



Bill C-40 Defence Sector Briefing

Tabled October 6, 2026 | Defence Investment Agency Crown Corporation | Build-Partner-Buy

Prepared by

NORTHERN ARC PUBLIC AFFAIRS

October 2026

CONTACT

Hon. Kent Hehr, P.C., LL.B., Principal

kent@northernarc.ca | 403-921-2126

Abed Harb, Managing Partner

abed@northernarc.ca | 403-999-9552

"Canada is making a generational investment in our defence and security, and we need institutions built to match the scale and urgency of that ambition. Establishing the Defence Investment Agency as a Crown corporation would give it the flexibility and specialized expertise to move faster, make strategic investments and deliver the capabilities our Armed Forces need."

The Honourable Stephen Fuhr, Secretary of State (Defence Procurement)

Bill C-40 announcement, Ottawa | October 6, 2026

Oct 6

Bill C-40 First Reading

13

Grounds to Waive
Competition

\$1B

Revolving Investment
Envelope

\$180B

Defence Procurement
Opportunity, 10 Years

Table of Contents

Executive Summary.....	3
Bill C-40: Quantified.....	4
The New Crown Corporation.....	4
The Financial Toolkit.....	4
Ministerial Direction and Oversight.....	4
The New Position: Associate Minister of National Defence for Procurement.....	5
The New Procurement Rules.....	5
Allied Markets.....	6
How Federal Decisions Are Actually Made.....	7
The Three Levels of Federal Decision-Making.....	7
Why Alignment Matters.....	8
Part One: Federal Funding and Procurement Programs.....	8
Defence Investment Agency: Procurement, Investment and Strategic Partners.....	8
Industrial and Technological Benefits Policy Reforms.....	8
Canadian Defence Industry Resilience (CDIR) Program.....	9
Regional Defence Investment Initiative (RDII).....	9
BDC Defence Platform.....	9
Innovation for Defence Excellence and Security (IDEaS).....	9
Buy Canadian Policy.....	10
Key Dates.....	10
Part Two: Federal Departments and Positioning.....	10
Defence Investment Agency.....	10
Department of National Defence.....	11
Public Services and Procurement Canada.....	11
Department of Finance.....	11
Innovation, Science and Economic Development Canada.....	11
Regional Development Agencies.....	11
Global Affairs Canada.....	11
Federal Engagement Summary.....	11
Part Three: Provincial and International Markets.....	12
Provincial Programs.....	12
International Market Opportunities.....	12
Why Canadian Defence Companies Are Positioned to Succeed.....	12
What Northern Arc Public Affairs Brings.....	13
What We Do.....	13
Engagement Timeline and Deliverables.....	14
Months 1-2: Foundation and Immediate Priorities.....	14
Months 3-4: Building Momentum.....	14
Months 5-6: Consolidation and Major Applications.....	14
Investment and Expected Return.....	14
Conclusion.....	15

Executive Summary

On October 6, 2026, the Government of Canada tabled Bill C-40, the Strengthening Canada's Defence Sector Act. The bill converts the Defence Investment Agency (DIA) from a special operating agency inside Public Services and Procurement Canada into a federal Crown corporation, the Canadian Corporation for Defence Investment, which will continue to operate as the DIA. It moves the agency into the National Defence portfolio, creates a new cabinet post, the Associate Minister of National Defence for Procurement, and rewrites the Defence Production Act as the Defence and National Security Production and Procurement Act. The bill is at second reading in the House of Commons, and its provisions come into force on dates fixed by order in council.

Bill C-40 is the institutional backbone of the Defence Industrial Strategy launched on February 17, 2026. The Strategy's Build-Partner-Buy framework targets 70% of defence acquisitions going to Canadian firms, a 50% increase in defence exports and 125,000 new jobs by 2035, and the government has put the opportunity at \$180 billion in defence procurement and \$290 billion in defence-related capital investment in Canada over the next decade. The new Crown corporation gives the DIA commercial tools a department never had: loans, advance payments, guarantees, loan and credit insurance, and equity, backed by a \$1 billion revolving envelope from the Consolidated Revenue Fund.

