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**Chair**

**Mr. Stephen Fuhr**



## Standing Committee on National Defence

Thursday, February 1, 2018

• (0845)

[English]

**The Chair (Mr. Stephen Fuhr (Kelowna—Lake Country, Lib.)):** I call the meeting to order.

Welcome, everybody, to the Standing Committee on National Defence this morning. I would like to welcome our witnesses: Pat Finn, ADM, materiel, and Jennifer Hubbard, director general, international and industry programs. Thank you both for being here to help us discuss Canada and NATO and our relationship with NATO.

Having said that, I will give Mr. Finn the floor for his opening remarks.

[Translation]

**Mr. Patrick Finn (Assistant Deputy Minister, Materiel, Department of National Defence):** Thank you very much, Mr. Chair.

Good morning and thank you for the invitation to appear before you today.

As indicated, I am Patrick Finn and am the assistant deputy minister (materiel) at the Department of National Defence.

[English]

I am joined today by the director general, international and industry programs, Jennifer Hubbard, who is currently also serving as the chairperson of the NATO Support and Procurement Organisation's Agency Supervisory Board.

[Translation]

The materiel group serves the Department of National Defence and the Canadian Armed Forces as a central service provider and functional authority for all defence materiel acquisition and support.

[English]

The materiel group's activities contribute to Canada's commitment to the NATO alliance. As highlighted in "Strong, Secure, Engaged", NATO is a cornerstone of Canadian defence and security policy. Canada remains as committed as ever to this alliance, as evidenced through our contributions to various missions.

Canada contributes to the capital acquisition of all alliance common-funded capabilities through the NATO security investment program. This includes major capability delivery programs, such as the air command and control system and the preliminary work

currently under way on the alliance future surveillance and control program.

[Translation]

NATO procures these common-funded capabilities, and provides a range of other services.

Of key interest to the materiel group is the NATO Support and Procurement Agency, known as the NSPA, which is headquartered in Capellen, Luxembourg, and provides integrated, multinational logistics and procurement support solutions for its stakeholders, operating on a no-profit, no-loss basis.

[English]

The NSPA manages a diverse range of activities, from support to operations and exercises to the provision of logistics services and life cycle management, including large-scale weapon systems acquisitions for its alliance customers.

For example, the agency's central Europe pipeline system program manages the operation, financing, and maintenance of an integrated cross-border fuel pipeline and storage system in support of NATO's operational military requirements during peacetime, crisis, and conflicts, including expeditionary operations.

The NSPA is the executive body of the NATO Support and Procurement Organisation, of which all 29 nations are members. Those nations are represented in the organization's agency supervisory board, which directs and controls the activities of the agency.

An official from my organization represents Canada at the agency supervisory board's meetings, and as I mentioned, Jennifer Hubbard is currently the chairperson of the board. This position was originally from 2016 to 2018, and we have been asked to extend her tenure until 2019, which I think speaks volumes about her capability and abilities.

[Translation]

Access to the services of these NATO procurement agencies has been invaluable in supporting Canadian Armed Forces missions. As the Canadian Armed Forces rarely deploy abroad alone, the use of these NATO agencies in multinational circumstances has proven to be a responsive and effective way to conduct coalition contracting for common goods and services.

During the military mission in Afghanistan, Canada and a number of allies obtained real life support at Kandahar Airfield through the NATO Maintenance and Supply Agency, the predecessor to the NATO Support and Procurement Agency. The agency served as the NATO contract integrator for the provision of a wide range of services, from food to camp infrastructure.

[English]

As a result of Canada's membership in the NSPA's multinational tube-launched, optically tracked, wire-guided, or TOW, missile system partnership, Canada has upgraded its TOW missile systems over the last four years and continues to rely on the agency for the maintenance of these systems, including the supply of spare parts.

My officials are currently working with their counterparts at Public Services and Procurement Canada and the Treasury Board Secretariat to examine our existing procurement authorities and to enable enhanced use of the NATO procurement agencies where appropriate, to better support future Canadian Forces military missions abroad.

• (0850)

[Translation]

As Canada's senior government representative responsible for defence materiel matters, I attend the twice-annual Conference of National Armaments Directors plenary meetings at NATO Headquarters.

[English]

The Conference of National Armaments Directors—or CNAD, if you prefer—reports directly to the North Atlantic Council and is tasked to advise the council on armament matters; act on issues pertaining to multinational co-operation in the research, development, and production of military equipment and systems; and contribute to the coherent, transparent, and mutually reinforcing development of common capability requirements.

My participation as Canada's national armaments director at the plenaries allows me to influence the improvements of the alliance's military capabilities. It also provides an opportunity to share national perspectives and best practices with all parties. Reporting to the Conference of National Armaments Directors are a variety of main armament groups that have developed a broad portfolio of multinational co-operation efforts in the naval, land, air, and joint domains.

The work undertaken by the conference and by the main armament groups underpins NATO's capability and interoperability, and the projects the conference governs and oversees are high profile and often very sensitive.

[Translation]

Before I close my remarks, I want to highlight a very important initiative to improve the delivery of NATO common-funded capability programs.

[English]

After successive reports by NATO's internal auditors found that the alliance's common-funded capabilities were being delivered over budget and behind schedule and were often falling short of

requirements, the Secretary General directed the formation of a group of senior experts to analyze the problem and make recommendations for improvement.

To ensure that the Canadian view and best practices in program governance could influence the work and recommendations of the group of senior experts, my organization was represented on the group. One of the key issues we have stressed is the adoption of best practices that we use in Canada. We are pleased to report that our recommendations made their way into the recommendations contained in the final report that was presented to the Secretary General in April 2017.

[Translation]

I believe this issue epitomizes how Canada's commitment to NATO, its participation in NATO forums, and its provision of expertise and national best practices can make a meaningful contribution to the entire alliance.

[English]

I thank you for allowing me to provide some opening comments, Mr. Chair, and we welcome your questions.

Thank you, sir.

**The Chair:** Thank you for the remarks.

We'll go to our first round of seven-minute questions. Ms. Alleslev, you have the floor.

**Ms. Leona Alleslev (Aurora—Oak Ridges—Richmond Hill, Lib.):** Thank you very much.

What a pleasure to have you here.

Part of the focus of our NATO study is around the relationship between industry and NATO, and therefore how the government is ensuring that we... Obviously we don't deliver capability in procurement without industry. We need industry to stay on that bleeding edge of technology. A lot of that bleeding-edge thinking is being done in NATO, and of course there's interoperability and interrelationship with other nations as a result.

I'd like to understand from you the value of the common funding. I'm sure you don't have those stats right here, but I'd like to ask you to get them for our committee. What is the percentage that Canadian industry wins of that common funding on an annual basis? How does that compare with our NATO partners, relative to our contribution?

Then I would like to understand the trend and whether we've been winning more or winning less, and how that trend has been going over time.

With respect to that thinking about how Canadian industry is playing in that space, could you also tell us what the breakout is by industry? In our defence procurement here at home, we know how much is spent on communications, electronics, socks, and so on. I don't know what that industry breakout is, but I'd like a feel for what it is.

With respect to that question, I know we had a NATEX—a NATO technical adviser—with the NATO communications information agency. Certainly the communications information agency is a critical piece in the command and control aspect of procurement and NATO, and Canada has a significant command and control capability. I'd like to understand why we no longer have one, what the thinking behind that was, and how we're ensuring that industry has that liaison or window or information, because of course you can't bid on something if you don't have your man in Havana, so to speak, and we no longer have our NATEX in NCIA in NATO.

● (0855)

**Mr. Patrick Finn:** Thank you very much for the question. I have some of those statistics with me and I'll go through some of them. I think some of the others, though, we will take away to make sure we provide some of the breakout that you indicate.

**Ms. Leona Alleslev:** You knew I'd be asking.

**Mr. Patrick Finn:** I think those are things that we look at all the time for the very reasons you're suggesting as well.

Fundamentally, as far as NATO procurement goes, if I could just quickly set the scene, as far as equipment goes and some of the things you gave as an example, NATO is ultimately about bringing the militaries of the allies together. Large procurements of what we would do in Canada are typically around ships, armoured vehicles, and aircraft. Those are done by the nations. They're actually provided to NATO. It's not a key area, with a few exceptions, in how they operate the AWACS and how they're looking to future systems.

As you indicate, a large part of it is the glue in how things come together. I will tell you, as we look at it from the NATO Support and Procurement Agency—and we have the stats—that for what we invest, Canada exceeds its contribution. I was there last fall. The agency tries to maintain kind of a balance, because, not surprisingly, all of the allies view it as we do. Yes, they want to have this military capability, but they don't want everybody else's industry to have a leg up, so they watch that very carefully.

There is a system, if you will, whereby offsets apply. Allies come together to work on certain projects. They'll join up to certain things, and the countries that join are entitled to that.

**Ms. Leona Alleslev:** Could you focus in on the NCIA, please?

**Mr. Patrick Finn:** I can. I think my colleague Len Bastien was here a couple days ago to talk more about the NCIA. My role is more in the NSPA, but—

**Ms. Leona Alleslev:** Is he responsible then for appointing the NATEX?

**Mr. Patrick Finn:** If there were to be a NATEX at NCIA, it would come out of Len. Specific to the point on the NATEX, it is something from the previous construct, before the agencies were formed as they are now. It is a position that has been funded out of my organization for many years. Under the current construct, we actually didn't pull out. We moved the NATEX to the NSPA, where all the materiel group-type work occurs, where we're heavily involved, and where a whole bunch of Canadian companies—I have the list—are asking us to do more work.

As a result, we have a lieutenant colonel, who happens to be a REME officer right now, who is over there doing exactly what you described.

