
Have you wondered about buying defense goods from Canada?

Some of the questions asked most frequently by executives in the U.S. defense industry are answered here:

1. Don't I have to "Buy American" in my defense work?

No. The Defense Department has waived the "Buy American Act" for Canadian materiel and supplies used in defense equipment. Canadian goods are considered domestic for purposes of the "Buy American" clause in your defense contract. Regulations covering this are outlined in the Federal Acquisition Regulation and in the DoD supplement.

2. Do I have to pay duty to import Canadian items?

Only in rare cases. The great majority of Canadian products, when imported into the United States for defense use, is entitled to be free of U.S. customs duties. Details are outlined in Part 25 of the FAR, DoD supplement.

3. What procedures would I encounter in placing orders with Canadian firms?

The only additional requirement, when thinking of buying in Canada, is that you ensure DFARS 252.225-7008 "Duty-Free Entry - etc." is in the prime contract in order to have any first-tier subcontract or lower-tier subcontract eligible for duty-free entry. This clause is included in most prime contracts in excess of \$10 000 but during pre-contractual negotiations, you should advise the Department of Defense contracting officer of the possibility of your buying from Canada and ask for inclusion of the duty-free entry clause. This will not penalize you nor render you unre-