The practical entry point for Canadian companies is not the bill itself. It is the period between first reading and the regulations. The definitions of "urgent operational requirement" and "sensitive technology," the competitive procurement procedure, the board appointments, the head office and the Associate Minister are all still to be settled. Companies that engage the DIA, the relevant ministerial offices and National Defence now will be known quantities when those decisions are made.

This briefing maps what Bill C-40 changes, the programs that sit alongside it, the departments and ministers who decide, and a six-month positioning roadmap. Part One covers federal funding and procurement programs, Part Two the ministerial portfolios where positioning matters, and Part Three provincial stacking and allied markets, including Security Action for Europe (SAFE).

WHAT MAKES CANADIAN DEFENCE COMPANIES DIFFERENT UNDER BILL C-40

Domestic Capability Is Now a Statutory Ground. One of the 13 grounds for a non-competitive award is support for a sector of the Canadian economy that is important to national defence or national security, including economic security. Canadian industrial capacity is no longer only a scoring factor. It can be the reason a contract is awarded.

Federal R&D Funding Becomes a Procurement Pathway. Supplies or services that were the subject of federal research, development or innovation funding can be bought without competition. A company's funding history is now part of its sales strategy.

Investment and Procurement Sit Under One Roof. The DIA can lend, guarantee and take equity in the same companies it buys from. That rewards suppliers who bring a scale-up plan, not a single bid.

Bill C-40: Quantified

The New Crown Corporation

The bill establishes the Canadian Corporation for Defence Investment, which may carry on activities and identify itself as the Defence Investment Agency. National Defence describes it as a Schedule III Crown corporation within the National Defence portfolio. Its statutory mandate is to carry out production, procurement and investment activities in respect of national defence for the Canadian Forces and the Department of National Defence; to carry out the same activities for allied governments at the Minister's request; to advise ministers on matters within its mandate; and to carry out any other activity Cabinet assigns.

The corporation is governed by a board made up of a part-time Executive Chairperson and a full-time Chief Executive Officer, both appointed by Cabinet; the Deputy Minister of the department supporting the responsible Minister, as an ex officio director; and up to two other directors appointed for terms of up to four years. Cabinet may also designate up to two deputy-head positions whose occupants sit as ex officio directors. The first Executive Chairperson and first CEO are appointed without the usual board consultation, and until a quorum exists the Executive Chairperson alone exercises the powers of the board. Doug Guzman, the DIA's current CEO, has said he will lead the transition.

On the day the corporation is created, the DIA's property, obligations, contracts and employees transfer to it, and its unspent appropriations follow. A transition clause authorizes up to \$30 million for the corporation's expenses in the first 180 days. Cabinet will designate the head office location.

The Financial Toolkit

To carry out its mandate, the corporation can make loans and advance payments to any person. With the approval of the Minister of Finance, it can guarantee a company's financial obligations, provide loan or credit insurance, and acquire or dispose of shares in a corporation. With Cabinet authorization, it can enter into any other financial agreement. It can also charge fees for its services and borrow from the Minister of Finance.

Payments from the Consolidated Revenue Fund for the corporation's buying, lending and advance payments may not exceed \$1 billion outstanding at any time. Loan repayments, repaid advances, proceeds from dispositions and payments from allied governments are credited back against that total, so the envelope revolves. Parliament can raise the cap through an appropriation act.

Ministerial Direction and Oversight

Cabinet designates the Minister responsible for the corporation by order. After consulting the Minister of National Defence, that Minister can direct the corporation to carry out or not carry out any procurement activity for National Defence, and can direct how any activity is carried out, including requiring ministerial approval at any specified point. The corporation must comply, and compliance is deemed to be in its best interests. National Defence, the Armed Forces and the Canadian Coast Guard keep responsibility for defining capability requirements, operational priorities and acceptance criteria. The PSPC Minister and the

designated Minister must review the new Act and the amended procurement statute within five years and table a report in Parliament.

The New Position: Associate Minister of National Defence for Procurement

The bill amends the National Defence Act to allow the Governor General to appoint an Associate Minister of National Defence for Procurement, who exercises the powers of the Minister of National Defence that Cabinet assigns, and adds the position to the Salaries Act. The government states the Associate Minister will be responsible to Parliament for the DIA. No appointment has been announced. Today the file sits with Stephen Fuhr, Secretary of State (Defence Procurement). The bill also creates the Executive Chairperson role at the head of the new board.