**Ms. Leona Alleslev:** But they're very different agencies.

**Mr. Patrick Finn:** They are.

**Ms. Leona Alleslev:** It's like saying that we have an industry representative in the mining industry, but we don't have an industry representative in auto. They're not the same thing.

**Mr. Patrick Finn:** Absolutely.

**Ms. Leona Alleslev:** Was a report done on what the NATEX in NCIA was seeing—what his recommendations were, all that kind of stuff—when he left the post? Would we be able to get a copy of that report?

**Mr. Patrick Finn:** Again, I'll take it away. I don't know what occurred there. I do know that we continue to partially fund...

There was no one to send. The position was going to go empty at one of the last posting rotations. We've continued to provide some funding to the Canadian delegation in NATO to kind of ease the transition, so there's a continued involvement there. We are trying to really build...

What we are often getting out of CADSI and other Canadian organizations is no access to the broader defence sector. For the same reason we offered up Jennifer to chair the agency board in NSPA, I've put a liaison officer into NSPA to bolster and build the ability to gain access for the Canadian defence industry. Beyond that, I'll take it back and see the context and ask the question about future intentions for a NATEX at NCIA—which, again, falls to Len's organization—and some things like that.

**The Chair:** Thank you very much. That was right on time.

I'm going to give the floor to Mr. Yurdiga.

● (0900)

**Mr. David Yurdiga (Fort McMurray—Cold Lake, CPC):** Thank you, Mr. Chair. I'd like to thank the witnesses for being here this morning.

My first question is a general question, I guess. The Government of Canada highlighted that by 2024 or 2025, Canada would be spending 32.2% of its total defence expenditures on major equipment. Can you speak to approximately how much of this funding will be allocated to improving our navy?

**Mr. Patrick Finn:** Thank you very much for the question.

I don't have a percentage with me. Our chief financial officer could answer that better, but I'll say in broad lines that it would be a significant portion, for no reason other than the Canadian surface combatants. As has happened in the past when we built our frigates, the type of investment involved there kind of dwarfs all other investments at \$56 billion to \$60 billion. Not all of that will go to the shipbuilding industry, but in a number of areas, as we get into implementation a few years from now, that will be a significant cash and eventually accrual-based investment.

I don't have a specific percentage, but it would be a significant portion for sure. We can come back to you if you want the specific percentage that breaks out for the navy.

**Mr. David Yurdiga:** Thank you. Yes, I would like to have those numbers. Would that be tabled to...?

**The Chair:** We'll get them to the clerk.

**Mr. David Yurdiga:** How does Canada differ in its defence procurement procedures when compared to other NATO countries? It's very important to see how we compare, where we're at.

**Mr. Patrick Finn:** Thank you for the question.

As indicated, I sit at the Conference of National Armaments Directors, where I have engagement a number of times a year with my colleagues, both in plenary and in bilateral engagements. We have other bilateral engagements and we speak a fair bit in a Five Eyes context.

In the broad approach of how we typically do major procurements, government establishes policy and makes those decisions. We then have a project or program approach that speaks to two gates entering definition, and then implementation is pretty standard among all our large allies.

We may be structured differently. In Canada, we have a separation between what my organization does and what Public Services and Procurement Canada does and what Industry, Science and Economic Development does, but almost all of our peer nations, I would say, have a similar breakout. It may be within their department of defence, but nevertheless they break it out that way.

I would say that in the context of all the things we need to do, ensuring we are gaining value for taxpayers' money is pretty common across the broad allies. I have not come across the silver bullet that we would adopt from somebody else's system, where they've kind of cracked it. We're pretty similar that way, in authorities and how we do things. Timelines can ebb and flow, but there are a lot of parallels and similarities between us and our allies in terms of large military procurement.

**Mr. David Yurdiga:** Thank you.

The basics of the procurement process start when the Canadian Forces identifies the capability deficiency. Is this always the case?

**Mr. Patrick Finn:** For capability acquisition, sir, yes, it is. It's very regimented. Not only is it establishing the capability, but there is never an infinite amount of money, so there are cost-capability trade-offs. I would say capability comes even a step before that, in the context of the capability development process. We have a very detailed process that starts with determining the future security environment. In other words, the capabilities, the needs of the Canadian Armed Forces, are looked at in terms of what we anticipate the threats and the situation will be in three, five, 10 years from now, which could cause us to even change direction in a previous procurement we're working on and change some requirements.

It then flows into, as you indicate, the definition of high-level mandatory requirements. We have internal governance that looks at cost and capability. For us now that is all enshrined in our new defence policy of "Strong, Secure, Engaged". Then it would flow into the follow-on steps of actual procurement.

Where it would not necessarily be capability-based is that there's a degree of procurement or contracting for equipment that is in service. These are in-service support contracts. Clearly, if the decision has been made to acquire a new ship or aircraft, in so doing we've also made a decision to support it. We don't go back and re-establish the requirements to establish in-service support for a ship or an aircraft or an armoured vehicle.

● (0905)

**Mr. David Yurdiga:** Thank you.

How much time do I have left?

**The Chair:** You have a little less than two minutes.

**Mr. David Yurdiga:** Excellent.

Can you explain some of the benefits that foreign comparative testing has for Canada and our national defence?

**Mr. Patrick Finn:** In the context of procurement and value for money, we're trying to do a lot more work on how we test, and test early. We've had some really good outcomes from this approach. What we can't do is establish all of the test facilities and test ranges, duplicating what all of our allies are doing, so we have reached out and established some relationships.

A couple come to mind immediately. One is the U.S., and testing around vehicles. We use U.S. ranges for missiles and torpedoes and things of that nature. We have some ranges of our own that we also share. This enables us to share not only facilities, but also data and outcomes. It could be early on in research and development around better armour. We've used it to great effect. For example, when our tactical armoured patrol vehicle came to production, early on we put it through very detailed and rigorous testing and had some pretty significant failures. We refused to accept any vehicles. After two years of redesign work, we had a much better outcome, and now we've taken possession of 80% of those vehicles.

It is sharing of facilities, but it's also sharing data and information without each of us having to duplicate it.

**Mr. David Yurdiga:** Thank you.

According to the *National Post*, the RCAF will now be keeping the CF-18s operating until 2032. Has your department drafted any reports calculating how many of our current fleet are expected to be combat capable by that date?

**The Chair:** I'm going to have to hold you there, because we're right at time.

Before I move to Mr. Garrison, just in regard to the order of reference, it's Canada's involvement with NATO. There will be some procurement questions, and that's all fair ball, but this isn't about how Canada procures, although that's certainly something this committee can talk about. As it's loosely related, that's fine, but this is about how we deliver capability to NATO, so I'd like the committee to focus on that as we move forward.

Go ahead, Mr. Garrison.

**Mr. James Bezan (Selkirk—Interlake—Eastman, CPC):** I have a point of order.

**The Chair:** Go ahead, Mr. Bezan.

**Mr. James Bezan:** Mr. Chair, Mr. Finn—I always like to refer to him as Admiral Finn—had talked about “Strong, Secure, Engaged”, and as that policy includes procurement within Canada, I think that is open for discussion.

**The Chair:** I said that it is loosely related. The reason Mr. Yurdiga was stopped was because of the time issue—

**Mr. James Bezan:** I understand.

**The Chair:** Fair enough. Your point is taken. It's loosely related.

Mr. Garrison, you have the floor.

**Mr. Randall Garrison (Esquimalt—Saanich—Sooke, NDP):** Thank you very much, Mr. Chair. I'm not going to waste my time on this argument.

I'm glad to have these witnesses back here today. In previous sessions I have asked you about Canadian procurement and my concerns about both national security and intellectual property. I still have those same concerns, and those are going to be my focus today in our relations with NATO.

I want to start by trying to understand a little more about the NATO Support and Procurement Agency. Who is eligible to bid for contracts under that agency? Is it only NATO members, NATO partners? Whose trade rules apply in those procurement contracts?

**Mr. Patrick Finn:** Thank you very much, sir, for the question.

I will ask my colleague, who has a much deeper understanding of this area than I do, to speak to it in a second, but fundamentally they have a rule set whereby it's largely inside of NATO, and then it can turn into subsets. I often consider it to be an agency that is like the PSPC here, where the PSPC does broad procurement for the government in the context of the contracting it does and takes requirements from its customer departments. The agency, NSPA, is somewhat similar in how they do it and how it breaks down and who does what.

I'll ask Jennifer to explain that in a little more detail, please.

**Ms. Jennifer Hubbard (Director General, International and Industry Programs, Department of National Defence):** Thank you, Mr. Chair.

The NSPA is governed by the 29 nations of NATO, so the industrial benefits for those associated programs that go to the NSPA are allocated to the 29 countries. Industry from the 29 countries can bid on those contracts.

However, the NSPA also has overarching support partnerships. There are 90 weapons platforms that they manage, which are managed by support partnerships that are made up of different nations. If like-minded nations want to buy a particular platform, they get together under the umbrella of the NSPA, and those nations that govern that support partnership get to determine which countries' industries can bid on those particular contracts. The NSPA actually has up to 30 support partnerships for their different

programs. The support partnership nations get to determine who may bid.

Generally, from an overarching NSPA perspective, the NATO nations' industries can bid, but if that capability is not available in those nations, then the NSPA will look outside the NATO nations to allow those other industries to bid.

● (0910)

**Mr. Randall Garrison:** I want to just probe that a bit more in two senses.

When you say that you can go outside NATO, do they have restrictions on who can then bid on those contracts? I have expressed my concerns before about state-owned companies from China that have different priorities—not in the narrow conspiracy sense, although sometimes I will go there—but in the sense that they simply have different priorities, and about Russian-owned companies that have been sanctioned for their activities. What kinds of restrictions are there if you go outside the NATO partners on bidding? Is that something the group is paying attention to?

