to have operations in 2003. If you had expenditures in more than 5 industries, photocopy this page for additional space. If your company did not have any non-capitalized ICT expenditures for the 2003 reporting period, enter "0" in the appropriate cell(s). 					
<p>ITEM 2 EQUIPMENT EXPENDITURES (Report Computer Software in Item 3)</p> <p>311 Computers and Peripheral Equipment Mainframes, personal computers, laptops, workstations, terminals, computer servers, printers, plotters, monitors, storage devices, personal digital assistants (PDAs), automatic teller machines (ATMs), point of sale terminals, etc.</p> <p>313 Information and Communication Technology Equipment, Excluding Computer and Peripheral Equipment Central office switching equipment, telephones (wired and wireless) and telephone apparatus; facsimile equipment, bridges, routers, gateways, portable transmitting and receiving antennas, communications satellites, cable television equipment, global positioning system (GPS) equipment, radio and television studio broadcasting equipment, fire detection and alarm systems, intercom systems, etc.</p> <p>316 Electromedical and Electrotherapeutic Apparatus Magnetic resonance imaging equipment, electrocardiographs, medical ultrasound equipment, electromedical endoscopic equipment, defibrillators, etc.</p>					
<p>ITEM 3 COMPUTER SOFTWARE EXPENDITURES (Including Payroll for Developing Software)</p> <p>318 Computer Software (including Payroll for Developing Software)</p> <ul style="list-style-type: none"> Prepackaged (off-the-shelf), vendor customized, and internally developed software. Costs related to software development (for internal use and/or resale) including loaded payroll (salaries, wages, benefits, and bonuses). Exclude other IT payroll. 					

Complete one form for each industry in which the company operates (page 2).

Report non-capitalized purchases and upgrades of equipment. If there are service agreements, refer to the instructions booklet, page 2. Exclude maintenance and repairs and items for which a depreciation account has been established (page 2).

For each type of equipment, report payments made in exchange for use of equipment with no transfer of ownership, e.g. rent and operating lease payments. In multi-year rental agreements, report only the figure for the 2003 reporting period. Exclude capital leases (page 2).

In this cell, report one-time or periodic purchases or upgrades for software. Include site and seat licenses if purchased on a one-time or periodic basis; include operating systems, applications, back-office software, etc. (page 3). Also include the portion of loaded payroll directly related to software development (whether the developed software is for internal use or resale). Such payroll figures include salaries, wages, benefits, and bonuses. Exclude payroll related to other IT functions (page 4).

In this cell, report expenses incurred on an ongoing basis according to contractual agreements. Include site and seat licenses for software if they are part of an agreement to renew on a regular basis, e.g. operating systems, tax-preparation applications, etc. Also include service agreements for software. Exclude one-time purchases or upgrades of software (page 4).

2003 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SURVEY

Non-capitalized Expenses

Report for all domestic operations only.
Reasonable estimates are acceptable.
Exclude depreciation.

ITEM 1

Enter Industry Category Code from cover page

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- Complete a separate page for each industry in which this company operated and had non-capitalized ICT expenditures in 2003.
- The list of Industry Category Codes on the cover page are the industries in which we expected this company to have operations in 2003.
- If you had expenditures in more than 5 industries, photocopy this page for additional space.
- If your company did not have any non-capitalized ICT expenditures for the 2003 reporting period, enter "0" in the appropriate cell(s).

	Non-capitalized Purchases (Excluding purchased computer and communication services and maintenance and repairs) (901)		Non-capitalized Operating Leases and Rental Payments (Excluding maintenance and repairs) (902)	
	\$Mil.	\$Thou. \$Dol.	\$Mil.	\$Thou. \$Dol.
ITEM 2 EQUIPMENT EXPENDITURES (Report Computer Software in Item 3)				
311 Computer and Peripheral Equipment Mainframes, personal computers, laptops, workstations, terminals, computer servers, printers, plotters, monitors, storage devices, personal digital assistants (PDAs), automatic teller machines (ATMs), point of sale terminals, etc.				
313 Information and Communication Technology Equipment, Excluding Computer and Peripheral Equipment Central office switching equipment, telephones (wired and wireless) and telephone apparatus, facsimile equipment, bridges, routers, gateways, portable transmitting and receiving antennas, communications satellites, cable television equipment, global positioning system (GPS) equipment, radio and television studio broadcasting equipment, fire detection and alarm systems, intercom systems, etc.				
316 Electromedical and Electrotherapeutic Apparatus Magnetic resonance imaging equipment, electrocardiographs, medical ultrasound equipment, electromedical endoscopic equipment, defibrillators, etc.				