Responsibility for the amended procurement statute stays with the Minister of Government Transformation, Public Works and Procurement. National Defence has told its staff that its Assistant Deputy Minister (Materiel) will share procurement responsibility with the DIA, with the DIA taking on major acquisitions. Three ministerial offices now matter on every defence file: the Associate Minister for what the DIA buys and invests in, the PSPC Minister for the competition rules and their exceptions, and the Minister of National Defence for requirements and for consultation before any direction is issued.

The New Procurement Rules

Part 2 renames the Defence Production Act the Defence and National Security Production and Procurement Act and extends it to national security supplies and projects and to defence services, not only goods. It sets competition as the default for defence contracts, then lists 13 grounds on which the Minister may dispense with it. The bill applies the same list of exceptions to the corporation's own buying.

Ground	When competition can be waived
(a) Urgent need	The contract addresses an urgent operational requirement
(b) Operations and security	Necessary for military operations, critical defence projects or safeguarding national security
(c) Sector support	Warranted to support a Canadian sector important to national defence or security, including economic security
(d) Interoperability	Supplies or services interoperable or interchangeable with those of Canada or an allied government
(e) Sensitive technology	The contract relates to sensitive technology
(f) Sole capable supplier	Only one person is capable of performing the contract
(g) Interim requirement	An interim requirement or interim logistics capability, for operational reasons
(h) Related contract	The contract is related to an interim contract under ground (g)
(i) R&D and innovation	The contract is for research, development or innovation
(j) Federally funded R&D	Supplies or services that were the subject of federal research, development or innovation funding

Ground	When competition can be waived
(k) Government entity	With or under an arrangement with a government entity, or an international organization procedure
(l) Existing exceptions	An exception already in the federal Government Contracts Regulations applies
(m) By regulation	Any other exception prescribed by regulation

The Minister may also exclude a bidder on reasonable grounds that the bidder, a related person or anything it proposes to use poses a risk to national defence, national security or public safety, and is not required to give reasons. The Minister can require suppliers to provide information on defence supplies, services and facilities, and Cabinet may establish administrative monetary penalties of up to \$2,000,000 for breaches of future regulations, including rules on contract costing information. Business information obtained under the Act is protected from disclosure without consent.

Allied Markets

The bill widens the definition of “associated government” beyond the Commonwealth and NATO members to include NATO partners in good standing and the European Union and its member states. The corporation can carry out production, procurement and investment for those governments at the Minister’s request. The government ties the change directly to Canada’s participation in Security Action for Europe (SAFE) and Readiness 2030, and to joint procurement that gives Canadian suppliers a larger share of allied supply chains.

COMPOUNDING ADVANTAGE: BUY CANADIAN AT \$5 MILLION

Since June 15, 2026, the federal Buy Canadian Policy gives priority to Canadian suppliers and Canadian content in strategic procurements, including defence and security, valued at \$5 million or more, down from \$25 million. A separate policy requires Canadian steel, aluminum and wood products in defence and construction contracts of \$25 million or more that need at least \$250,000 of those materials. Bill C-40’s sector-support exception sits on top of both.

The sector imperative is clear. Under the Defence Industrial Strategy, the government has already advanced the largest defence files in a generation: the Canadian Patrol Submarine Project, Arctic over-the-horizon radar, polar military satellite communications, the Canadian Modular Assault Rifle and 190 additional Armoured Combat Support Vehicles. Each one was framed around Canadian jobs and Canadian suppliers. The Crown corporation is the government’s way of making that approach permanent.

THE COMPETITIVE GAP: WHY THE NEXT SIX MONTHS MATTER

Bill C-40 shifts defence buying from a rules-first, lowest-compliant-bid model toward commercial negotiation and ministerial judgment. Many of the 13 exceptions turn on the Minister's opinion. The regulations that define them, the board that oversees the corporation and the minister who directs it are being settled now. Companies whose capability is already understood by the DIA, the Associate Minister's office and National Defence will operate in a different environment from companies that wait for the final rules.

The question is not whether your company qualifies. The question is whether the DIA will know your company before the rules are written.

How Federal Decisions Are Actually Made

Before examining specific programs, it is essential to understand how federal decisions actually happen. Program guidelines describe eligibility criteria and application processes. They do not describe how decisions are made. The gap between formal process and actual decision-making is where opportunities are won or lost.