**Ms. Jennifer Hubbard:** Thank you for the question, Mr. Chair.

The governance of the NSPA is done by the 29 nations. When we see that one of the capabilities that is being sought is not available in one of those 29 nations, the 29 nations must approve going outside those nations for industry participation. Certainly in certain areas, yes, there is raised awareness for some of the countries in terms of which ones can participate on certain contracts.

**Mr. Randall Garrison:** When you say companies from a country can bid on these things, we have the issue in the public right now about the potential acquisition of Aecon, a major construction company often involved in building critical infrastructure, by a Chinese state-owned company. If a company like Aecon were to bid on infrastructure contracts, I would have some concerns. Would they, under these rules, qualify as a Canadian company, and therefore be eligible to bid on NATO contracts?

**Mr. Patrick Finn:** If I rightly understand the question you're asking, it gets into almost a case-by-case basis. If they are acquired, what are the terms of the acquisition? What can they have access to? As an example, a Canadian company, MDA, now Maxar Technologies, acquired U.S. companies, but there are firewalls and restrictions on what they can access. Again, it would be on a case-by-case basis. Once the acquisition occurs, are there firewalls, are there separations, are there things that preclude it?

It could come down to security requirements, as happens in Canada. We have a security requirements checklist that we apply to all of our procurements that determines what level it needs to be. Fundamentally, this could be an acquisition that turns into an issue around their ability to bid on classified projects and things of that nature. It could preclude them in some cases, even in the national context.

It's really on a case-by-case basis. I don't have enough expertise in the legalities of mergers and acquisitions to understand the kinds of separations that occur in those sorts of things. Generally, that would be part of the discussion in limiting what it can go to.

Again, it's very often less about a discrete rule set and more about what the 29 nations at the table determine will be done: what are they prepared to do, what is the security aspect of it?

**Mr. Randall Garrison:** I would understand if those security protocols for determining who could bid aren't public. That would be reasonable. I guess I would ask if those protocols exist for the NSPA. Do they have various levels of security to determine who can bid on contracts?

**Ms. Jennifer Hubbard:** There are some protocols. I don't know what they are offhand, but we can certainly get you that information. Some of it has to do with the capability that's being considered for acquisition, and then agreement of the 29 nations, understanding that at NATO everything is done by consensus and that the 29 must agree to the provisions.

•(0915)

**Mr. Randall Garrison:** The example that Mr. Finn gave of providing on-the-ground support in terms of maintenance and supply in Afghanistan is the reason I'm asking these questions. It seems to me, from the little I know, that quite often the contracts are not for high-tech equipment or for what we call weapons, but they are still critical to those operations. As I said in the beginning, as I've said in other questions to you, I'm not always concerned that someone's embedding spy technology, although I think that is a concern; I'm more concerned that when you're at war, if private companies have other priorities and their directors have relationships with others who may have other agendas, it can create problems in the supply chain that would restrict our ability, and restrict NATO's ability, to respond in those crises.

**The Chair:** We're a bit over time. I'm going to have to give the floor to Mr. Robillard.

[*Translation*]

**Mr. Yves Robillard (Marc-Aurèle-Fortin, Lib.):** I welcome you both to the Standing Committee on National Defence.

Are the human, financial and materiel resources currently allocated to defence procurement in Canada sufficient? If not, what further resources are needed?

**Mr. Patrick Finn:** Thank you very much for the question.

We are in a growth phase in materiel procurement and support. Our resources are sufficient for the contracts we have right now. Since various projects are coming to an end, however, some of the staff assigned to them will be assigned to projects related to the new defence policy. As indicated, the group at National Defence that I direct is growing.

As to the second part of your question, I have to say that we are in particular assessing the effectiveness of the entire process, and not just at National Defence. We are assessing needs and preparing requests for proposals and so forth. We can, however, rely on assistance from our colleagues at other departments, Privy Council and Treasury Board in particular.

To continue to implement the defence policy, we have to continue to grow, and that is our intention. About 100 people join our group every year. We are in discussions with other departments and agencies to make sure that we can continue to move forward on these projects as they are ready.

**Mr. Yves Robillard:** Thank you.

What role does Canada play in NATO procurement? Can you give us some examples of our participation?

**Mr. Patrick Finn:** Once again, thank you for the question.

As a NATO member, Canada participates in various ways. First, NATO itself is made up of 29 countries. There are also various committees. As I said earlier, I serve on a procurement committee. There are also agencies that are somewhat independent. So there are different ways of participating.

Some projects are jointly funded. For example, the money that Canada provides to NATO is used to move forward on and implement these projects. There are certain other projects that we decide not to participate in. In many cases, it is up to the countries to decide whether they want to participate or not.

Let me give you an example. For 50 years, we have been working on the Sea Sparrow missiles used by the navy. We have continued to play a role in this regard over the years and even decades, whereas the participation of other countries has fluctuated.

So we are involved in various ways and in various aspects.

**Mr. Yves Robillard:** According to some defence experts, there is a gap in military technology between the United States and the other NATO countries in several regards, including defence research, development and innovation.

Do you share that view? If so, what can countries like Canada do to bridge that gap?

**Mr. Patrick Finn:** I have to say that my experience in that regard is limited. I can answer, however, based on my military career and in particular my involvement with the U.S. navy. The U.S. defence budget and their level of investment in equipment inevitably creates a certain gap. We do, however, make bilateral and multilateral efforts to work with them, and that opens doors, creates opportunities to engage and work together, and share information, capabilities, and approaches.

I would also add that, at the operational and tactical levels, these days my American counterparts are saying themselves that they cannot do everything. In their view, NATO and NORAD offer other opportunities to work jointly. That is very important to them. I think being part of these organizations is becoming very important.



• (0920)

[English]

**Mr. Yves Robillard:** Mr. Chair, I will share my time with MP Gerretsen.

**Mr. Mark Gerretsen (Kingston and the Islands, Lib.):** How much time is left?

**The Chair:** There is a little less than two minutes.

**Mr. Mark Gerretsen:** Can you touch on the changes that are occurring in technology and the rapidity with which technology is advancing, even while our procurement cycles move at a much slower pace? For instance, defence procurement in Canada often involves four departments, namely Treasury Board, National Defence, PSPC, and ISED. I'm curious what the NATO standards are in addressing the fact that technology is changing so rapidly, yet the procurement process can take quite a while.

**Mr. Patrick Finn:** Thank you, sir, for the question.

I think the way you describe the procurement process is absolutely correct. It applies to our largest and most complex projects. I have about 350 projects under management, with probably between 10,000 and 12,000 contracts, and what you just described applies to less than 10% and probably less than a couple of per cent of the contracts. In other words, when we're getting into the most complex projects and the billions of dollars, it involves multiple departments, offsets, and Treasury Board, among other things, but for a lot of the things we do, particularly updates and technological-level things, the authorities are much lower. In "Strong, Secure, Engaged", my organization's contracting authority, which has already been advancing, will shift to about \$5 million. This means that inside of defence, for procurements up to \$5 million—

**Mr. Mark Gerretsen:** I'm really low on time. My question is more specifically about the NATO standards. How does NATO look at that?

**Mr. Patrick Finn:** In a similar fashion, again particularly in the context of technology, a lot of it is the NCIA, but the NSPA, where we work, has a fair bit of agility as an agency. It depends on what the members want to do. In a lot of the support areas they are actually quite agile.

I don't know if there are actual standards. Jennifer, you can speak to those.

**The Chair:** We're out of time now. We might be able to circle back on that. We will have time later.

I'm going to have to give the floor to Mr. Spengemann, and we're going to move to five-minute questions.

**Mr. Sven Spengemann (Mississauga—Lakeshore, Lib.):** Thank you very much, Mr. Chair.

Thank you both for being here.

I have four questions and five minutes, so I'd appreciate it if you could be as quick as you can in answering them.

The first one is with respect to the environment. There are movements under way in many countries to "green" their armed forces—not green in the sense of camouflage, but green in the sense of environmental footprint. Is something under way along those lines

within NATO, or is this entirely driven by the initiatives of member states?

**Mr. Patrick Finn:** In the context of greening armed forces' aircraft, ships, and other things, such as by using alternate fuels, etc., the member states provide the greatest influence as the providers of all the equipment that would consume fuel. There are other initiatives—for example, smart defence initiatives—that are looking at it.

We use NATO as a means to come together and establish best practices. There are, for example, standard NATO agreements, which are procedures that we use. Rather than each nation writing up their own procedure for improving exhaust for diesel engines, we do it together as NATO and then apply it to all our procurements. There are definitely some things like that in NATO.

The majority of the consumption and footprint is probably derived through the nations by virtue of equipment.

**Mr. Sven Spengemann:** Thank you very much.

My second question is on gender equity and equality, and I'd like to put it to both of you.

The defence sector is one that's traditionally very male-dominated. The defence procurement sector, I would imagine, is no less so, and perhaps there's an additional layer within the NATO part of that procurement sector.

Can you give us your perspective, each of you, on where we are with respect to the promotion of women serving in civilian and military capacities within NATO, and specifically within procurement?

• (0925)

**Mr. Patrick Finn:** It's something again that Canada is a leader on and continues to press. We have a long way to go, but in that context we have of course adopted the GBA+ approach to all our procurements in the things we do. We bring that into NATO as well.

I will ask Jennifer for her experience at the agency and to what extent we're seeing a greater influence.