	Non-capitalized Purchases and Payroll for Developing Software (Excluding maintenance and repairs) (901)		Non-capitalized Software Licensing and Service/Maintenance Agreements (Including leased software) (902)	
	\$Mil.	\$Thou. \$Dol.	\$Mil.	\$Thou. \$Dol.
ITEM 3 COMPUTER SOFTWARE EXPENDITURES (Including Payroll for Developing Software)				
318 Computer Software (Including Payroll for Developing Software) <ul style="list-style-type: none"> • Prepackaged (off-the-shelf), vendor customized, and internally developed software. • Costs related to software development (for internal use and/or resale) including loaded payroll (salaries, wages, benefits, and bonuses). • Exclude other IT payroll. 				

<http://www.census.gov/csd/ict>

2003 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SURVEY

Non-capitalized Expenses

Report for all domestic operations only.
Reasonable estimates are acceptable.
Exclude depreciation.

ITEM 1

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Enter Industry Category Code from cover page

- Complete a separate page for each industry in which this company operated and had non-capitalized ICT expenditures in 2003.
- The list of Industry Category Codes on the cover page are the industries in which we expected this company to have operations in 2003.
- If your company did not have any non-capitalized ICT expenditures for the 2003 reporting period, enter "0" in the appropriate cell(s).

	Non-capitalized Purchases (Excluding purchased computer and communication services and maintenance and repairs) (901)		Non-capitalized Operating Leases and Rental Payments (Excluding maintenance and repairs) (902)	
	\$Mil.	\$Thou.	\$Mil.	\$Thou.
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	Non-capitalized Purchases and Payroll for Developing Software (Excluding maintenance and repairs) (901)		Non-capitalized Software Licensing and Service/Maintenance Agreements (Including leased software) (902)	
	\$Mil.	\$Thou.	\$Mil.	\$Thou.
<p>ITEM 3 COMPUTER SOFTWARE EXPENDITURES (Including Payroll for Developing Software)</p> <p>318 Computer Software (Including Payroll for Developing Software)</p> <ul style="list-style-type: none"> • Prepackaged (off-the-shelf), vendor customized, and internally developed software. • Costs related to software development (for internal use and/or resale) including loaded payroll (salaries, wages, benefits, and bonuses). • Exclude other IT payroll. 				

2003 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SURVEY

Non-capitalized Expenses

Report for all domestic operations only.
Reasonable estimates are acceptable.
Exclude depreciation.

ITEM 1

Enter Industry Category Code from cover page

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- Complete a separate page for each industry in which this company operated and had non-capitalized ICT expenditures in 2003.
- The list of Industry Category Codes on the cover page are the industries in which we expected this company to have operations in 2003.
- If your company did not have any non-capitalized ICT expenditures for the 2003 reporting period, enter "0" in the appropriate cell(s).

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<http://www.census.gov/csd/ict>

2003 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SURVEY

Non-capitalized Expenses

Report for all domestic operations only.
 Reasonable estimates are acceptable.
 Exclude depreciation.

ITEM 1

Enter Industry Category Code from cover page _____
 Complete a separate page for each industry in which this company operated and had non-capitalized ICT expenditures in 2003.
 The list of Industry Category Codes on the cover page are the industries in which we expected this company to have operations in 2003.
 If your company did not have any non-capitalized ICT expenditures for the 2003 reporting period, enter "0" in the appropriate cell(s).

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	Non-capitalized Purchases (Excluding purchased computer and communication services and maintenance and repairs) (901)		Non-capitalized Operating Leases and Rental Payments (Excluding maintenance and repairs) (902)	
	\$Mil.	\$Thou.	\$Mil.	\$Thou.
	\$Dol.	\$Dol.	\$Dol.	\$Dol.
<p>ITEM 2 EQUIPMENT EXPENDITURES (Report Computer Software in Item 3)</p> <p>311 Computer and Peripheral Equipment Mainframes, personal computers, laptops, workstations, terminals, computer servers, printers, plotters, monitors, storage devices, personal digital assistants (PDAs), automatic teller machines (ATMs), point of sale terminals, etc.</p> <p>313 Information and Communication Technology Equipment, Excluding Computer and Peripheral Equipment Central office switching equipment, telephones (wired and wireless) and telephone apparatus, facsimile equipment, bridges, routers, gateways, portable transmitting and receiving antennas, communications satellites, cable television equipment, global positioning system (GPS) equipment, radio and television studio broadcasting equipment, fire detection and alarm systems, intercom systems, etc.</p> <p>316 Electromedical and Electrotherapeutic Apparatus Magnetic resonance imaging equipment, electrocardiographs, medical ultrasound equipment, electromedical endoscopic equipment, defibrillators, etc.</p>				

