

Embassy's Role: Embassy staff can assist exporters in resolving market access problems and provide advice and counselling on development sharing projects, on marketing and on defence procurement procedures and regulations (including FMS., protest procedures, the various set-aside programs, export licensing requirements, rights in data, Foreign Weapons Evaluation, subcontracting requirements, the defence budget process etc.)

Embassy staff also assist exporters in participating in the major defence trade shows held in Washington. (These include the Air-Sea-Space Show, the Marine Corps Show, the Armed Forces Communications and Electronics Show, the Association of the US Army Show, the Air Force Show, Comdef, the SOLIC exhibition etc.)

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FEDERAL MARKET FOR INFORMATION TECHNOLOGY
(Hardware, Software, & Telecommunications)

The U.S. federal government forecast FY92 expenditures in this market of over C\$19 billion. Government buys hardware and software sold on the commercial market, but eighty per cent of this budget is spent on complex integrated systems or on large commodities purchases by a single agency. Many major systems acquisitions are co-ordinated by agency headquarters offices in or near Washington D.C. Spending on hardware, software and systems and services in civilian departments is predicted to grow at about two per cent a year through 1997, while Department of Defense budgets in this sector are forecast to shrink three per cent per year.

In fiscal 1991, fifteen companies won contracts worth almost fifty per cent of the federal information technology budget. It is possible to begin by selling computer products and services to a few good prospects in order to develop a customer base. However, the selling cycle is typically twelve to eighteen months for products other than the most basic commodities. Requests for Proposals (RFP's), the principal contracting vehicle for the large systems, are often in development for years.

U.S. federal program managers are interested in products and services that meet a specific agency requirement, or helps them to meet their program objectives. A Canadian firm with a strong sales record in the U.S. commercial sector is a good candidate for the large volume, or "Schedule", contracts similar to the Canadian government's Standing Offer program. Canadian companies with a track record of strong, innovative technology and solid experience in Canadian government or private sector contracts may be able to arrange partnerships with American prime contractors.

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