**Ms. Jennifer Hubbard:** I would tell you that one of my priorities in my role as the director general of international industry programs, to support what we do, was to promote implementation that supports inclusiveness and diversity. Overarching that is the Security Council's resolution 1325, which is a key document that recognizes the importance of enhancing the role of women in global peace and security. That's why I put my name forward a couple of years ago to be considered for the chairmanship of the NSPA.

We already play and can continue to play a leadership role. There are areas where there are gaps. From a recruiting perspective at NATO, there's definitely a recognition that there are areas where we can improve.

As the chairman of the NATO support and procurement organizations, one of my functions is to represent the nations on the boards where we recruit the senior leaders in the organization, including the head of the NATO body of that agency. I have the opportunity to take part in that. I attest to nations that people be considered fairly and that gender diversity is to be included.

**Mr. Sven Spengemann:** That's very helpful. Thank you very much for that.

What are we not doing, or what could we do better with respect to not just granting access by Canadian business to the NATO procurement system, but to actually promote Canadian business? Some countries do this very well and very actively.

**Mr. Patrick Finn:** We are doing more work, of course, with the Canadian delegation. Increasingly what we have done through the attaché network in recent years is we have bolstered—and again it's Jennifer's organization that does that—the training of military attachés who are going abroad and getting a much greater understanding of their role in this respect. Some of our allies have been much better at it. We've probably come through a long period, through the Cold War and beyond, when we were there purely for military reasons.

In the context of particularly the defence industry and a lot of the companies, part of our motivation for moving the NATEX to NSPA was to make sure they could help large Canadian defence suppliers, or even small and medium defence suppliers for that matter, to understand how to navigate the processes at NSPA and those areas. Certainly I've talked about this with our ambassador there, and she has, I'll say, a greater interest and understanding to do more of this.

Having Jennifer at the advisory board, the attaché, and what we're doing with the NATEX are all things we're doing. We haven't talked about the NIAG, which is the NATO industrial advisory group—and, again, Janet Thorsteinson at CADSI sits on that for Canada. We're trying to be much more joined up in how we pull all that together so that we can inform and help people navigate and understand the process.

It's often viewed as protectionist. My view is probably more that it is another bureaucracy and that understanding how to navigate it is critical.

**Mr. Sven Spengemann:** Thank you very much, Mr. Finn.

**The Chair:** That's time. Mr. O'Toole is next.

**Hon. Erin O'Toole (Durham, CPC):** Thank you very much, Mr. Chair.

It's nice to see you. You're a hard guy to get a hold of at times.

**The Chair:** Not really.

**Hon. Erin O'Toole:** Thank you both very much for your appearance here today, and thank you very much for your naval career, Mr. Finn. I'm going to speak specifically about a few naval questions.

Within the context of NATO, the Royal Canadian Navy has commitments to two standing forces. Could you outline those quickly?

**Mr. Patrick Finn:** I'm sorry, sir. I actually don't have those details. I think if it's something you want to get into, the force structure and—

**Hon. Erin O'Toole:** From a simplicity level, with regard to Standing Naval Force Atlantic and Standing Naval Force Mediterranean, is there generally a Canadian commitment to both fleets?

● (0930)

**Mr. Patrick Finn:** Again, sir, I can only speak in generalities. For a long time we had a continuous commitment to STANAVFORLANT. As we went into Operation Apollo and different things, we stepped away from that, along with a lot of our NATO allies. I actually am unsure of whether it's continuous.

Generally, though, we work closely with our allies. Often, if we're not there, it's because we're deployed elsewhere with other NATO countries, doing different kinds of policing, such as when we went into the Black Sea and some of those things. Standing Naval Force Mediterranean is something that has been a bit more ad hoc for us, for geographic reasons.

**Hon. Erin O'Toole:** It was off and on. Yes, that was my experience—

**Mr. Patrick Finn:** To be honest, sir, whether we're continuously engaged in it.... We are continuously engaged with NATO allies. HMCS *Charlottetown*, for example, as you would have seen in the media, has come back, and other ships are replacing it. I'm just unsure whether it's continuously—

**Hon. Erin O'Toole:** Let me cut you off. It's fair to say, then, that we have a commitment. It may not be continuous, but our naval assets are deployed regularly with NATO.

**Mr. Patrick Finn:** With NATO, sir, they are, absolutely. I would say almost continuously, but with NATO it may not always be under that body.

**Hon. Erin O'Toole:** In your opinion, does Canada currently have a blue-water navy?

**Mr. Patrick Finn:** In my opinion as a former naval officer, it does, sir, have a blue-water navy.

**Hon. Erin O'Toole:** I'll stop you there, because I don't have much time.

Is the capability of replenishment at sea a core deepwater navy capability, in your view?

**Mr. Patrick Finn:** Generally, to operate as a task group, having access to replenishment ships becomes a key part of it. It depends on where you operate as a blue-water navy. For Canada, for geographic reasons of the Atlantic and Pacific, particularly in the Pacific, having a mid-Pacific refueller to draw from is key.

**Hon. Erin O'Toole:** Absolutely. As a navigator on a Sea King helicopter detachment, I remember the first time I saw the men and women of the Royal Canadian Navy perform a RAS, as we called it. It was a very impressive operation. We certainly don't want to see that skill set atrophy.

When the HMCS *Protecteur* was decommissioned due to fire around the same time that the *Preserver* had corrosion issues that prevented it from going to sea, Canada at least temporarily lost that RAS capacity. Is that correct?

**Mr. Patrick Finn:** We lost it domestically and organically. We didn't lose it in the context of NATO and allies, which we always participate with. We did some work, as I think you're aware, with some of our close allies, to have access to their AORs and did some very specific mutual logistic support arrangements to make sure we could continue to provide that support.

**Hon. Erin O'Toole:** With the surface combatant project and the Arctic patrol ship both delivering in the next decade, the core capacity of replenishment at sea is now looking to be fulfilled by the merchant vessel *Asterix*. In your view, is maintaining a domestic capability for replenishment at sea a core competency of the Royal Canadian Navy?

**Mr. Patrick Finn:** I'll quote from Admiral Lloyd as the person responsible for this. Quoting from him, it's yes. I think he is the right authority to speak to it.

Notwithstanding what I've described in terms of access to allies and others, they then have a decision. In this case it gives us a domestic—

**Hon. Erin O'Toole:** I apologize. I have one minute left.

The shipyards at Irving on the east coast and Seaspan on the west coast both had to ramp up for their contracts under the national shipbuilding policy. Are both projects on time, or are they behind, to your knowledge?

**Mr. Patrick Finn:** There are various projects within those yards. We have seen some delays in the first ones on each coast. The first AOPS was probably about six months behind, but the ship is almost done. The second and third are under way. We'll have four under way soon. There are some delays in the first offshore fishery science vessel for the Coast Guard. It's now in the water, approaching delivery. We have been building up the capability in the yards' first projects, and a lot of that you'd probably see in any shipyard in the world.

**Hon. Erin O'Toole:** Thank you very much.

**The Chair:** Thank you for the answer.

Go ahead, Mr. Fisher.

**Mr. Darren Fisher (Dartmouth—Cole Harbour, Lib.):** Thank you very much, Mr. Chair, and my thanks to all you folks for being here this morning.

This morning I was reading an article that mentioned major NATO procurement issues with Airbus. Airbus is facing major fines from NATO because of delivery delays and for failing to meet contracted requirements. I expect Airbus will be interested in Canada's future fighter capability project. I think we can agree that any type of procurement comes with its challenges, but has this Airbus delay caused any NATO capability gaps? Can you tell us a little bit about the procurement process and what else is in place to handle missed deadlines like this?

Mr. Finn, you mentioned that a group of senior experts has been put together to ensure adherence to best practices. I'm interested in the capability gap that might have been caused in NATO by the Airbus delay and what we can do to minimize this in future procurements.

● (0935)

**Mr. Patrick Finn:** I apologize, but I don't know the specifics and I did not see the article. Yes, Airbus has some interest in future fighters and is providing for us the C-295, the future fixed-wing search and rescue aircraft.

The group of experts was pulled together to deal broadly with the issues of delays and other things like that. For us, a big piece in the

recommendation had to do with project and program discipline, not because it's not there in NATO but because at some point we have to make decisions that will let the projects advance. We need to have the 29 nations step back so they can get on with it. There's a bit more of a tendency to come back to the 29 nations than we would advocate. That's key for us.

I apologize for my lack of knowledge on the specific thing you're talking about.

**Mr. Darren Fisher:** Will Canada's procurement benefit from the expertise in this panel?

**Mr. Patrick Finn:** Yes, sir. Ian Mack, the gentleman we sent over, is a retired naval officer. Ian was at National Defence for over 45 years and is very experienced internationally. We hand-picked him for that reason, to go over to try to look at the things we're trying to do—we have our struggles and issues as well—to see where we're making improvements, to look at authorities and what we can do and what we need to delegate.

I would say there are some other NATO practices we could look at. For example, we're trying to bring back to Canada some agility the agencies have that we would like to benefit from, which is why we're talking to Treasury Board Secretariat and others about the authorities and how we procure, to see about expanding the tool box so as to have more tools available to expedite some of our procurement.

**Mr. Darren Fisher:** With respect to the difficulty of ensuring interoperability, Mr. Gerretsen touched on the rapidly changing technology in military equipment, as well as the fact that procurement can take a considerable amount of time. What types of improvements are needed to ensure interoperability with NATO and to reduce the time required to procure things? Is the procurement process supple enough to anticipate these changes?