	Non-capitalized Purchases and Payroll for Developing Software (Excluding maintenance and repairs) (901)		Non-capitalized Software Licensing and Service/Maintenance Agreements (Including leased software) (902)	
	\$Mil.	\$Thou.	\$Mil.	\$Thou.
	\$Dol.	\$Dol.	\$Dol.	\$Dol.
<p>ITEM 3 COMPUTER SOFTWARE EXPENDITURES (Including Payroll for Developing Software)</p> <p>318 Computer Software (Including Payroll for Developing Software) <ul style="list-style-type: none"> • Prepackaged (off-the-shelf), vendor customized, and internally developed software. • Costs related to software development (for internal use and/or resale) including loaded payroll (salaries, wages, benefits, and bonuses). • Exclude other IT payroll. </p>				

2003 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SURVEY Non-capitalized Expenses

Report for all domestic operations only.
Reasonable estimates are acceptable.
Exclude depreciation.

ITEM 1

Enter Industry Category Code from cover page

- Complete a separate page for each industry in which this company operated and had non-capitalized ICT expenditures in 2003.
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- If your company did not have any non-capitalized ICT expenditures for the 2003 reporting period, enter "0" in the appropriate cell(s).

	Non-capitalized Purchases (Excluding purchased computer and communication services and maintenance and repairs) (901)	Non-capitalized Operating Leases and Rental Payments (Excluding maintenance and repairs) (902)
	\$Mil.	\$Dol.
	\$Thou.	\$Thou.
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	Non-capitalized Purchases and Payroll for Developing Software (Excluding maintenance and repairs) (901)	Non-capitalized Software Licensing and Service/Maintenance Agreements (Including leased software) (902)
	\$Mil.	\$Dol.
	\$Thou.	\$Thou.
	\$Mil.	\$Dol.
<p>ITEM 3 COMPUTER SOFTWARE EXPENDITURES (Including Payroll for Developing Software)</p> <p>318 Computer Software (Including Payroll for Developing Software)</p> <ul style="list-style-type: none"> • Prepackaged (off-the-shelf), vendor customized, and internally developed software. • Costs related to software development (for internal use and/or resale) including loaded payroll (salaries, wages, benefits, and bonuses). • Exclude other IT payroll. 		

<http://www.census.gov/csd/ict>

REPORTING PERIOD COVERED

a. Do the reported data cover the calendar year 2003?
 95 1 YES
 2 NO – Specify period covered → 3

FROM			TO		
Month	Day	Year	Month	Day	Year

4

OWNERSHIP INFORMATION

a. Was this company in operation on December 31, 2003?
 96 1 YES
 2 NO – Give date operations ceased → 3

b. Did the ownership of this company change during the year ending December 31, 2003?
 97 1 YES Specify date of change → 3
 2 NO AND fill in c. below ↗

Month	Day	Year

Month	Day	Year

c. Name of new operator/company Contact name at new company Number and street address

Contact telephone number ()	City	State	ZIP Code
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REMARKS Please explain any large or unusual changes to your company's domestic ICT expenditures.

CERTIFICATION – This report is substantially accurate and has been prepared in accordance with instructions.

Name of person to contact regarding this report (Please print or type)

Area code ()	Number -	Ext. 	Telephone number	FAX number
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Signature of authorized official

E-mail address	Area code ()	Number -	Date -
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Please be sure to correct any name, address, and ZIP Code errors on the imprinted address on page 1 of this form booklet.

U.S. Census Bureau
1201 East 10th Street
Jeffersonville, IN 47132-0001

OR FAX the form to 1-800-438-8040

THANK YOU FOR YOUR COOPERATION AND ASSISTANCE IN THIS SURVEY.

2003 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SURVEY INSTRUCTIONS AND INDUSTRY CATEGORY CODES

INTRODUCTION

This manual provides instructions, definitions, and codes to assist you in completing your Information and Communication Technology (ICT) Survey report form. Data from this survey will be used to assess future productivity and economic growth prospects. In addition, the data will provide improved source data significant to the investment component of gross domestic product, capital stock estimates, and capital flow tables.

