



Canada First Defence Strategy

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Summary

On May 12, 2008, the Government of Canada (GOC) announced details on implementing the "Canada First Defence Strategy" and the creation of an 'action plan' that will dedicate itself and its budget to the Canadian Forces (CF) and Department of National Defence (DND)¹ over the next twenty years. This plan allows the GOC to finalize procurements faster and fairly in order to get the right equipment for the Canadian Forces, at the right price. The Canadian Department of National Defence, primarily through, Public Works and Government Services Canada (PWGSC), is purchasing equipment and related support services for the Canadian Forces.

Brief Overview

The "Canada First Defence Strategy" is the GOC's comprehensive plan to ensure the Canadian Forces has the people, equipment, and financial support needed to meet Canada's long-term domestic and international security challenges. Canadian Prime Minister Stephen Harper is quoted as having said that it has the capability to "... strengthen our sovereignty and security at home, and bolster our ability to defend our values and interests abroad." The GOC established the Strategy with the goal of defending Canada and its citizens, as well as with working towards the betterment of the world as a whole.

Major Goals – The Four Pillars

The government chose to create a framework that will enable them to address specific goals and the 'pillars' upon which their military is built – personnel, infrastructure, readiness and equipment. These goals are of course long-term and will be a source of continued investment.

1. *Increasing Canadian Forces Readiness*

The first pillar in the Canada First Defence Strategy deals with the government's goal of providing long term funding to DND, and in doing so, increasing the overall preparedness of the CF. Readiness encompasses the training, maintenance and resources required for the CF to deploy, while also reflecting the Forces' ability to respond to government direction and the fulfillment of domestic and international tasks. This can deal with anything from the movement of people to the maintenance of and investment in equipment, spare parts, clothing, refits, exercises, fuel and ammunition. U.S. businesses have to opportunity play a substantial role through bidding on contracts or providing expertise in these various fields.

2. *Viability of Infrastructure*

Defense is the single largest property holder in the Canadian government, with over 21,000 buildings and more than 12,000 roads and utilities on over 800 properties; therefore, there is a constant need for maintaining and updating this infrastructure. The Canada First Defence Strategy aims to replace or upgrade, with the help of Canadian and U.S. enterprise, approximately 25 percent of DND infrastructure

¹ *In Canada, the word defense is spelled "defence."*

holdings within 10 years, with the goal of having approximately 50 percent replaced or upgraded over the next 20 years. These holdings are also going to be regularly reviewed to maximize efficiency at the national level in order to ensure bases support operational requirements and local facilities services are being provided efficiently.

3. Modernizing CF Equipment

The GOC has projected that over the next twenty years, six of the CF's equipment fleets will have reached their performance peaks and will need to be replaced. These fleets include destroyers, frigates, maritime patrol aircraft, fixed-wing search and rescue aircraft, fighter aircraft, and land combat vehicles and systems. The Canada First Defence Strategy is aiming to have replacements ready. The Strategy also calls for new and upgraded equipment such as strategic and tactical lift aircraft, Joint Support Ships, armored vehicles, helicopters, and Arctic/Offshore patrol ships. The Department will be seeking innovative and cost-effective solutions for future procurements, thus allowing American businesses the opportunity to bid on any of this equipment.

i.) Acquired Equipment to Date

Over the past 36 months, in following the defense vision laid out in past Throne Speeches², the Government has announced plans to replace existing fleets, such as tactical transport aircraft, tanks, and medium trucks; and to acquire new capabilities, such as strategic lift aircraft, medium-to heavy-lift helicopters and Arctic/offshore patrol ships, therefore establishing its Canada First commitment to strengthening Canada's defense force while also creating opportunities for businesses in the industry. This also included the announced procurements of:

- *Strategic Airlift* - rapid transport of a large number of passengers and/or over-sized heavy cargo over long distances within Canada or between Canada and a base of operations. Since August, 2007, the CF acquired four Boeing C-17 strategic airlift aircraft.
- *Tactical Airlift* - transports equipment, troops and supplies to, within, and from an operations base. In January, 2008, DND awarded a contract to Lockheed Martin to acquire 17 new C-130J tactical airlift aircraft. Delivery of the first aircraft is scheduled for winter, 2010.
- *Medium-to-heavy-lift Helicopters* – allows the CF to reach remote locations in a wider range of geographic areas and challenging environments inaccessible by ground-based transport or fixed-wing aircraft. The government is currently engaged in negotiations with Boeing to acquire 16 Chinook helicopters.
- *Joint Support Ships* - provide at-sea re-fuelling and re-supply functions to deployed naval task groups, and are also capable of sealift operations.
- *Medium-sized Logistic Trucks* - are used in a wide range of roles, from support to deployed operations to domestic emergencies. The Government is looking to acquire approximately 2,300 new medium-sized logistics trucks and associated equipment. The Request for Proposal (RFP) for the MilCOTS (Militarized Commercial off the Shelf; commercial vehicles *adapted* for military use) fleet was released in November 2007, while the RFP for the SMP (Standard Military Pattern; *designed* for military use) fleet due for release in the summer of 2008.
- *Arctic/Offshore Patrol Ships* - provide flexibility for the Navy to operate in both the Arctic and offshore environments, allowing them to be used year-round in a variety of roles. The Government announced the acquisition of six to eight Arctic/Offshore Patrol Ships, with delivery expected in 2013.