**Mr. Patrick Finn:** In some cases, yes; in some cases, no, it is not.

I think back to my point that when we talk about procurement, are we talking platforms or other things? I would say, as an engineer myself, that in the civilian sector you see standards and things that occur around communications from organizations such as the Institute of Electrical and Electronics Engineers, IEEE, and you can acquire very quickly, but the problem—and we've experienced it—is that when we've been leading-edge in acquisition, or faster than allies, we lose interoperability because some of our key allies are not keeping up with us. It's almost who goes when, and what happens then.

Interoperability is not just about speed of acquisition, but it's ensuring, in the context of NATO, that we're all actually taking the same step at the same time. We're better off to be behind but able to communicate with each, rather than being rapid and losing that.

The standards I talked about are really important for us. Some are in communications; some are in environmental and naval architecture and things of that nature. For communications, for some systems, because those authorities are further down, we are more agile than in the very large procurements that include offsets and other things.

What we are trying to do in many cases now, when we go to get authorities for surface combatants or other areas, is to establish from the outset that rather than doing big mid-life refits and so on, there will be continuous technical refresh, continuous technical insertion. We will seek authorities from the board and from other places that enable us to establish a contract that says that as the U.S. Air Force upgrades its C-17s with new communications, every time our aircraft goes through the repair and overhaul pipeline, it comes back upgraded. We're trying to change some of those approaches so that we are less requirement-specific in terms of "We need to do this" and more about "How do we keep pace with our allies?"

It really is more about keeping pace than it is about speed of advance.

• (0940)

**The Chair:** The time is up.

Go ahead, Mr. Bezan.

**Mr. James Bezan:** Thank you, Mr. Chair; and thank you, witnesses, for being with us today.

Mr. Finn, just give me a little more detail about working with NATO through the NATO Support and Procurement Agency. What are the common capabilities that we're investing in for NATO military equipment and infrastructure?

**Mr. Patrick Finn:** Do you mean "we" as Canada, sir, or NATO writ large?

**Mr. James Bezan:** I mean as Canada, as a member of NATO. What's the common equipment?

**Mr. Patrick Finn:** I do have a bit of a list here, sir, if you'll bear with me.

There are a number of areas where we're looking at it in larger programs, but there are also a lot of things we're doing in smaller areas, investing in smart defence, smart procurement, and some things of that nature. It's almost more on the innovation end of things, where we're looking at different things.

In a number of areas that NATO is investing in, Canada is not always a participant, such as the allied ground surveillance and what they're doing with the Global Hawks. For us, one of the key areas is in the alliance future surveillance and control project. This is what comes after AWACS, which I believe has been extended until about 2035.

In looking at it now, we are asking what it is that we do. NATO is doing a very good job by not coming back to ask, "What's the airplane that replaces the airplane?" but "What is the approach, and how do we do it?"

We are looking at projects within "Strong, Secure, Engaged" for the replacement of the Auroras. NATO is working in some of those very areas. It is an area where our air force has looked at joining the like-minded nations. Again, it's not all 29 nations of NATO; a subset of those nations is looking at it. We can join in that area.

We're heavily involved in the communications, command, and control areas. There are a whole bunch of areas of smart defence that we're working on as well.

**Mr. James Bezan:** We're talking about things that are specifically NATO assets, but some of it is also owned by member states and used for NATO purposes.

You talked about adoption of best practices that we use here in Canada. You talk about being over budget and behind the schedule and falling short of requirements. Mr. O'Toole laid out some of the problems we have just in Canada. What best practices are we sharing if we are also falling behind schedule and over budget on a number of our own procurement projects?

**Mr. Patrick Finn:** Among those projects we talked about, such as ships and green yards and things we're doing, the shipbuilding strategy is something that we continue to work on feverishly. It is something we're into now. We are starting to see a lot of the economic benefits, but in terms of military capability, if you go to Halifax and see the first of the AOPS sitting on the land-level facility there, you'll see a very impressive capability. We're building on those things, building in a number of areas what I'll call development of people around complex project leadership. We've established a program here with Telfer at the university. It's not about the engineering and it's not about the time, cost, and scope of things that we do, but about how we can bring greater expertise to bear. That's what we're advocating, as an example, at NATO as well.

**Mr. James Bezan:** The European Union nations, many of them NATO members, have set up permanent structured co-operation on security and defence. One of the things that they're talking about is common procurement.

Do you see that augmenting what we do through NATO, or is this in competition? Does it help NATO member states in Europe get to the 2% GDP aspirational targets, or is it taking European member states in a different direction?

**Mr. Patrick Finn:** Thank you, sir, for the question.

I think the Permanent Structured Cooperation agreement in the EU is what you're talking about. It is something we've talked about a little bit at the Conference of National Armaments Directors.

Usually when we get together, for half of the day we invite the EU and others, and some of the partner countries, to come and join us so that we can discuss some of these things. I would compare it to NORAD in North America. It is a separate piece, and if you read through.... I had a chance to look through some of their things. They talk about commitments to the EU force and through the PESCO, but that does not preclude NATO and other things.

There's already a degree of common procurement going on among the EU countries, so this brings it together a bit more. I don't think it's in competition. I think it will help bring them forward to their 2% or otherwise.

I would say that through some of the discussions we've had about advancing projects and being careful about it, even in NATO there is often a struggle in some of the projects to bring real expertise and capacity together. It falls to the 29 to provide people, and not everybody who has domestic projects and a lot under way is going to provide a lot of people. There's usually a constant call there.

Certainly what I've expressed to my colleagues is a caution to make sure that the NATO projects aren't the ones that suffer. They have their domestic projects and they're putting people there, and now they have the EU projects and they're putting people there, so that's an area we're trying to be very careful about. A lot of it in the context of the EU—

● (0945)

**The Chair:** I'm sorry. I'm going to have to stop you there. We're over time. I have to move on to the next question, and that goes to Mr. Gerretsen.

You have the floor.

**Mr. Mark Gerretsen:** Thank you very much, Mr. Chair.

When I was asking questions earlier about the changes in technology and NATO's positioning towards procurement in relation to that, Ms. Hubbard, I believe you were about to comment.

**Ms. Jennifer Hubbard:** Yes, I wanted to add that as part of CNAD, the Conference of National Armaments Directors, we've undertaken an initiative on innovation and recognizing the fast pace of technological change, and recently a framework was developed on innovation and the way forward on innovation.

Nations have come to the Conference of National Armaments Directors in the past year or so to present on what they are doing in innovation and how to mitigate those risks associated with the change in technology. There's a great deal of collaboration in those areas.

**Mr. Mark Gerretsen:** There is, and specifically as it relates to procurement.

**Ms. Jennifer Hubbard:** Absolutely, because the Conference of National Armaments Directors is a gathering of all the senior armaments acquisition people from the 29 NATO nations.

**Mr. Mark Gerretsen:** I can say, at least anecdotally—I don't think it would be fair to name names—that in my off-the-cuff conversations with members of CFB Kingston, it is something that is always coming up. The changes in technology are so rapid, yet procurement seems to take so long.

Mr. Finn, I want to go back to one of your answers to that, which was that it only seems to be a small percentage of the contracts that are taking a very long time to go through that procurement cycle. Is that correct?

**Mr. Patrick Finn:** Yes, sir. I'm really talking about the authorities.

At the end of the day, once we sign the contract, it's capacity and other things, but for projects under \$5 million, we don't go to Treasury Board. We don't go to those areas to seek approvals. They exist elsewhere, so we're able to be more agile just because of how the procurement system is laid out.

**Mr. Mark Gerretsen:** From Canada's perspective, in terms of our role here, we're preparing a study on NATO, as you know. We will give recommendations as to what we think we should be doing in terms of advocacy in NATO to affect procurement in this particular instance.

Can you give us any recommendations? From Canada's perspective, what do you think NATO can be doing differently in terms of the framework it has for procurement?

**Mr. Patrick Finn:** Thank you for the question. I think that a lot of what NATO has done with the agencies, starting in about 2012, has been extremely useful. I think I'm going to flip this around to what Canada could do.

For us as a nation, having access to the agency, what they do, and what they do competitively, and being able to use their contracts and their approach, where appropriate, is of great value.

There are areas where I would like to use it even more. At times we run into a debate or discussion about what it is, about whether it's sole-sourcing and whether we're kind of taking it out of Canadian industry and things of that nature. I would say it's about ensuring that we don't have barriers that prevent us from using the agency and the things they do—where appropriate, where we don't have the capability, where we may not already be in contract, and where it's not an issue of national security. I would look at it through that lens. In terms of NATO, it's to sharpen up more....

The other thing I would say is on this issue we talked about, the group of experts. As always with NATO, as it went through, there was a lot of debate and discussion. There are nations that would want to have much more control at every step of every project on almost a continuous basis. From my experience, even for ourselves, if there is that continuous oversight, it will never advance.

**Mr. Mark Gerretsen:** Okay.

**Mr. Patrick Finn:** That would be a key piece: the right interventions at the right time, and the right time to step away and let the project teams advance.

● (0950)

**Mr. Mark Gerretsen:** If you have more on that, please submit it to us in written form. I have a little less than a minute left.

I want to ask about compliance to the framework in terms of Canada and other NATO nations. How would you rate the compliance of member nations?

**Mr. Patrick Finn:** I'm sorry, but compliance to which framework?

**Mr. Mark Gerretsen:** It's compliance to the specific guidelines and protocols that NATO has in regard to procurement.

**Mr. Patrick Finn:** The NATO protocols we were talking about were about NATO's procuring, not—

**Mr. Mark Gerretsen:** Right. It's not—

**Mr. Patrick Finn:** It's not protocols that they apply to the allies.

**Mr. Mark Gerretsen:** Okay, I've got it.

I think that's my time.