This form collects non-capitalized expenditures for Information and Communication Technology only. All capitalized expenditures are collected on the Annual Capital Expenditures Survey (ACES).

BURDEN HOUR ESTIMATE

Public reporting burden for this collection of information is estimated to range from 1 to 20 hours, averaging 1.6 hours per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information to: Paperwork Project 0607-0909, U.S. Census Bureau, 4700 Silver Hill Road, Stop 1500, Washington, DC 20233-1500. You may email comments to Paperwork@census.gov; use "Paperwork Project 0607-0909" as the subject.

GENERAL INSTRUCTIONS

Survey Scope – This survey collects expenditure data for nonfarm companies, organizations, and associations operating within the United States. Information for agricultural production operations should be excluded. However, companies performing agricultural services are included. Information for churches, nonprofit organizations, and organizations that are government owned but privately operated should be included.

Reporting Entity – Report for all domestic operations of your enterprise, including subsidiaries and divisions. For this report, the terms enterprise and company are used interchangeably. An enterprise is a business, service, or membership organization consisting of one or more establishments under common ownership or control. It includes all establishments of subsidiary companies, where there is more than 50 percent ownership, as well as establishments of firms which the enterprise has the power to direct or cause the direction of management and policies. Holding companies should report for the entire corporation, including all subsidiaries under their ownership. If you are unable to consolidate records for the entire company or have any reporting questions, please call 1-800-528-3049. This report form will be used by companies having activity in one or more industries; therefore, not all items will apply to all companies. For purposes of this survey, exclude data for Puerto Rico, the Virgin Islands, and U.S. Territories.

Survey Period – Report data for the calendar year 2003. If calendar year book figures are not available except at considerable cost, reasonable estimates are acceptable. If you cannot provide reasonable estimates on a calendar basis, fiscal year data will be accepted. Indicate on page 10 of the ICT-1(Long), page 8 of the ICT-1(M) form, or page 6 of the ICT-1(S) form the exact dates the data represent if they are not for the calendar year. If fiscal data are used and your fiscal period ends in January, February, or March, report for the fiscal year ending in 2004. Otherwise, report for the fiscal year ending in 2003.

Estimates Are Acceptable –The data requested on this report form may not correspond to your company's accounting records. If you cannot answer a question from your company records, please provide carefully prepared estimates. If your company did not have any non-capitalized ICT expenditures for the 2003 reporting period, enter "0" in the appropriate cell(s).

Report dollar values rounded to thousands.

	\$Mil.	\$Thou.	\$DoI.
Example: If figure is \$179,125,628.00 report	179	126	

Mergers and Acquisitions – Such events occurring during the period covered by this report require special attention.

(a) If your enterprise merged with or acquired another domestic enterprise during the reporting period, include the domestic non-capitalized ICT expenses made by the merged or acquired enterprise since the date of acquisition. Please furnish the date of the acquisition or merger and the name of the acquired enterprise in the "Remarks" section on the last page of the form.

(b) If your enterprise was acquired by another enterprise during the period covered by this report, please furnish the acquisition date and the name and address of the acquiring enterprise in the ownership information section on the last page, and complete the form for the period of time the enterprise was in operation prior to the acquisition.

Additional Forms – Photocopies of this form are acceptable. If you require additional forms, call 1-800-528-3049 or write to the U.S. Census Bureau, ICT Processing, 1201 East 10th Street, Jeffersonville, IN 47132-0001. Please include your 11-digit Census ID Number located on the first line of the mailing address.

Alternate Reporting Formats – For information concerning the use of reporting formats other than the report form provided, call 1-800-528-3049.

Filing the Report Form – Return your completed report form in the pre-addressed envelope. If you are not using the pre-addressed envelope, return your report form to the U.S. Census Bureau, 1201 East 10th Street, Jeffersonville, IN 47132-0001 or fax to 1-800-438-8040. Make a copy of the completed report form for your company records.

Filing Extensions – If you cannot complete the survey by the due date shown on the cover page of the report form, you may request an extension of time by writing to the address below (include your 11 digit ID):

U.S. Census Bureau
1201 East 10th Street
Jeffersonville, IN 47132-0001

or call:
1-800-528-3049

Legal Authority and Confidentiality of Data – Your response is required by law. Title 13, United States Code, requires businesses and other organizations that receive this questionnaire to answer the questions and return the report to the U.S. Census Bureau. By the same law, YOUR REPORT IS CONFIDENTIAL. It may be seen only by persons sworn to uphold the confidentiality of Census Bureau information and may be used only for statistical purposes. Further, copies retained in respondents' files are immune from legal process.

