

PLEASE RETURN BY:

OMB No. 3145-0027: Approval Expires 1/31/2005

NOTICE — Your report to the Census Bureau is **confidential** by law (title 13, U.S. Code).

FORM **RD-1A**
(2-6-2003)

U.S. DEPARTMENT OF COMMERCE
Economics and Statistics Administration
U.S. CENSUS BUREAU

SURVEY OF INDUSTRIAL RESEARCH AND DEVELOPMENT DURING 2002

The instructions and definitions on this form are not complete. Please read the enclosed instruction sheet before completing this form.

RETURN TO



U.S. CENSUS BUREAU
1201 East 10th Street
Jeffersonville, IN 47132-0001

MANDATORY REPORTING REQUIREMENTS

Data supplied in all items on this form will satisfy the mandatory reporting requirements (title 13, U.S. Code).

SAMPLE COPY

Do Not Submit.

FROM THE DIRECTOR
U.S. CENSUS BUREAU

We have enclosed your company's report form and instructions for the 2002 Survey of Industrial Research and Development (R&D). **Please read the definition of R&D on page 2 of the form** and review Item 1. If your company does not conduct R&D, please call the Touchtone Data Entry system to report on 1-800-851-2014. **If your company conducted R&D in 2002, please review the instructions, complete the form, and return it within 30 days.** Federal law requires your response to four items identified on the form. Your voluntary response to all other items is needed to assure useful results.

This survey provides information for examining R&D tax credits. Some businesses are able to use R&D tax credits to reduce their Federal tax burden. The data assist public officials in allocating research funding by state, which may benefit companies like yours. Analysts also use the results to compare R&D spending in this country with other countries to ensure that U.S. businesses are not at a competitive disadvantage.

Information you report should cover the domestic operations of your consolidated enterprise for calendar year 2002. We recognize that providing this information is a burden, and we have worked hard to minimize it. For example, if you do not have book records for any item, **you may provide carefully prepared estimates.** The law that authorizes this survey (Title 13, United States Code) requires that we keep your report in full confidence. It may be seen only by persons sworn to uphold the confidentiality of Census Bureau information and may be used only for statistical purposes.

We conduct this survey with National Science Foundation (NSF) support. We have enclosed a letter from the Director of the NSF encouraging your response to the survey. If you have any questions, please call my staff on (301) 763-5162. Thank you in advance for your cooperation.

Sincerely,

Charles L. Kincannon

Enclosures

PLEASE OPEN AND BEGIN THE SURVEY WITH ITEM 1.

SAMPLE

RESEARCH AND DEVELOPMENT

R&D includes basic and applied research in the sciences and engineering. It also includes design and development of new products and processes and enhancement of existing products and processes.

R&D includes activities carried on by persons trained, either formally or by experience, in the physical sciences such as chemistry and physics, the biological sciences such as medicine, and engineering and computer science. R&D includes these activities if the purpose is to do one or more of the following things:

1. Pursue a planned search for new scientific knowledge or understanding that does not have specific immediate commercial objectives, although it may be in fields of present or potential commercial interest. (Basic research)
2. Apply the findings of basic research or other existing knowledge toward discovering new scientific knowledge that has specific commercial objectives, including work required to evaluate possible uses, with respect to new products, services, processes, or methods. (Applied research)

3. Systematically use the knowledge or understanding gained from research and practical experience in the production or significant improvement of products, services, processes, or methods, including the design and development of prototypes, materials, devices, and systems. (Development)

Research and development includes the activities described above whether assigned to separate R&D organizational units of the company or carried out by company laboratories and technical groups not part of an R&D organization. Reporting the R&D activities of such latter groups may require the use of estimates for some of your responses.

Activities to be **excluded** from R&D are as follows: research in social sciences or psychology, routine product testing, geological and geophysical exploration activities and technical services.

See instructions for more detail.

Item 1 – CHECK FOR RESEARCH AND DEVELOPMENT

Mark (X) the appropriate box.

201 Company had R&D in 2002 – Complete form, enter zeros where applicable, and return this form.

203 Company did not conduct R&D in 2002 – Either call TDE to report (1-800-851-2014) OR mark the 203 box and mail the form.

NOTE – After reviewing Item 1 if you need further assistance please call (301) 763-5162.

Item 2 – RECEIPTS, EMPLOYMENT AND NUMBER OF SCIENTISTS AND ENGINEERS FOR COMPANY

A. Sales, operating receipts and revenues from all domestic operations of the company, net of returns and allowances.
(Report in thousands of dollars)

INCLUDE receipts for sales of products and services provided to other companies, individuals, U.S. Government agencies, and foreign countries from all domestic operations of your company.