**The Chair:** Go ahead, Mr. Garrison.

**Mr. Randall Garrison:** Thanks very much, Mr. Chair.

As Mr. O'Toole opened up the question of naval procurement as it relates to NATO, I'd like to go back to that question. Now that *Asterix* is in service, of course, and Canada has agreements with some of our other naval partners, have there been any concerns expressed to Canada about our ability to meet our commitments to NATO in terms of naval support and—as a result of the questions that Mr. O'Toole was asking by implication—our ability to replenish ships?

**Mr. Patrick Finn:** Sir, not that I'm aware of, but I perhaps would not be the person who would know. It would maybe again be a question for our operational....

**Mr. Randall Garrison:** Let me make it a little more specific, then.

Mr. O'Toole raised the question of delays. Are you aware of any concerns, or have concerns been expressed to you, about delays in the shipbuilding on the west coast, which will provide the next supply ship, in terms of our ability to meet our naval commitments at the current time?

**Mr. Patrick Finn:** Sir, I would say that internally, amongst ourselves, there are some concerns. The reality is that if there are delays, the impact will be particularly on domestic operations and Canada's sovereign ability. I think that is how Admiral Lloyd has expressed it to me. As for gaining access to refuellers and things of that nature through NATO in the Atlantic and the Mediterranean and other places, more nations provide it and therefore can do it.

It's really about the ability of Canada to operate on its own, and that's where this commercial ship provides some capability. It is quite different from the warship that will be the joint support ship, to be clear, and that is why it is so important to us. We are working very closely in recent weeks with the shipyard in looking at what we can do to advance projects. We're seeing some success there.

Much as we look at the shipyards, I would say that sometimes the government side, as well some of our behaviour, approaches, or demands, actually inject problems and delays. We want to make sure we are being coherent on this strategy and in what we do.

There are no two ways about it: for the next half-century, having a naval task group with warships are combat capable is about having a military warship that not only can do replenishment but can also be part of a task group in terms of command and control, helicopter operations, etc.

**Mr. Randall Garrison:** When you say “military warship”, you're making a distinction here between the capacity the *Asterix* offers in the interim and the capacities of the new ship that's to be built.

**Mr. Patrick Finn:** I am, sir. I mean, the *Asterix* has provided exactly what we asked them to do. I think the shipyard did a really good of delivering it and doing it.

I often give people this analogy. If we could go on land operations with heavy SUVs or with armoured vehicles, we'd rather go with the latter. This is similar. Fundamentally, in terms of shock, damage, stability, and a whole bunch of areas, we do work there, and the joint support ship, from stem to stern, will be designed for that purpose. We did not impose that upon a commercial ship, because of the speed at which we needed it. What it needed to do, what kinds of areas it could go to, and the things it can do are quite different. The

*Asterix*, in the context of that service contract to us, is delivering exactly what we asked of it.

**Mr. Randall Garrison:** In other words, it's filling a gap rather than filling the capability in the long term.

**Mr. Patrick Finn:** Exactly, sir. It's five years, plus options. There are things we want to do, but again, as the admiral has said this many times, and the minister and others, the road forward is through the joint support ship.

In army bases right now, we're trying to deliver wreckers and large tow trucks. We're in the process of delivering them but we don't have them, so we're turning to industry for heavy wreckers in some of our training areas. We would not deploy with commercial heavy wreckers. We need to resolve that, and it is the same thing here.

**Mr. Randall Garrison:** In terms of—

**The Chair:** That's it.

I'm going to have to cut you off, Randall; that's your time.

We do have additional time, though. Predictably, I'll go to five-minute questions to see where we're at. I'll go Liberal, NDP, and CPC.

The first five-minute question will go to Mr. Spengemann.

● (0955)

**Mr. Sven Spengemann:** Mr. Chair, I will not need the entire five minutes. I'd be happy to delegate my time to Mr. Rioux.

I have a very quick question to the two of you.

With respect to the current landscape of NATO requirements, I want to ask about force protection, and in particular force protection aimed at counterterrorist threats. Is that an area of NATO procurement, or is that an area that's primarily addressed by what member states supply to protect their own armed forces? If there's a trend or a change, in which direction is that trend going?

**Mr. Patrick Finn:** Sir, thank you for the question.

In the context of procurement at NATO, like Canada, it responds to the requirements that are set. I have to say that I'm not aware of specific procurements in that area.

I don't know if you know of any specifically.

**Ms. Jennifer Hubbard:** The NSPA does offer force protection services, either through NATO nations who provide the service or through contracted support. For example, in Afghanistan, it offers force protection services.

**Mr. Sven Spengemann:** So both options exist.

**Ms. Jennifer Hubbard:** Both options exist.

**Mr. Sven Spengemann:** Thank you, Mr. Chair. I'll delegate the rest of my time to Mr. Rioux.

[Translation]

**Mr. Jean Rioux (Saint-Jean, Lib.):** Hello, Mr. Finn. It is always a pleasure to receive such specific and concise information from you.

Since I have just two minutes, I will be brief.

In the new defence policy, \$1.6 billion is allocated to innovation over the next 20 years. Can Canada use its ties with NATO to develop products that are more international?

Further, under the new procurement policy, the Department of National Defence will be able to award certain contracts without having to go through Public Services and Procurement Canada every time. That could help Canadian defence companies.

**Mr. Patrick Finn:** Thank you for your question, sir.

As to science and technology, my colleague Ms. Desmartis manages the innovation component of the defence policy, which is known as IDEeS. Canada has ties with NATO and is already involved in smart defence initiatives. We are trying to innovate in different areas.

The \$1.6 billion will be used for initiatives not only in Canada. It will also allow us to share our knowledge and talk about our approach. In addition, there are other innovation programs within the federal government, such as those for which our colleagues at ISED are responsible.

You also touched on contracts. The new policy will give us greater procurement powers. We will be able to award contracts of up to \$5 million, which account for over 90% of the contracts we award every year. That will afford us greater flexibility in our approach to innovation and in other areas such as information technology, which has been discussed.

**Mr. Jean Rioux:** Thank you very much.

[English]

**The Chair:** Thank you.

Go ahead, Mr. Bezan.

**Mr. James Bezan:** Mr. Finn, you made comments about the Aurora as it links into the future platform that's going to be used for aerial surveillance in NATO to replace the AWACS. I know "Strong, Secure, Engaged" never really put forward a long-term view of what we're going to do in replacing the Auroras.

Is that because we're looking at what NATO might do and how that may impact our sub hunters, those being the Auroras, in doing that long-distance surveillance?

**Mr. Patrick Finn:** I think there are a couple of different things.

Let me speak to the Auroras. We still have some years ahead as we add more capability to the aircraft. We're just finishing the life extension of the aircraft to 2030, which is a pretty significant capability investment. We've seen it operate in northern Iraq to great effect. As the commander of the air force calls it, particularly as upgraded, it is still probably a premier anti-submarine warfare aircraft in the world.

There are a lot of investments in that capability, a lot of positive outcome. We've seen its performance on training and what it can do. "Strong, Secure, Engaged" talks about a maritime multi-mission

aircraft. It is later in the investments, but that is because of what we're doing with the Auroras today.

In the context of NATO, the big thing is that NATO at this point is not looking at what aircraft replaces the AWACS, but at what the capability should be: how do we do it? Is it more satellite? Is it more allies? Is it a network of things? NATO is also looking at the maritime multi-mission aircraft. A set of countries is looking at that. We're contemplating joining that group of like-minded nations.

That is really about the multi-mission capability. What we do post-Aurora versus NATO is still in the infancy of what we do post-AWACS. The two could wind up aligning if it becomes a network of things. Does our Aurora and its replacement then become part of that network?

• (1000)

**Mr. James Bezan:** I appreciate that. I had the pleasure of meeting with 409 Squadron and 19 Wing last week. It is an amazing capability. I just want to be sure we're looking ahead for how it works in the NATO context.

We do ongoing air policing, taking our turn through doing the air policing for Iceland as part of our NATO commitment. We've done air policing in Romania. We've done air policing in the Baltics as part of Operation Reassurance. The comment is that we need 88 fighter jets to continue to potentially meet our NATO and NORAD commitments.

Where are we at with this acquisition of used RAAF Hornets? Now we're talking about extending our CF-18s to 2032, seven years past their best-before date.

**Mr. Patrick Finn:** There were a few things there.

Yes, as you indicate, to be able to simultaneously meet NORAD and NATO commitments, it is 88 aircraft. It's obviously not all 88 by virtue of maintenance and training and other things that happen, as occurs today.

With the Australian legacy Hornets, of which right now we intend to acquire 18, we've gone through various steps of their disposal process. I've got a very clear indication of interest in providing 18 to us. We have received what's called a letter of cost proposal that gives us some of the details. That is going through final cost validation by our CFO and others. We've signalled that we want to receive them.

**Mr. James Bezan:** How much does that cost?

**Mr. Patrick Finn:** Because it's not just the airplanes, we've set aside, if memory serves me, about half a billion, but that includes infrastructure and a whole bunch of things we need to do. I don't have the numbers per aircraft. They are much below that. Again, we could provide a bit more information.

**Mr. James Bezan:** Yes, please.

**Mr. Patrick Finn:** We still need to get authorities to proceed, as has always been the case in the Canadian context, from Treasury Board and other authorities. We're pulling that together. The Australians have now gone to the U.S. State Department for the transfer under ITAR. That is under way.

The idea of firming this up in the fall of 2018 was for the start of delivery of the two first aircraft to be next summer, and then quickly beyond it. We're looking at 2032. That is the last aircraft, sir, in the order of battle. That's just the reality, whether it's.... Mr. O'Toole talked about Sea Kings. The last Sea King flight was on the east coast last week. There's a reality of having to maintain a degree of capability while we ramp up.

