

each nation. This procedural framework will stimulate further cooperation between our respective defence industries and our military acquisition establishments. It should also ensure, to the fullest extent possible, the common utilization of unclassified strategic technical data in furtherance of the mutual defence interests of the two countries.

(ii) We have also taken steps to facilitate the freer exchange of technical knowledge and skills between both countries, by eliminating administrative impediments such as visit request formalities for unclassified defence-related visits between contractors of the two countries, and by simplifying and streamlining procedures for classified visit requests through the use of a single visit request form which will facilitate automated and timely processing of all requests (reducing the administrative workload previously associated with visit requests). Efforts are underway to effect the necessary changes in regulations in both countries for the implementation of these measures. When completed, these steps will help stimulate technical cooperation between the USA and Canada.

(iii) To promote joint participation in major defence programs, we have agreed on a number of actions to provide for an early identification and careful review of potential collaborative projects. Canada has agreed to foster competitive selection of Canadian prime contractors for defence sharing projects. Canadian contractors are being actively encouraged to present competitive bids on specific defence projects and to further participate in USA competitive procurements. The USA also agreed in principle to amend the Defence Acquisition Supplement to the Federal Acquisition Regulations to provide for a review of defence procurement where interest has been expressed in order to establish at the earliest time Canadian eligibility to participate.

47. There is a need to move toward further bilateral co-operation between Canada and the United States in respect to defence production. While real and important progress has been achieved in establishing structural mechanisms, further efforts are required to identify specific major programmes for joint developmental participation and to eliminate barriers to the USA defence procurement market.

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