Direct any QUESTIONS regarding this report form to the U.S. Census Bureau, ATTN: Business Investment Branch, Company Statistics Division, Washington, DC 20233-6400 or call 1-800-528-3049.

ITEM 1

INSTRUCTIONS BY ITEM

INDUSTRY CATEGORY CODES

Review the list of industries printed to the left of the company name and address on the cover page of the report form. Our records show your company operated in these industries during 2003. If there are discrepancies, please add, modify, or delete these industry codes. A complete list of valid industry codes is available beginning on page 5 of this booklet. For each of your company's industries, report the non-capitalized ICT expenses on a separate page.

Expenditures for equipment and software that serve multiple industries (such as those serving headquarters, regional and divisional offices, and research and development) should be allocated to each industry as deemed appropriate. If expenditures for these assets cannot be allocated to specific industry categories, report the amount of these expenditures as industry code 9900.

ITEM 2

EQUIPMENT EXPENDITURES (Report Computer Software in Item 3) COLUMNS

Non-capitalized Purchases
(Excluding purchased computer and communication services and maintenance and repairs)

Note:

- If equipment purchases are included in the cost of a service/maintenance agreement, report only the equipment value in the Non-capitalized Purchases column;

ITEM 2 – Continued

- If you are unable to separately report the equipment value, and the majority of the service/maintenance agreements cost is the equipment purchase, report the entire cost in the Non-capitalized Purchases column.

Include:

- Non-capitalized purchases and upgrades falling below the company's capitalization threshold (dollar and/or useful life);
- Purchases made from grants and government funds.

Exclude:

- Capitalized expenditures charged to asset accounts for which depreciation or amortization accounts are maintained;
- Purchased services such as purchased computer services, purchased data processing services, and purchased communication services;
- Ordinary maintenance and repairs;
- Office supplies and materials;
- Inventory.

Non-capitalized Operating Leases and Rental Payments
(Excluding maintenance and repairs)

Note:

- In multiyear rental agreements, report only the cost for the 2003 reporting period.

Include:

- Payments made in exchange for use of equipment with no transfer of ownership.

Exclude:

- Leases involving transfer of ownership (capital leases);
- Ordinary maintenance and repairs.

EQUIPMENT EXPENDITURES (Report Computer Software in Item 3) ROWS

The examples provided are not intended to be an exhaustive list.

311

Computer and Peripheral Equipment
Mainframes, personal computers, laptops, workstations, terminals, computer servers, printers, plotters, monitors, storage devices, personal digital assistants (PDAs), automatic teller machines (ATMs), point of sale terminals, etc.

Note:

- If networking equipment is included in the cost of computer and peripheral equipment, report only the networking equipment value in row 313 (ICT Equipment, Excluding Computer and Peripheral Equipment); and report computer and peripheral equipment in row 311 (Computer and Peripheral Equipment);
- If you are unable to separately report networking equipment and the majority of the equipment value is computers and peripherals, report the entire cost in row 311 (Computer and Peripheral Equipment).

ITEM 2 – Continued

Exclude:

- Purchased services such as purchased computer services, purchased data processing services, and purchased communication services;
- Ordinary maintenance and repairs;
- Office supplies and materials;
- Inventory;
- Software (report in Item 3).

313
 Information and Communication Technology, Equipment, Excluding Computer and Peripheral Equipment
 Central office switching equipment, telephones (wired and wireless) and telephone apparatus, facsimile equipment, bridges, routers, gateways, portable transmitting and receiving antennas, communications satellites, cable television equipment, global positioning system (GPS) equipment, radio and television studio broadcasting equipment, fire detection and alarm systems, intercom systems, etc.

Note:

- If networking equipment is included in the cost of computer and peripheral equipment, report only the networking equipment value in row 313 (ICT Equipment, Excluding Computer and Peripheral Equipment);
- If you are unable to separately report networking equipment and the majority of the equipment value is computers and peripherals, report the entire cost in row 311 (Computer and Peripheral Equipment).

Exclude:

- Purchased services such as purchased computer services, purchased data processing services, and purchased communication services;
- Ordinary maintenance and repairs;
- Office supplies and materials;
- Inventory;
- Software (report in Item 3).