Our intention is that the first of the new aircraft would be about 2025, and then beyond that.

**The Chair:** Go ahead, Mr. Garrison.

**Mr. Randall Garrison:** Thanks very much, Mr. Chair.

I'm going to resist the temptation to ask these witnesses about the Conservatives wanting to skip any procurement process on jets and the Liberals' inability to start any procurement process on jets. I'll come back to something I think is more related to the expertise of the witnesses we have in front of us.

I want to ask about intellectual property under NATO procurement rules. I've asked similar questions to you before on our own procurement.

As military technology and military equipment becomes more and more complex, especially in terms of electronics, I've become more and more concerned about companies attempting to retain the ownership of the intellectual property and the restrictions that places on the ability of militaries to do their own maintenance and repair and the restrictions that not owning the intellectual property places on future procurement.

In terms of the NATO operations, how much attention is being paid to ownership of intellectual property in those procurement processes?

**Mr. Patrick Finn:** In the context of NATO procurement, which leads to their operations, the approach is similar to that of Canada's. In my career in procurement, 20 years ago, although IP was something that was there, we talked about it quickly because, quite frankly, we could give you the whole intellectual property for an aircraft or a ship, but unless you had the entire industrial complex to build it, it wasn't worth that much. Today we're in a very different situation because of software technology and those sorts of things.

At the same time, we're more interested, but for a lot of companies, it is the crown jewels. It is something they guard very closely. For us, almost on a procurement-by-procurement basis, we look at how we will do it, how we will approach it. The view is not amorphous in industry, so if you're a provider of equipment, you want to guard it; if you're a supporter of equipment, you want us to acquire it.

We spend a lot of time looking at the right amount. There's ownership of it. There's licence to use it and to have it used. That's an area for us. Generally, as the Government of Canada, we tend not to

seek ownership, because having that might preclude Canadian companies from having opportunities elsewhere, and that is not something we want to stand in the way of. We've seen that with Lockheed Martin Canada and their success around the world in updating New Zealand frigates. We've licensed them in the foreground IP that we own, and we do that in a number of cases. We have a similar agreement with MDA, now Maxar. The Triton system was enabled by some of the IP we have that we paid to develop.

The issue, sir, becomes one of, as you negotiate and do it, what you can afford, what you can do, how much access you need, and how much access you can get. I understand exactly what you're saying in the context of in-service support, whether it's by industry or it's by our own fleet maintenance facilities and service battalions and air maintenance squadrons. We try to be very judicious at this and strike a balance, and it's very similar in NATO. They have a practice such that if it's the foreground—what's done and what has occurred—it's theirs, but it's almost on a procurement-by-procurement basis.

In the case of the Canadian surface combatants, we probably spent the better part of a year on, among other things, negotiating intellectual property. We took a position and closed a lot of it, but there were certain things on which the bidders had such different views that we literally set them aside and said that for whoever is selected, we'll establish a short window in which we will complete the negotiations on intellectual property with them, and if we're not successful, we'll go to the second-scoring bidder.

It's exactly as you indicate. There could be a policy to say we'll own it all. We'll break the bank.

The other issue with intellectual property, from my experience, is that owning all that capacity brings with it a duty to maintain it, which is not trivial. I've literally seen at times that we've bought it, locked it up somewhere and not touched it for years, and have then come back to it and found that its utility was limited and that it would have been better to have been retained in the hands of industry.

The issue often is access for a right to use and to have it used. Even for NATO, you can take that position, but where do you find yourself in the discussions with industry?

● (1005)

**Mr. Randall Garrison:** I understand it's hard to draw a hard and fast rule, but I think what I hear you saying is that sometimes licensing provides both more flexibility and a kind of guarantee that the owners, the companies, will spend the money on maintenance of the actual equipment and further development, especially in the areas of software.



**Mr. Patrick Finn:** It may not be the maintenance. At some point that can become an issue, because they can often move away from it, but what it does to us generally in the life cycle is that rather than our taking it away so they can't reuse it or there being the threat that somebody in Canadian industry will be able to compete against them, we're licensing it for the purposes of maintaining it and having our systems maintained. There still can be an issue when we put an in-service support contract up for competition, because their competitor can get access to their IP.

Intellectual property has become much more complicated and sophisticated, frankly. We used to have big debates about requirements. It's not that they're not there, but intellectual property can become overwhelming. We have a defence industry advisory group that has worked in this area, and with Canadian industry we've put together a series of principles to look at to try to improve this.

**The Chair:** That's the time.

**Mr. James Bezan:** If I could have just one word, Mr. Finn committed to supplying us with information on costing regarding the Australian F-18s. If we could also get information on any analysis they did on the physical condition of those airframes as well, I think that would be worthwhile for the committee.

• (1010)

**The Chair:** We still have a reasonable amount of time left. Mr. Bezan has some motions that I've undertaken to make sure he has an opportunity to present. I have a couple of people who still want to ask questions. I can either go around formally and do it or I can just take some questions.

Are there any more questions from your side, other than your motions?

**Mr. James Bezan:** No, I think we're good.

**The Chair:** Okay, there are a couple of folks, Ms. Alleslev and then Mr. Robillard. Then I'll suspend to let the witnesses leave, and then we can go back into a public meeting and deal with our motions.

Go ahead, Ms. Alleslev.

**Ms. Leona Alleslev:** I'll let Mr. Robillard go first.

**The Chair:** Sure. Take no more than five minutes, please.

[*Translation*]

**Mr. Yves Robillard:** Thank you.

With regard to NATO, what does the term "smart defence" mean and how does the NSPA help NATO achieve its objectives in that regard?

**Mr. Patrick Finn:** You said "smart defence". You are perhaps referring to a series of projects to analyze capabilities that NATO and its members are working on. The members meet to work together on various matters, including innovation, advanced military capabilities, and so forth. I can give you a few examples.

[*English*]

One is biometrics in military operations. Another is multinational cyber-defence capability development, which Len Bastien talked about. Others are mission modularity and responsiveness to biological outbreaks.

[*Translation*]

NATO members can choose to take part in these projects, but not all 29 countries participate in all the projects. Canada is interested in many of these projects. This does not provide us with equipment strictly speaking, but it enables us to share our standards and approaches with other NATO countries.

**Mr. Yves Robillard:** Thank you.

[*English*]

**Ms. Leona Alleslev:** Thank you very much.

I just wanted to make sure I was clear on something you said. Can you confirm that our government has responded to the NATO letter on being involved in the future generation surveillance, the AWACS replacement program?

**Mr. Patrick Finn:** I don't know for sure. It's a process by which we seek participation. I do know that internally, that part has occurred. We can find out for you whether the last steps have occurred for us to formally sign on at NATO. It's something that—

**Ms. Leona Alleslev:** I know the request came, so if you could confirm whether we have responded back to NATO on that request, that would be fantastic. Also, a list of the projects that we actually have currently signed on to in NATO, including ones for which we actually have people, physical human beings, in the project office in NATO, would be great too.

In addition to the financial information I asked for at the beginning, I want to confirm that I would like a copy of the report, if we could, from the NATEX in NCIA upon his leaving. I know that Colonel Bates did write a report, and I would be very interested for the committee to see that.

**Mr. Patrick Finn:** Thank you.

**Ms. Leona Alleslev:** Thank you.

**The Chair:** That's all we have for questions. Thank you very much for appearing. If there's any misunderstanding or any clarity you need on items that the committee has asked you to provide, please make sure we've sorted that out before you depart. Thank you again for coming. I'm going to suspend, and we'll resume in a public meeting to deal with Mr. Bezan's motions.

Thank you.

• (1010)

(Pause)

• (1015)

**The Chair:** Welcome back, everybody.

As discussed earlier, I'm going to give the floor over to Mr. Bezan to move several motions that he's tabled.

Mr. Bezan, you have the floor.

**Mr. James Bezan:** Thank you very much, Mr. Chair. I appreciate the opportunity. I don't intend to talk out the clock or anything like that. I'll just move the motions and have a bit of debate on them.

The first motion I want to put on the table reads:

That the committee invite the Minister of National Defence to appear before the committee in order to update Canadians on the current status of Operation IMPACT and elaborate further on his comments regarding the future of Operation IMPACT and the supplying of weapons to the Kurdish Peshmerga; and that a meeting to this effect take place within 30 days from adoption of this motion and that this meeting be televised.

To speak to that, it's been some time since we've had any briefings as a committee on what we're doing with Operation Impact. Of course, that has changed significantly with the turmoil in the Kurdistan regional area, with Iraqi security forces moving into Kirkuk and other communities. The minister was referring to a remake of Operation Impact going forward because of that instability, and as we know, weapons that were supposed to be provided to the Kurdish peshmerga, bought by the Government of Canada, are sitting in storage in Montreal.

I think we should get an update on what's happening, what's going to happen with those weapons, and how we will support the Kurdistan regional government and the peshmerga going forward. I think we need to have that detail and have the minister here, along with department officials, to give us a thorough briefing. I think it's been close to 12 months since the last time we had any discussions on Operation Impact at this level.

• (1020)

**The Chair:** I'll open the floor to debate.

Go ahead, Mr. Garrison.

**Mr. Randall Garrison:** Thanks very much, Mr. Chair.

I thank Mr. Bezan for moving this motion.

I have concerns about the pacing of work in this committee and the finishing of reports. Generally I would say that something that says "within 30 days" I would probably oppose. However, in order to be consistent, I have a motion that I'm going to bring forward regarding the Phoenix pay system. It's asking the minister to come and talk about its effects on operations in DND. It's in translation right now, and since it has the phrase "within 30 days" in it, I'm going to be forced to support this motion.

