

# ACCESSING THE UNITED STATES DEFENCE MARKET -- A GUIDE FOR CANADIAN INDUSTRY

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## 1. GENERAL MARKET ADVICE TO INDUSTRY

### 1.1 Introduction

Under the Canada-USA Defence Production Sharing Arrangement (DPSA), Canadian companies are allowed to compete for US defence contracts directly, or as subcontractors to US defence contractors on the same basis as American companies, with some exceptions described herein.

The United States defence market is large, and competitive. Canadian companies are encouraged to address this market. While US acquisition rules and procedures may sound ominous, they differ little from selling to the Canadian Government. You have a lot of help available to provide guidance.

There are two main access routes to this market;

- a) direct to a US defence acquisition agency, normally through the Canadian Commercial Corporation (CCC) and,
- b) subcontracting to a US defence contractor.

The defence market conforms to its own acquisition procedures and generally is outside the Canada-US Free Trade Agreement. There are restrictions; however, Canadian companies generally have access to this multi billion dollar market.

The overriding advice to potential defence exporters is that it is your responsibility to initiate and pursue action. While Government offices and Trade Commissioners (Annex A) can provide guidance in entering and staying in

this market, you must always take the initiative and understand the rules; there is nothing automatic about selling your product or service. The successful exporters are patient and aggressive marketers.

*NOTE: If you are a construction, clothing or food company, you should not expend any further resources until you check with External Affairs and International Trade Canada (EAITC).*

### 1.2 Industry Checklist

A new exporter to the US defence market should check the following list:

- Identify your product/services (Supply & Services Canada Supply List);
- Identify contacts in the Canadian Government which could provide assistance (see Annex A);
- Identify potential customer/buying agency by perusing US publications such as "Selling to the Military" and the "Subcontracting Directory" (check with External Affairs & International Trade Canada (EAITC), Ottawa, Washington Embassy or Trade Commissioner);
- Acquire a copy of the "Exporters Shipping Guide" which should assist in your cross-border activities (available from EAITC, CCC or Trade Commissioner);
- Consider attending/participating in a US defence show;
- Determine industrial security requirements i.e., visit clearance request and classified document transmission procedures (contact Supply & Services Canada (SSC), Industrial & Corporate Security Branch, Tel: (819) 956-3646);
- If you wish to be considered as a potential prime contractor to the US Department of Defense you should now contact the Canadian Commercial Corporation (CCC),