316
 Electromedical and Electrotherapeutic Apparatus
 Magnetic resonance imaging equipment, electrocardiographs, medical ultrasound equipment, electromedical endoscopic equipment, defibrillators, etc.

Note:

If this category does not apply to your company, place a "0" in the cells.

Exclude:

- Ordinary maintenance and repairs;
- Inventory;
- Software (report in Item 3).

ITEM 3

COMPUTER SOFTWARE EXPENDITURES
(Including Payroll for Developing Software)
COLUMNS

Non-capitalized Purchases and Payroll for Developing Software
(Excluding maintenance and repairs)

Note:

- Costs of software developed under contract should only be reported by the purchaser;
- If purchases and/or upgrades are included in the cost of a license or service agreement, report only the purchase and/or upgrade value in the Non-capitalized Purchases and Payroll for Developing Software column and report licenses in the Non-capitalized Software Licensing and Service/Maintenance Agreements column;
- If you are unable to separately report individual purchases and/or upgrades from license or service agreements, report the entire cost in the Non-capitalized Purchases and Payroll for Developing Software column.

Include:

- Purchases and/or upgrades of software (one-time and/or periodic);
- Purchased computer services **only** if they relate to vendor-customized software or adaptation to existing software.

Exclude:

- Payroll related to other IT functions other than software development (such as a help desk);
- Software purchased for duplication and resale without additional alteration or value added;
- Site and seat licenses;
- Ordinary maintenance and repairs to software;
- Inventory.

Non-capitalized Software Licensing and Service/Maintenance Agreements
(Including leased software)

Note:

- If purchases and upgrades are included in the cost of a license or service agreement, report only the license and service agreement value in the Non-capitalized Software Licensing and Service/Maintenance Agreements column;
- If you are unable to separately report purchases and/or upgrades from service/maintenance agreements, report the entire cost in the Non-capitalized Purchases and Payroll for Developing Software column;

ITEM 3 – Continued

Include:

- Software under operating leases;
- Site and seat licenses;
- Software service/maintenance agreements (purchased annually or otherwise).

Exclude:

- Purchases and/or upgrades of software;
- Inventory;
- Costs already reported in the Non-capitalized Purchases and Payroll for Developing Software column.

SOFTWARE EXPENDITURES
(Including Payroll for Developing Software)
ROWS

318 Computer Software (Including Payroll for Developing Software) <ul style="list-style-type: none">• Prepackaged (off-the-shelf), vendor customized, and internally developed software.• Costs related to software development (for internal use and/or resale) including loaded payroll (salaries, wages, benefits, and bonuses).• Exclude other IT payroll.
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Include:

- Prepackaged – software purchased off-the-shelf through retailers or other mass-market outlets;
 - Include payroll for adaptation to existing software;
 - If pre-packaged software was purchased and then altered internally or by a vendor, report both the purchase price and the cost of alteration;
- Vendor customized – software externally developed by vendors, customized for your company’s use or resale;
- Internally developed – software developed by your company’s employees for internal use or resale. Include loaded payroll (defined below);
- Loaded Payroll – salaries, wages, benefits, and bonuses related to all software development activities. Report these figures in the Non-capitalized Purchases and Payroll for Developing Software column;
 - Exclude stock options.

Exclude:

- Payroll related to IT functions other than software development (e.g., help desk);
- Inventory.

ICT INDUSTRY CATEGORY CODES LIST

INSTRUCTIONS

Use the following industry codes to complete Item 1 as requested on the report form. The North American Industrial Classification System (NAICS) codes are listed for reference only.

