

Appendix 1001.1b-2-B

Common Classification System

Services

Notes:

1. It is understood that the Parties will continue to work on the development of definitions related to the categories and other ongoing enhancements to the Classification System.
2. The Parties will continue to review outstanding technical issues that may arise from time to time.
3. This common classification system follows the format described below:

Group = one digit

Sub-group = two digit

Class = four digit

A - Research and Development

Definition of research and development contracts:

Procurement of research and development services include the acquisition of specialized expertise for the purposes of increasing knowledge in science; applying increased scientific knowledge or exploiting the potential of scientific discoveries and improvements in technology to advance the state of art; and systematically using increases in scientific knowledge and advances in state of art to design, develop, test, or evaluate new products or services.

R&D Codes:

The R&D code is composed of two alphabetic digits. The first digit is always the letter "A" to identify R&D, the second digit is alphabetic "A to Z" to identify the major sub-group.

Code	Descriptions
AA	Agriculture
AB	Community Services and Development
AC	Defense Systems
AD	Defense - Other
AE	Economic Growth and Productivity
AF	Education
AG	Energy
AH	Environmental Protection
AJ	General Science and Technology
AK	Housing
AL	Income Security
AM	International Affairs and Cooperation
AN	Medical
AP	Natural Resources
AQ	Social Services
AR	Space
AS	Transportation - Modal
AT	Transportation - General
AV	Mining Activities
AZ	Other Research and Development