

1.0 Summary — Guide to Market Entry

Note: (CH) Indicates that there is more detail in the noted chapter.

1.1 General

Canada and the United States of America are the world's largest trading partners; within this activity, the United States Department of Defense buys more goods and services than any other potential customer.

The Canada-United States Defence Production and Defence Development Sharing Agreements, with the waiver of the Buy America Act and Duty, generally allow Canadian suppliers access to this market.

A company which has a quality product at a competitive price should consider taking advantage of this access.

1.2 Canadian Access (CH 3.0)

The conditions of access to this market by Canadian companies through the Canadian-United States Defence Production and Development Sharing Agreements are embodied in the United States Federal Acquisition Regulations, Department of Defense Supplement (DFARS) part 25.71 and Appendix T-201.

1.3 Market Constraints (CH 4.0)

While Canadian companies have general access to this market, there are constraints. The major restrictions are:

- i) Food
- ii) Textiles
- iii) Construction material
- iv) Small business set-asides, and
- v) Ship building

There are also occasions where United States technology is considered to be in the U.S. national interest and not releasable outside the United States.

1.4 Market Check-List

To be successful, a company will have to devote considerable effort in penetrating this market, but before expending this effort, please contact:

The Department of External Affairs
Defence Programs Bureau
125 Sussex Drive
Ottawa, Ontario
K1A 0G2
(613) 996-1836

Some of the factors you will have to address including the following:

- a) The identification of your products by the U.S. federal classification code (U.S. Product and Services Code). (See DEA or CCC)
- b) The identification of buying agencies in order to list your products (CH 6 and 7)

Contracting to the U.S. Department of Defense (DoD)

- i) see "Selling to the Military"
- ii) identify purchasing officer in U.S. agency
- iii) visit U.S. buyer *yourself* to establish feasibility

- iv) become source-listed through the Canadian Commercial Corporation (CCC)
- v) follow-up (with/without agent)

Contracting to U.S. Prime Contractors

- i) consult the U.S. DoD "Subcontracting Directory" (list of U.S. prime contractors)
- ii) identify companies
- iii) send letter to appropriate trade commissioner(s)
- iv) contact buyer *yourself*
- v) follow-up (with/without agent)
- c) Reassess cost and benefit of pursuing this market.
- d) Subscribe to the U.S. *Commerce Business Daily*. (CH 5 and 6) This is the **most** important publication for this market. It identifies solicitations, buyers and contract awards. Annual subscription is about U.S. \$250 and is available from:

Superintendent of Documents
Government Printing Office
Washington, D.C. 20402
U.S.A.
(202) 783-3238

- e) To assess defence products and opportunities with prime U.S. contractors, visit defence expositions in Washington, D.C. (contact the Canadian embassy). These are sponsored by U.S. military associations and there is normally no charge for viewing the exhibits.

Navy — end March/early April
(Sea-Air-Space)

AFCEA — June (Armed Forces Communication and Electronics Association)

Marines — July

Army — September

Air Force — October

To gain admission, two pieces of identification are required, one with a photo and one from your company.

- f) Assess Facility and Personnel Security Clearance Requirements (Supply and Services Canada/Industrial Security) (613) 953-3613. (CH 11.0)
- g) Register with Joint Certification Office (JCO) Battle Creek, Michigan (DD Form 2345) available from DPB/DEA or JCO at (616) 962-6511, ext. 6814. (CH 10)
- h) Establish U.S. Export Permit Requirement. If there is a possibility that you will have to receive security materials or documentation, check with the Canadian embassy in Washington or DEA. (CH 10.0)
- i) Assess/study U.S. Federal Acquisition Regulations and its Defence Supplement (DFARS); particularly sub parts 25, 52 and Appendix T. 201. While the entire regulations are available from the U.S. Government Printing Office, you may obtain extracts from the Department of External Affairs (DEA), Canadian Commercial Corporation (CCC) or the Defense Contract Administration Services Management Area (DCASMA) office, Ottawa.