² *The Speech from the Throne officially opens every new session of Parliament. The Speech sets out the broad goals and directions of the Canadian government and its strategy to accomplish those goals.*

- *Leopard 2 Tanks* – offer personnel protection against explosive devices and landmines, an ability to travel considerably fast in difficult terrain, extremely powerful engines, and strong firing capabilities. The government secured the loan of 20 combat-ready Leopard 2A6 main battle tanks from Germany that were deployed to Afghanistan in the summer of 2007 while purchasing 100 surplus Leopard 2 tanks from the Netherlands to meet long-term requirements.

ii.) Halifax Class Modernization – In 2007, the government announced the \$3.1 billion refit program for the Halifax Class frigates, beginning in 2010, and continuing through 2017. The frigates were designed to deal with threats associated with the Cold War environment but since the end of the Cold War, the role of these frigates has changed, and they require equipment upgrades in order to deal with current or emerging threats. This refit and upgrade process will enhance the frigates' capabilities, and ensure that the Navy can work with allies into the future to effectively meet threats at sea.

iii.) Deep Water Docking and Refueling Facility – Construction of the deep water docking and refueling facility in Nanisivik, Nunavut is expected to begin in 2010 and become fully operational by 2015. This facility will serve as a staging area for naval vessels on station in the high Arctic, enabling them to re-supply, refuel, embark equipment and supplies, and transfer personnel.

4. Expanding the Forces

The Canada First Defence Strategy sets out a long term defense program that includes expanding both the Regular and Reserve Forces, on top of building on the work that has already been done in this area. The GOC is also looking to bolster its capacity to provide support for civilian authorities in the event of natural disasters, as well as provide security for major international events such as the 2010 Winter Olympics in Vancouver, BC. In order to achieve these goals, the government may seek personnel and recruitment consultants, along with the outsourcing of security staff for such events. Currently,

- the Regular Force strength is approximately 65,000 – looking to expand to 70,000
- the Reserve Force strength is approximately 24,000 – looking to expand to 30,000; and
- Approximately half of all defense expenditures, over \$9 billion annually, are spent on people.

Other Priorities

Commitment to Arctic Sovereignty

In the coming years, sovereignty and security challenges for all Northern nations will become more pressing, as the impact of climate change leads to enhanced activity throughout the Arctic region. Retreating ice masses have opened the way for increased shipping between nations and new Arctic shipping routes are being considered.

In Budget 2008, the government announced funding that will require the Canadian Coast Guard and the CF to co-operate on Northern Strategy. This includes \$720 million for a new Polar class icebreaker to replace the CCGS Louis S. St-Laurent, scheduled to be decommissioned in 2017, as well as \$20 million over the next two years to carry out the comprehensive mapping of Canada's seabed in both the Arctic and Atlantic Oceans.

A Stronger Northern Presence for the Future

As part of the Canada First Defence Strategy, the GOC has announced a number of initiatives that will help the Canadian Forces increase their presence and better respond to incidents in the Arctic region. These include:

- The acquisition of six to eight Arctic/Offshore Patrol Ships for patrolling Arctic approaches and to provide a Canadian Navy presence in the high-Arctic.
- The establishment of a deep water docking and refueling facility in Nanisivik, Nunavut.
- The refurbishment of DND buildings in Resolute Bay, Nunavut to create an Arctic Training Centre that will provide CF members with the training and skills necessary to effectively operate in the North. Initial refurbishing costs are estimated at \$4 million with an estimated annual expenditure of \$2 million for salaries, operations and maintenance.
- The modernization and replacement of the Aurora patrol aircraft, the use of Unmanned Aerial Vehicles (UAV) and the Polar Epsilon project.³

Continental Security

Canada is fortunate in many ways, to have a defense alliance with the U.S. that has been nurtured for decades by both federal governments. The GOC believes, this relationship, only works if it is governed by mutual respect, and the way to earn that respect is to ensure Canada assumes its fair share of the burden of defending North America, most importantly through obligations under the North American Aerospace Defense Command (NORAD).

Funding Goals

Budget 2006 provided \$5.3 billion over five years and \$1.8 billion annually starting in 2011-2012 towards defense funding. As proposed in Budget 2008, the Canada First Defence Strategy establishes predictable long-term funding, based on an automatic annual increase in defense spending from the current 1.5 percent to 2 percent, beginning in 2011-12. Over the next 20 years, this is expected to provide DND and CF with an additional \$12 billion. The defense program consists mostly of fixed-cost elements such as infrastructure and equipment that have very long life cycles and require budgetary expenses to be locked in over many years, thus bringing long-term stability to the Department of National Defence and the Canadian Forces.

In addition to the increased dedication to the CF and DND, the Canada First Defence Strategy has created predictable long-term funding and direction for future equipment acquisitions and replacements, therefore offering an excellent opportunity for industries – particularly defense - to develop new technologies that will support the future requirements of the CF. The Strategy then allows for significant opportunities for businesses in the high-tech and high-value shipbuilding, aerospace and defense sectors.

For More Information

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³ *Polar Epsilon is a space-based wide area surveillance and support capability that is owned and run by DND. This project is valued at approximately \$60 million.*

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