



DEPARTMENT OF COMMERCE

Submission for OMB Review; Comment Request

The Department of Commerce will submit to the Office of Management and Budget (OMB) for clearance the following proposal for collection of information under the provisions of the Paperwork Reduction Act (44 U.S.C. chapter 35).

Agency: U.S. Census Bureau.

Title: Business Research and Development and Innovation Survey.

OMB Control Number: 0607-0912.

Form Number(s): BRDI-1, BRDI-1S, and BRDI-M.

Type of Request: Revision of a currently approved collection.

Number of Respondents: 245,000.

Average Hours Per Response: 43 minutes.

Burden Hours: 176,500.

Needs and Uses: The Census Bureau requests a revision to the currently cleared Business R&D and Innovation Survey (BRDIS) information collection. This revision adds a form type [BRDI-M] to collect data on research and development (R&D) and innovation activities from small businesses with fewer than 10 employees.

In 2004, the National Academy of Sciences' Committee on National Statistics (CNSTAT) reviewed the National Center for Science and Engineering Statistics' (NCSES) portfolio of R&D surveys and recommended that NCSES explore ways to measure firm innovation and investigate the incidence of R&D activities in growing sectors, such as small business enterprises not currently covered by BRDIS. As a result, Census plans to expand BRDIS to include very small businesses or microbusinesses through the use of the BRDI-M questionnaire.

The National Science Foundation Act of 1950 as amended authorizes and directs the National Science Foundation (NSF) through the National Center for Science and Engineering Statistics (NCSES) "...to provide a central clearinghouse for the collection, interpretation, and analysis of data on scientific and engineering resources and to provide a source of information for policy formulation by other agencies of the Federal government."

One of the methods used by NCSES to fulfill this mandate is the Business R&D and Innovation Survey (BRDIS) - the primary federal source of information on R&D in the business sector.

BRDIS will continue to collect the following types of information:

- R&D expense based on accounting standards.
- Worldwide R&D of domestic companies.
- Business segment detail.

- R&D related capital expenditures.
- Detailed data about the R&D workforce.
- R&D strategy and data on the potential impact of R&D on the market.
- R&D directed to application areas of particular national interest.
- Data measuring innovation and intellectual property protection activities.

In addition to adding the BRDI-M form, the following changes will be made to the

2016-2017 BRDIS compared to the 2015 BRDIS:

- Add item in type-of-cost questions to collect Royalty and licensing payments.
- Add questions collecting Basic-Applied-Development split of Total R&D paid

for by the company and Total R&D paid for by others.

- Delete question on intellectual property protection.
- Add two Yes/No questions to help separately identify intellectual property

transfer transactions with U.S. persons and foreign persons.

- Discontinue the pre-survey letter. This letter was planned to collect contact and company status information (merger, acquisition, etc.) from approximately 500 of the largest R&D companies.

The forms used in the BRDIS are:

Form BRDI-M. This form will be mailed to approximately 200,000 small businesses with less than 10 employees. In addition to general business information - primary business activity (NAICS code), year business was formed, and number of employees - this form would collect data on R&D, innovation, employment, related activities (such as sales of significantly improved goods and services; operating agreements and licensing activities; technology transfer; patents and intellectual property; and sources of technical knowledge), measures of entrepreneurial strategies, and demographic characteristics of the entrepreneur.

Form BRDI-1. This form will be mailed to approximately 7,000 companies with a history of significant R&D and contains the full complement of BRDIS data items.

Form BRDI-1(S). This form will be mailed to approximately 38,000 companies and contains only the most high-level BRDIS data items.

Information from BRDIS will continue to support the America COMPETES Reauthorization Act of 2010 as well as other R&D-related initiatives introduced during the clearance period. Other initiatives that have used BRDIS statistics include: the Innovation Measurement-Tracking the State of Innovation in the American Economy (U.S. Department of Commerce); Science of Science and Innovation Policy (NSF); and Rising Above the Gathering Storm (National Research Council).

Policy officials from many Federal agencies rely on BRDIS statistics for essential information. For example, the Bureau of Economic Analysis (BEA) now incorporates R&D as fixed investment in the National Income and Product Accounts (NIPAs). Businesses and trade organizations also rely on BRDIS data to benchmark their industries' performance against others. Each BRDIS data item is intended to address specific data user needs identified by NCSES through research, workshops, and regular interaction with data users.

In previous years, BRDIS statistics were limited to companies with five or more U.S. employees. With the addition of BRDI-M, all companies with U.S. employees will be eligible for inclusion in providing statistics on R&D and innovation regardless of company size. Expanding the coverage of the BRDIS will provide data users a more complete picture of R&D and innovation in the business sector and will allow policy makers and researchers to investigate questions about R&D, innovation, and competitiveness in small

businesses.

Affected Public: Business or other for-profit.

Frequency: Annually.

Respondent's Obligation: Mandatory.

Legal Authority: Title 13, United States Code, Sections 8(b), 131, and 182, and Title 42, United States Code, Sections 1861-76 (National Science Foundation Act of 1950, as amended).

This information collection request may be viewed at www.reginfo.gov. Follow the instructions to view Department of Commerce collections currently under review by OMB.

Written comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice to OIRA_Submission@omb.eop.gov or fax to (202)395-5806.

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