The Three Levels of Federal Decision-Making

Political Level: Ministers and Ministerial Staff. Ministers set strategic priorities for their departments. Minister McGuinty at National Defence decides which capabilities are essential to the Canadian Armed Forces. The Associate Minister of National Defence for Procurement, once appointed, will answer for what the DIA buys and invests in. Minister Lightbound at Public Services and Procurement holds the competition rules and their exceptions. Minister Joly at Industry decides which companies represent national champions. Ministerial staff filter what reaches the Minister and shape how issues are framed.

Bureaucratic Level: Deputy Ministers, ADMs and the DIA Executive. Deputy Ministers, Assistant Deputy Ministers and, under Bill C-40, the DIA's CEO and board evaluate technical merit, negotiate terms and make recommendations. A technically sound proposal that aligns with departmental priorities receives favourable evaluation. The bureaucratic level ensures that political interest translates into defensible decisions.

Central Agency Level: The PMO and Treasury Board. The Prime Minister's Office coordinates across departments and ensures alignment with the government's national security and economic strategy. Prime Minister Carney has made defence recapitalization and sovereign industrial capacity centrepieces of his mandate. Treasury Board and the Minister of Finance approve the spending, guarantees and equity that the new corporation will rely on.

Why Alignment Matters

These three levels must be aligned for significant outcomes. A Minister may express interest, but if officials do not see technical merit, the file stalls. Officials may recommend approval, but if the Minister's office does not see political value, the file sits unsigned. Both may be aligned, but if the PMO has different priorities, interdepartmental coordination fails. Under Bill C-40 the alignment test gets harder, not easier, because a direction from the Minister can now start, stop or pause a DIA file at any point.

Most companies engage only with the program administrators who process applications. Northern Arc ensures that when a file reaches a decision point, the political level has already identified the company as strategically important, the bureaucratic level has assessed the file favourably, and the PMO already understands how supporting the company advances national priorities. The application becomes confirmation of a decision that has already been shaped at every level that matters.

Part One: Federal Funding and Procurement Programs

The programs below sit alongside Bill C-40 and feed the same Build-Partner-Buy pipeline. A company-specific briefing converts this landscape into dollar targets; this sector briefing identifies which tools matter and how they connect.

Defence Investment Agency: Procurement, Investment and Strategic Partners

The DIA is the central delivery partner for the Defence Industrial Strategy and its Build-Partner-Buy approach. Under Bill C-40 it becomes both buyer and investor. The Strategic Partnership Framework, announced at CANSEC 2026, gives the DIA, National Defence and ISED a formal mechanism to designate select Canadian companies as Strategic Partners, which commit to invest in Canadian research and development, grow domestic supply chains and hire a Canadian workforce. General Dynamics Land Systems-Canada was named the first Strategic Partner.

What Northern Arc Does. Engage the DIA's leadership, the Secretary of State (Defence Procurement) and, once named, the Associate Minister's office to ensure your capability is understood before procurement and investment decisions are framed. Position the company against the sector-support and research-funding grounds in the new Act. Pursue Strategic Partner consideration where the company's scale fits.

Industrial and Technological Benefits Policy Reforms

In May 2026 the Prime Minister announced reforms to the Industrial and Technological Benefits Policy that reward foreign contractors for subcontracting to Canadian firms and investing in Canadian supply chains. A new Strategic Investment Transaction category credits high-value investments such as new or expanded Canadian facilities, research and development funding, and transfers of intellectual property to Canadian companies, with higher credits for established Canadian firms with strong domestic supply chains and for direct work with small and medium-sized businesses.

What Northern Arc Does. Introduce your company to the prime contractors carrying ITB obligations on major DIA files, and ensure the relevant ministerial offices see your company as a credible destination for those obligations.

Canadian Defence Industry Resilience (CDIR) Program

National Defence launched CDIR in March 2026 to fund Canadian businesses that increase production capacity for defence goods, equipment, services and materials, including critical minerals and component supply chains. Its first announced use was \$1.4 billion for domestic ammunition production. National Defence states that targeted calls for proposals are forthcoming. Until then, the process runs through a consultation with CDIR officials, then a Statement of Interest, then a full application, with Buy Canadian alignment assessed at each stage.