INDUSTRY CODE	DESCRIPTION	NAICS CODE(S)	INDUSTRY CODE	DESCRIPTION	NAICS CODE(S)
	Agriculture, Forestry, Fishing and Hunting			Manufacturing – Continued	
1110	Crop and Animal Production	111, 112	3160	Leather and Allied Product Manufacturing	316
1130	Forestry, Logging, Fishing, Hunting, Trapping, and Agricultural Support Activities	113, 114, 115	3210	Wood Product Manufacturing	321
	Mining		3220	Paper Manufacturing	322
			3230	Printing and Related Support Activities	323
2110	Oil and Gas Extraction	2111	3240	Petroleum and Coal Products Manufacturing	324
2121	Coal Mining	2121	3251	Basic Chemical, Resin, Synthetic Rubber, and Fiber Manufacturing	3251, 3252
2122	Metal Ore Mining	2122	3253	Pesticide, Fertilizer, and Other Agricultural Chemical Manufacturing	3253
2123	Nonmetallic Mineral Mining and Quarrying	2123	3254	Pharmaceutical and Medicine Manufacturing	3254
2130	Support Activities for Oil and Gas Operations	213111, 213112	3259	Paint, Adhesive, Soap, and Other Chemical Manufacturing	3255, 3256, 3259
2131	Support Activities for Solid Mineral Operations	213113, 213114, 213115	3260	Plastics and Rubber Products Manufacturing	326
	Utilities		3271	Clay and Glass Products Manufacturing	3271, 3272
2211	Electric Power Generation, Transmission and Distribution	2211	3279	Cement, Concrete, Lime, Gypsum, and Other Nonmetallic Mineral Product Manufacturing	3273, 3274, 3279
2212	Natural Gas Distribution	2212	3311	Iron and Steel Mills, Ferroalloy Manufacturing, and Steel Product Manufacturing from Purchased Steel	3311, 3312
2213	Water, Sewage, and Other Systems	2213	3313	Nonferrous Metals Production and Processing	3313, 3314
	Construction		3315	Ferrous and Nonferrous Foundries	3315
2330	Building, Developing, and General Contracting	233	3320	Fabricated Metal Product Manufacturing	332
2340	Heavy Construction	234	3331	Agriculture, Construction, and Mining Machinery Manufacturing	3331
2350	Special Trade Contractors	235	3332	Industrial, Metalworking, and General Purpose Machinery Manufacturing	3332, 3335, 3339
	Manufacturing		3333	Commercial, Service Industry, Temperature Control, and Air- Flow Control Machinery Manufacturing	3333, 3334
3110	Food Manufacturing	311			
3121	Beverage Manufacturing	3121			
3122	Tobacco Manufacturing	3122			
3130	Textile Mills and Textile Product Mills	313, 314			
3150	Apparel Manufacturing	315			

ICT INDUSTRY CATEGORY CODES LIST - Continued

INDUSTRY CODE	DESCRIPTION	NAICS CODE(S)	INDUSTRY CODE	DESCRIPTION	NAICS CODE(S)
	Manufacturing – Continued			Transportation and Warehousing	
3336	Engine, Turbine, and Power Transmission Equipment Manufacturing	3336	4810	Air Transportation	481
3341	Computer and Peripheral Equipment Manufacturing	3341	4820	Rail Transportation	482
3342	Communications, Audio, and Video Equipment Manufacturing	3342, 3343	4830	Water Transportation	483
3344	Semiconductor and Other Electronic Component Manufacturing	3344	4840	Truck Transportation	484
3345	Navigational, Measuring, Electromedical, and Control Instruments Manufacturing	3345	4850	Transit and Ground Passenger Transportation	485
3346	Manufacturing and Reproducing Magnetic and Optical Media	3346	4861	Pipeline Transportation of Crude Oil, Refined Petroleum, and Miscellaneous Products, except Natural Gas	4861, 4869
3350	Electrical Equipment, Appliance and Component Manufacturing	335	4862	Pipeline Transportation of Natural Gas	4862
3361	Motor Vehicle, Body, Trailer, and Parts Manufacturing	3361, 3362, 3363	4870	Scenic and Sightseeing Transportation	487
3364	Aerospace Product and Parts Manufacturing	3364	4880	Support Activities for Transportation	488
3369	Other Transportation Equipment Manufacturing	3365, 3366, 3369	4920	Couriers and Messengers	492
3370	Furniture and Related Product Manufacturing	337	4930	Warehousing and Storage	493
3391	Medical Equipment and Supplies Manufacturing	3391		Information	
3399	Other Miscellaneous Manufacturing	3399	5111	Newspaper, Periodical, Book, and Database Publishers	5111
	Wholesale Trade		5112	Software Publishers	5112
4210	Wholesale Trade, Durable Goods	421	5120	Motion Picture and Sound Recording Industries	512
4220	Wholesale Trade, Nondurable Goods	422	5131	Radio and Television Broadcasting	5131
	Retail Trade		5132	Cable Networks and Program Distribution	5132
4410	Motor Vehicle and Parts Dealers	441	5133	Wired Telecommunications Carriers	51331
4430	Electronics and Appliance Stores	443	5134	Wireless Telecommunications Carriers (except Satellite)	51332
4450	Food and Beverage Stores	445	5135	Telecommunications Resellers, Satellite, and Other Telecommunications	51333, 51334, 51339
4480	Clothing and Clothing Accessories Stores	448	5141	Information Services	5141
4520	General Merchandise Stores	452	5142	Data Processing Services	5142
4540	Nonstore Retailers	454		Finance and Insurance	
4599	Other Retail Trade Stores, including Gasoline Stations	442, 444, 446, 447, 451, 453	5210	Monetary Authorities-Central Bank	521
			5221	Depository Credit Intermediation	5221