2002			
Bil.	Mil.	Thou.	Dol.
102			
\$			000

B. Report domestic company employment in all activities during the pay period which includes the 12th of March 2002.
(Item 1 of I.R.S. Form 941, if Form 941 was filed for the entire company.)

2002
Number
112

C. Report the full-time equivalent number of R&D scientists and engineers employed in January 2003.
For employees whose activities are not solely devoted to research and development, report the proportion of their time that is devoted to research and development. (See instructions for examples)

January 2003
Number
206

SAMPLE

Item 3 – COSTS INCURRED FOR RESEARCH AND DEVELOPMENT IN 2002												
Exclude outside the company (reported in 3B) and Foreign R&D (reported in 3C).												
	Source of funds								Total ((1) + (2))			
	Federal (1)				Company and other (2)				(3)			
	Bil.	Mil.	Thou.	DoI.	Bil.	Mil.	Thou.	DoI.	Bil.	Mil.	Thou.	DoI.
A. Performed within the company	304				305				306			
1. Basic research	\$			000	\$			000	\$			000
2. Applied research	\$			000	\$			000	\$			000
3. Development	\$			000	\$			000	\$			000
4. TOTAL (Sum of lines 1, 2 and 3) →	\$			000	\$			000	\$			000
B. Outside the company – Federal funds and company funds for research and development performed by others outside the company within the 50 United States and DC (Exclude from 3A.4 above)	354				355				356			
	\$			000	\$			000	\$			000
C. Foreign – Company funds for research and development performed outside the 50 United States and DC by:					365							
1. Majority-owned foreign affiliates (business enterprises located outside the 50 U.S. states and DC which are 50% or more owned or controlled by your company or your domestic affiliate) (Exclude from 3A.4 and 3B above)					\$			000				
2. Other organizations (Exclude from 3A.4, 3B, and 3C.1 above)					\$							
D. TOTAL – Company and other funds, except Federal (This line represents company sponsored research and development with the exception of "other funds.") (Sum of 3A.4, B, and C (column 2).) →					375							
					\$			000				

Item 4 – COSTS INCURRED FOR RESEARCH AND DEVELOPMENT PERFORMED WITHIN THE COMPANY BY TECHNOLOGY AREA					
This item should equal the value reported in Item 3A., line 4, column (3).					
Allocate total expenditures by technology area:					
	Key code	2002			Percentage of R&D attributable to nanotechnology
		(1)			
	7	Bil.	Mil.	Thou.	Whole percent
A. Biotechnology	11				%
B. Software development	21				%
C. Materials synthesis and processing	31				%
D. Other technology areas not listed in 4A through 4C above.	41				%
E. TOTAL COSTS – Sum of lines A through D → (This item should equal the total reported in Item 3A., line 4, column (3).)	51				

SAMPLE

Item 5 – COMPANY AND OTHER FUNDS, EXCEPT FEDERAL, FOR RESEARCH AND DEVELOPMENT PERFORMED WITHIN THE COMPANY BUDGETED FOR THE YEAR 2003	Bil.	Mil.	Thou.	DoI.	
	401				
	\$			000	

Item 6A – COVERAGE AND OPERATIONAL STATUS

Are research and development costs for the entire consolidated domestic enterprise, including subsidiaries, reported on this form?

Yes No – *Please explain in remarks below.*

Was this company owned or controlled by another company on December 31, 2002?

Yes – *Complete 6B. Date acquired* →

Month	Year

 No

Item 6B – NEW OWNER INFORMATION (See instructions for Coverage Review)

Name	Address		
City	State	ZIP Code	

CHECK ITEM Please complete the check list below BEFORE returning this questionnaire. By checking these items you will reduce the likelihood of our calling you to resolve an error or inconsistency.

	Yes	No
In item 2A:		
1. Sales is reported in thousands of dollars	<input type="checkbox"/>	<input type="checkbox"/>
In item 2B:		
2. Your answer describes the number of employees , NOT company payroll	<input type="checkbox"/>	<input type="checkbox"/>
In item 3:		
3. Verify that Federal funds (column 1) plus Company funds (column 2) equals Total funds (column 3) for: Basic research (3A.1), applied research (3A.2), development (3A.3), total applied research and total costs within the company (3A.4)	<input type="checkbox"/>	<input type="checkbox"/>

IF THE ANSWER TO ANY OF THE ABOVE CHECKS IS "NO", PLEASE MAKE THE NECESSARY CORRECTIONS IN THE APPROPRIATE ITEM(S) OR PROVIDE AN EXPLANATION IN THE REMARKS SECTION.

Item 7 – CERTIFICATION – This report is substantially accurate and has been prepared in accordance with instructions.

Name of person to contact regarding this report	Area code	Number	Extension
Signature of authorized official	Title		Date
Remarks (If you wish to correspond by E-mail, please place your E-mail address here.)			