What Northern Arc Does. Prepare the first draft of the Statement of Interest alongside your team, framed around the national security benefits CDIR assesses, and ensure National Defence officials understand the project before the targeted calls open.

Regional Defence Investment Initiative (RDII)

RDII is a national initiative, now listed at \$379.2 million (originally announced at \$357.7 million), delivered by Canada's seven Regional Development Agencies to integrate small and medium-sized enterprises into defence supply chains. PrairiesCan accepts applications until December 31, 2027 or until funding is fully committed, and all projects must be complete by March 31, 2028. FedDev Ontario paused its intake on May 1, 2026, and other agencies set their own windows. In southern Ontario, businesses could normally request \$125,000 to \$10 million in repayable support.

What Northern Arc Does. Engage the relevant Regional Development Agency and its Minister's office, and prepare the first draft of the application alongside your team. Because RDII-funded work can later qualify under the Act's research-funding ground, sequence RDII with the procurement strategy rather than treating it as a standalone award.

BDC Defence Platform

BDC expanded its Defence Platform to up to \$6 billion in March 2026, including the \$300 million StrongNorth venture fund for early-stage defence and dual-use companies. By July 2026, National Defence reported that the Platform had supported 130 Canadian small and medium-sized enterprises. BDC products are evaluated as complementary financing rather than non-repayable support. Northern Arc will introduce your company to the relevant BDC desks in Month 2 of the engagement.

Innovation for Defence Excellence and Security (IDEaS)

IDEaS is National Defence's innovation program for defence and security solutions. Under Bill C-40, contracts for research, development and innovation, and follow-on contracts for supplies or services that received federal R&D funding, can both be awarded without competition. That makes an IDEaS track record more valuable than it was before the bill.

What Northern Arc Does. Monitor open IDEaS challenges in your capability area, flag them early, and ensure National Defence decision-makers connect the R&D work to a future procurement need.

Buy Canadian Policy

The Buy Canadian Policy took effect on December 16, 2025. Since June 15, 2026, it prioritizes Canadian suppliers and Canadian content in strategic procurements of \$5 million or more in five sectors, including defence and security. A companion policy requires Canadian steel, aluminum and wood in defence and construction contracts of \$25 million or more where at least \$250,000 of those materials is required and Canadian supply exists.

Key Dates

Program	Deadline	Status
Bill C-40 first reading	October 6, 2026	Complete
Bill C-40 second reading	Not yet scheduled	Pending
DIA Crown corporation in force	Date fixed by order in council	Pending Royal Assent
Transition funding (up to \$30M)	180 days after coming into force	Legislated
Regulations on exceptions and procedure	After Royal Assent	To be made
RDII (PrairiesCan)	December 31, 2027 or until committed	Open
RDII (FedDev Ontario)	Paused May 1, 2026	Paused
RDII project completion	March 31, 2028	Fixed
CDIR targeted calls	Forthcoming	Consultation open
Buy Canadian \$5M threshold	June 15, 2026	In effect
Statutory review of the Act	Within five years of coming into force	Legislated

Part Two: Federal Departments and Positioning

The goal is not only to apply for programs. It is to ensure that when a file reaches a decision point, the people who decide already understand why your company matters.

Defence Investment Agency

Lead: Doug Guzman, CEO; Associate Minister to be named; Stephen Fuhr, Secretary of State (Defence Procurement). The DIA runs major acquisitions, the Strategic Partnership Framework and, under Bill C-40, a lending and equity toolkit. Its board and its responsible Minister will set the priorities the new corporation pursues first.

Department of National Defence

Lead: Hon. David J. McGuinty, Minister of National Defence. National Defence defines capability requirements and acceptance criteria, runs CDIR and IDEaS, and must be consulted before any ministerial direction to the DIA. Its Assistant Deputy Minister (Materiel) will share procurement responsibility with the DIA.

Public Services and Procurement Canada

Lead: Hon. Joël Lightbound, Minister of Government Transformation, Public Works and Procurement. The Minister sponsored Bill C-40 and keeps responsibility for the amended procurement statute, including the 13 exceptions, bidder exclusion and the Buy Canadian Policy.

Department of Finance

Lead: Hon. François-Philippe Champagne, Minister of Finance and National Revenue. Every guarantee, insurance product and equity position the DIA takes requires the Minister of Finance's approval, and Finance sets the terms of any loans to the corporation.