ICT INDUSTRY CATEGORY CODES LIST - Continued

INDUSTRY CODE	DESCRIPTION	NAICS CODE(S)	INDUSTRY CODE	DESCRIPTION	NAICS CODE(S)
	Finance and Insurance - Continued			Administrative and Support and Waste Management	
5222	Nondepository Credit Intermediation	5222	5614	Business Support Services	5614
5223	Activities Related to Credit Intermediation	5223	5615	Travel Arrangement and Reservation Services	5615
5230	Securities, Commodity Contracts, and Other Financial Investments and Related Activities	523	5616	Investigation, Security, and Services to Buildings and Dwellings	5616, 5617
5241	Insurance Carriers	5241	5619	Office Administrative, Facilities, Employment, and Other Support Services	5611, 5612, 5613, 5619
5242	Agencies, Brokerages, and Other Insurance Related Activities	5242	5621	Waste Collection, Treatment, and Disposal	5621, 5622
5251	Funds, Trusts, and Other Financial Vehicles (including REITS)	525	5629	Remediation and Other Waste Management Services	5629
	Real Estate and Rental and Leasing			Educational Services	
5310	Real Estate	531	6110	Educational Services	611
5321	Automotive Equipment Rental and Leasing	5321		Health Care and Social Assistance	
5322	Consumer Goods and General Rental Centers	5322, 5323	6211	Offices of Physicians	6211
5324	Commercial and Industrial Machinery and Equipment Rental and Leasing	5324	6212	Offices of Dentists and Other Health Practitioners	6212, 6213
5330	Lessors of Nonfinancial Intangible Assets	533	6215	Medical and Diagnostic Laboratories	6215
	Professional, Scientific, and Technical Services		6216	Home Health Care Services	6216
5411	Legal Services	5411	6219	Outpatient Care Centers and Other Ambulatory Health Care Services	6214, 6219
5412	Accounting, Tax Preparation, Bookkeeping, and Payroll Services	5412	6221	General Medical and Surgical Hospitals	6221
5413	Architectural, Engineering, and Related Services	5413	6222	Psychiatric, Substance Abuse, and Specialty Hospitals	6222, 6223
5414	Specialized Design Services	5414	6230	Nursing and Residential Care Facilities	623
5415	Computer Systems Design and Related Services	5415	6240	Social Assistance (except Child Day Care Services)	624 (except 6244)
5416	Management, Scientific, and Technical Consulting Services	5416	6244	Child Day Care Services	6244
5417	Scientific Research and Development Services	5417		Arts, Entertainment, and Recreation	
5418	Advertising and Related Services	5418	7110	Performing Arts, Spectator Sports, and Related Industries	711
5419	Other Professional, Scientific, and Technical Services	5419	7120	Museums, Historical Sites, and Similar Institutions	712
5510	Management of Companies and Enterprises	551			

ICT INDUSTRY CATEGORY CODES LIST - Continued

INDUSTRY CODE	DESCRIPTION	NAICS CODE(S)	INDUSTRY CODE	DESCRIPTION	NAICS CODE(S)
	Arts, Entertainment, and Recreation - Continued				
7130	Amusement, Gambling, and Recreation Industries	713			
	Accommodation and Food Services				
7210	Traveler Accommodation Services	721			
7220	Food Services and Drinking Places	722			
	Other Services (except Public Administration)				
8111	Automotive Repair and Maintenance	8111			
8119	Other Repair and Maintenance	8112, 8113, 8114			
8120	Personal Care, Death Care, Laundry, and Other Personal Services	812			
8131	Religious, Grantmaking, Social Advocacy, Civic, and Social Organizations	8131, 8132, 8133, 8134			
8139	Business, Professional, Labor, Political, and Similar Organizations	8139			
	Central Administrative Office Activity				
9900	Central Administrative Office Activity Unallocated to Other Industry Categories	N/A			

