



Promoting Defense Market Access

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OVERVIEW

- Guiding Principles of the Department of Defense (DoD) Procurement System
- Restrictions and Opportunities under the DoD Procurement System
- Steps to Improve Reciprocal Market Access
- Summary of Defense Procurement Activity
- The Way Ahead

Guiding Principles of the DoD Procurement System

- Promote reciprocity, transparency, integrity and the use of competitive procedures
- Publish notices of planned purchases
- Make solicitations available to interested parties
- Impartially select sources based on predetermined evaluation factors
- Debrief unsuccessful offerors regarding weaknesses
- Provide a third party bid protest system for competitors and prospective offerors
- Fulfill public policy objectives

Restrictions under the DoD Procurement System

- Statutory Restrictions:
 - Buy American Act -- waived by MOU for foreign firms
 - Other “Buy National” Statutes -- require DoD to procure US products (examples: food, clothing, and ships)
- Regulatory Restrictions:
 - Restrictions based on policies to protect the defense industrial base (forgings and PAN carbon fiber)
- Policy Restrictions (Competition in Contracting Act)
 - Maintenance of a domestic capability for national emergency or industrial mobilization
 - National security and national disclosure policy

Opportunities under the DoD Procurement System

- At the **prime contract level**, foreign firms may compete unless the procurement is restricted to U.S. firms by law, regulation, or policy.
- At the **subcontract level**, foreign firms may compete, even if the prime contract is restricted to U.S. firms, except for portions that may be restricted to U.S. firms by law, regulation, or policy.

Steps to Improve Reciprocal Market Access

- Identify specific barriers to reciprocal market access (*such as*, laws, regulations, policies, or cultural attitudes)
- Define steps to eliminate trade barriers
 - For example:
 - Legislative initiatives
 - Regulatory and policy changes
 - Training improvements
- Implement specific steps to improve access

The Way Ahead

Future plans will depend upon the outcome of this year's legislative efforts. DoD intends to continue to work with others to find ways to promote bilateral defense market access on a reciprocal, non-discriminatory basis.