Innovation, Science and Economic Development Canada

Lead: Hon. Mélanie Joly, Minister of Industry. ISED co-administers the Strategic Partnership Framework and the Industrial and Technological Benefits Policy, and frames which companies Ottawa treats as national champions.

Regional Development Agencies

Lead: regional ministers responsible for each agency. The seven agencies deliver RDII and are often the first federal relationship a regional defence supplier builds.

Global Affairs Canada

Lead: Hon. Anita Anand, Minister of Foreign Affairs. Global Affairs leads Canada's participation in SAFE and the wider allied procurement relationships that Bill C-40's expanded definition of associated government now covers.

Federal Engagement Summary

Department/Agency	Minister/Lead	Relevance
Defence Investment Agency	Doug Guzman (CEO); Associate Minister TBA	Major acquisitions, investment, Strategic Partners
National Defence	David J. McGuinty	Requirements, CDIR, IDEaS, consultation on directions
PSPC	Joël Lightbound	Competition exceptions, exclusions, Buy Canadian
Finance	François-Philippe Champagne	Approval of guarantees and equity
ISED	Mélanie Joly	Strategic Partners, ITB Policy

Department/Agency	Minister/Lead	Relevance
Regional Development Agencies	Regional ministers	RDII delivery
Global Affairs Canada	Anita Anand	SAFE and allied procurement

Part Three: Provincial and International Markets

Provincial Programs

Provincial innovation, manufacturing and tax-credit programs stack with federal support, and the right combination depends on where a company builds and what it makes. Northern Arc confirms the current provincial streams against official sources in each company-specific briefing rather than listing them generically here.

International Market Opportunities

Security Action for Europe (SAFE). Canada signed its SAFE participation agreement on February 14, 2026, and the Council of the European Union formally concluded it on June 15, 2026, making Canada the first non-European country in the instrument. SAFE provides up to €150 billion in loans for common European defence procurement, and Canadian companies and products can now take part in that procurement.

Expanded Associated Governments. Bill C-40 lets the DIA produce, procure and invest on behalf of NATO members, NATO partners in good standing, and the European Union and its member states. Joint buying with allies creates export orders for Canadian suppliers inside Canadian contracts.

Canadian Commercial Corporation, EDC and the Trade Commissioner Service. The amended Act confirms that the Canadian Commercial Corporation can act for the Minister on defence procurement. Export Development Canada provides financing and risk-sharing for defence exporters, and the Trade Commissioner Service supports allied-market entry.

Why Canadian Defence Companies Are Positioned to Succeed

The Strategy Names Canadian Industry as the Goal. Build-Partner-Buy puts Canadian production first and sets a target of 70% of defence acquisitions going to Canadian firms. A Canadian company is not competing against the policy. It is the policy.

The Rules Now Reward Prior Federal Investment. Companies that have already received federal research, development or innovation funding hold a procurement pathway that foreign competitors cannot easily replicate.

Allied Markets Are Opening at the Same Time. SAFE participation and the expanded definition of associated government let one Canadian capability serve the Canadian Armed Forces and allied buyers through the same institution.

The Institution Is Still Taking Shape. The board, the regulations and the responsible Minister are not yet in place. Early engagement is worth more now than it will be once the corporation has settled its priorities.

POLITICAL VALUE

Prime Minister Carney has made rebuilding, rearming and reinvesting in the Canadian Armed Forces a defining commitment, and Bill C-40 is the institution built to deliver it. Every DIA file that creates Canadian jobs, keeps intellectual property in Canada and adds a Canadian supplier to an allied supply chain is a result the government can cite. When the new Associate Minister needs early proof that the Crown corporation works, the companies already known to the DIA are the ones that will be named.

What Northern Arc Public Affairs Brings

Northern Arc exists to align political will with bureaucratic process, so that when federal decisions are made, our clients are the answer that Ministers, Deputy Ministers and the PMO have already agreed upon.

Our Principal, Kent Hehr, served as a Cabinet Minister in the Government of Canada. He sat at the Cabinet table where funding decisions are approved, policy directions are set, and departmental mandates are shaped. He understands, from direct experience, what makes a Minister's office take notice of a company, what makes a Deputy Minister's team prioritize a file, and what makes the PMO see a company as aligned with national priorities.

Our Managing Partner, Abed Harb, served in the Prime Minister's Calgary Regional Office and as Director and Senior Advisor to multiple Ministers. He spent eight years navigating federal decision-making at the highest levels. He understands how the PMO coordinates national economic strategy, how ministerial offices evaluate requests, and how to ensure alignment across departments.

What We Do

Ministerial Engagement. We engage the offices that decide defence files: National Defence, the Associate Minister for Procurement once named, Public Services and Procurement, Industry and Finance.

DIA and Departmental Engagement. We ensure the DIA's leadership and National Defence officials understand your capability before procurement and investment decisions are framed.

PMO Engagement. We frame your company's growth as part of the government's defence and sovereignty agenda.

First-Draft Application Prep. We prepare the first draft of federal applications alongside your team. You supply the financial and technical detail, we shape the narrative and positioning, and your team finalizes and files.

Regulatory Monitoring. We monitor Bill C-40 through Parliament and the regulations that follow, and flag changes that affect your file.

THE NARRATIVE WE WILL ADVANCE

[Your company] is a Canadian-owned company building [capability] in Canada, with Canadian-held intellectual property and a Canadian supply chain. Its technology answers a capability need identified by National Defence and the Canadian Armed Forces, and it is ready to scale with the investment tools Bill C-40 gives the Defence Investment Agency. Supporting [Your company] delivers exactly what the Defence Industrial Strategy and its Build-Partner-Buy framework were designed to produce: sovereign capability, Canadian jobs and exportable products for allied markets. When the government needs to show that the new Defence Investment Agency is building Canadian industry, [Your company] is the example that proves it.

Engagement Timeline and Deliverables

Months 1-2: Foundation and Immediate Priorities

Map your capability against the 13 grounds and the DIA's current files. Initiate engagement with National Defence, the Secretary of State (Defence Procurement) and the DIA. Open a CDIR consultation where production capacity is in scope, and prepare the first draft of an RDII application through the relevant Regional Development Agency. Introduce your company to the BDC Defence Platform in Month 2.

Months 3-4: Building Momentum

Deepen ministerial engagement as Bill C-40 moves through committee, and engage the Associate Minister's office once appointed. Position the company with the prime contractors carrying Industrial and Technological Benefits obligations. Monitor IDEaS calls and the first CDIR targeted calls and flag the ones that fit.

Months 5-6: Consolidation and Major Applications

Prepare first drafts of CDIR and any remaining program applications alongside your team. Build PMO-level awareness of your company as an early example of the Crown corporation delivering Canadian industrial results. Assess Strategic Partner fit and allied-market opportunities through SAFE and the Canadian Commercial Corporation.

Investment and Expected Return

Northern Arc works on a monthly retainer of \$12,500 plus applicable taxes, with a six-month initial term. After six months the agreement continues month to month, with a 30-day termination clause. First-Draft Application Prep is included in the retainer.

The return comes from three sources: federal funding secured through CDIR, RDII and related programs; contract revenue from DIA and National Defence procurement; and the positioning that determines which companies the new Crown corporation treats as partners. A company-specific briefing sets dollar targets against each.

ONGOING ENGAGEMENT

Federal engagement is a relationship, not an event. Bill C-40 will be amended in committee, regulations will follow Royal Assent, the board and Associate Minister will be appointed, and the corporation will set its first priorities. Sustained presence through each of those steps keeps your company in view as the institution takes shape.

Conclusion

Bill C-40 makes the Defence Investment Agency a permanent Crown corporation with the authority to buy, lend, guarantee and invest, under a new Associate Minister of National Defence for Procurement. It turns the Defence Industrial Strategy's promise to rebuild, rearm and reinvest into an institution, and it writes Canadian industrial capacity directly into the rules for awarding defence contracts.

The framework is not finished. The regulations, the board and the responsible Minister are still to come, and the companies that engage while those decisions are being made will be the ones the new corporation knows first. Northern Arc Public Affairs looks forward to partnering with your company to capture the federal opportunities that your technology and Canadian capability deserve.

NORTHERN ARC PUBLIC AFFAIRS

kent@northernarc.ca | 403-921-2126 | abed@northernarc.ca | 403-999-9552
northernarc.ca