**Mr. James Bezan:** Well, thank you.

**Mr. Randall Garrison:** I do think it's important for this committee, in its oversight role, to hear regular discussions of important operations like Operation Impact. However, I have to say today that I'm concerned about the pacing of our NATO report. The two witnesses we had today certainly could have been a panel that was done with a second panel following them. We would have been able to ask the critical questions. I have become concerned about how long it's taking us to do the NATO report. It's so that we have time to do these other reports. Of course, I'm going to remind all of you that the committee agreed to do one on peacekeeping, which has now been put off for almost a year.

I think we need to have some general consideration as a committee about how we're working, in particular with regard to the pacing of the NATO report, so as to allow time for other studies like this. However, I will be supporting the motion.

**The Chair:** I wasn't paying attention. Was there anybody over here?

Before I go to Sven, just to keep everybody in the loop, an order in council came out yesterday. I know this committee is often interested in those, so I'll just throw that on the group of things that we have to consider. Supplementary estimates (C) are going to come. Keep all those things in mind when you are deliberating on what you want to take on and for how long you want to take it on.

I'm going to go to Mr. Spengemann and then I'm going to go over to Mr. Bezan.

**Mr. Sven Spengemann:** Mr. Chair, thank you.

I'd like to thank Mr. Bezan for bringing this motion. Operation Impact is of course a very important operation.

Mr. Bezan, I wonder if you'd be open to an amendment to have the chief of the defence staff appear instead of the minister. He would be in a position to provide much more detail with respect to the operation on the ground.

The second is in respect to placing this at the right time, not only with respect to existing work that the committee is facing but also with respect to the fluidity of developments on the ground, to not tie ourselves to a 30-day time requirement.

**Mr. James Bezan:** Are you saying we add the chief of the defence staff?

**Mr. Sven Spengemann:** No, I'm suggesting we replace the Minister of National Defence.

**The Chair:** Now we're talking about an amendment, just to make sure everyone is on the same page here.

**Mr. Mark Gerretsen:** Did you put forward an amendment?

**Mr. Sven Spengemann:** I've asked him if he'd be open to it.

**The Chair:** We're still in discussion mode.

**Mr. James Bezan:** I think we should have the minister here. He's always free to bring officials with him, such as the chief of the defence staff. It's the minister that commented to CBC that there was going to be a remake of Operation Impact. I'd like to drill down on it. He's been to the region many times and he knows what we're doing there. Really what's going to come forward is at the policy level rather than the operational level. I think we need to have the minister here to talk about that policy side of it, along with the CDS, who can talk about operations.

• (1025)

**The Chair:** Is there any discussion?

Go ahead, Mr. Gerretsen.

**Mr. Mark Gerretsen:** I'm definitely opposed to the idea of putting a timeline on this. We're doing a study on NATO now. Considering the list of witnesses that we have, it's still going to go on for quite some time. For what purpose are we asking the minister to come here? Is it so we can then give him recommendations, or are we asking him to come here just for the purpose of entertaining our own individual curiosities? We're in the middle of a study right now, and I hate the idea of diverting away from it, even just for one meeting. I want to get this study done, so I'm inclined not to support it, primarily based on the fact that it's being demanded to happen within the next month.

**The Chair:** I'm going to go over to Mr. Bezan and then back to Mr. Spengemann.

I sat down with the clerk and the analyst and went through a detailed timeline just on the study itself, based on the witnesses. I take your comment, Mr. Gerretsen, on managing individual meetings, but some of that is driven by when people can appear, so I have some limitations on what I can drive in terms of agenda.

If nothing changes and we don't add any more work to what we're doing, we will start to impact on getting this done before we rise in June, and that's not taking into consideration the order in council I mentioned, which you guys may be interested in talking about, and certainly there are the supplementary estimates (C), which are our responsibility. I'm just putting it out there for thought.

Mr. Spengemann is next, and then Mr. Bezan.

**Mr. Sven Spengemann:** Just to circle back, the real value would be with the chief of the defence staff, especially since the minister is going to appear for supplementaries, so we're going to have an opportunity to have him in front of us.

With respect to the timeline, I'm not even sure this is the right time to now ask for an update. The update may well be in the summer with respect to substance and the fluidity on the ground.

Again, our work plan is paramount. We need to get through the NATO study. I would once again ask for support, or at least encourage Mr. Bezan to consider that amendment for the chief of the defence staff, and no timeline.

**Mr. Darren Fisher:** Sorry; is there an amendment now?

**The Chair:** No, we're still in discussion.

**Mr. James Bezan:** There are two things. If you want to move an amendment to remove the date, I'm okay with that. I believe the minister needs to be here, since this is a policy discussion more than a discussion on the operational side. CDS can be here to talk about the operation, how it's changed, and where the training in advise and assist has gone in the last number of months.

As to the workload the committee is facing, I encourage you, Mr. Chair, to have a steering committee meeting so that we can look at how things are drawn up. I know that in January we received a list of all the different panels that are potentially available to us to look at in the NATO study. If you look at that, there are over 30 different panels to do. It will take us forever to get through them if they're all available. I don't know if we need to do each and every one of those panels.

At the same time, we want to make sure that.... Having one main witness here today for a two-hour meeting was maybe not necessary. We should have had two or three main witnesses for a two-hour meeting, or just two one-hour meetings. Those are the things we need to discuss as a steering committee to better orchestrate the workload and deal with some of the.... The peacekeeping motion has to get dealt with here sooner rather than later, because time has moved on.

I'm okay with you taking out the 30 days, but this is a policy discussion more than an operational discussion. It's the future of the mission, and it is the minister's responsibility to provide those briefings.

Also, we haven't had a briefing on this, either as critics or as a committee, for almost a year. Leaving it until June or the summertime.... You in the Liberal Party may be privy to what's happening, but we and Canadians and the opposition don't know what those operational plans are.

**The Chair:** I'll let Mr. Spengemann go ahead.

**Mr. Sven Spengemann:** Mr. Chair, Mr. Bezan has just indicated that there are other conversations or deeper conversations that would need to happen, including conversations within the steering committee. I'd like to move to adjourn debate on this subject for the moment.

**The Chair:** That's dilatory. All right. All in favour of adjourning debate?

**Mr. James Bezan:** Is there going to be a recorded vote?

**The Chair:** Okay. We'll have a recorded vote on the dilatory motion to adjourn debate.

(Motion agreed to: yeas 5; nays 4)

• (1030)

**The Chair:** It's carried.

Do you have another one?

**Mr. James Bezan:** I have a second motion. It reads:

That the committee on National Defence conduct a study of no less than three (3) meetings, to consider the government's purchase of used F-18 Hornets as well as spare parts from the Royal Australian Air Force and the process of integrating these aircraft into the Royal Canadian Air Force; that this study be completed and findings of which be reported back to the House within 60 calendar days from adoption of this motion, and that meetings regarding this study be televised.

We did get some information today, and there is more forthcoming from Mr. Finn. It would still be good to hear from those members of the Royal Canadian Air Force who are tied to the replacement of our future fighter jets and the acquisition of these Super Hornets. It would also be good to bring in some Australian expertise on this. The Auditor General of Australia wrote some reports raising concerns about modernization of that fleet back in 2010 as well as corrosion issues with those planes.

I hope we can do this study. Again, there's not a timeline on this one, other than to get it done, hopefully sometime this spring.

**The Chair:** I have Mark Gerretsen, and then Randall.

**Mr. Mark Gerretsen:** Sorry; is this the motion on the F-18 Hornets?

**Mr. James Bezan:** Yes.

**Mr. Mark Gerretsen:** It does say that it be reported back to the House within 60 days of the motion.

**Mr. James Bezan:** Right.

**Mr. Mark Gerretsen:** This is what I was going to address. I'm not opposed to the idea of doing another study, but it's the timing. Again, we have all this ongoing stuff with NATO. I think we need to get the NATO stuff done, and then we can move to that afterwards.

I like Mr. Bezan's suggestion that we significantly reduce the number of witnesses on the NATO study. I would like to see that happen before we start committing to something else.

**The Chair:** I have Mr. Garrison, and then Mr. Spengemann.

**Mr. Randall Garrison:** What I would say on this one is that given that part of the question of replacement of fighter jets is our commitment to NATO, this certainly could be accommodated within our NATO study if the steering committee sat down and took a hard look at what we're doing. That would be my preferred approach—to include it in the NATO study, and make sure we finish that study and that it gets back to the House before we rise. I think that would accommodate the demand for timeliness in Mr. Bezan's motion. I think it takes the steering committee to sit down and look really hard at what the most efficient and best use of our time in the NATO study is.

**The Chair:** Next would be James, me, Randall, and then Mr. Fisher.

**Mr. Mark Gerretsen:** There must be three of us.

**The Chair:** No.

**Mr. Mark Gerretsen:** It's four people? You guys have to get to work. I'm listening to the discussion going on around here, and you guys have work to do.

**Mr. Darren Fisher:** I didn't even know when I got put on it, but I got put on the last one.

**Mr. Mark Gerretsen:** There are three. Including you, there are two on our side.

**The Chair:** It's Leona and Darren.

I think I had Sven, but did you want to wade in before I move over to Sven, Randall?

Go ahead, Mr. Spengemann.

**Mr. Sven Spengemann:** I'm going to yield to colleagues for your views.

**Mr. James Bezan:** I like Randall's suggestion that we make it part of the NATO study, especially with the testimony today. The commentary is that the extra jets are needed to meet both NATO and NORAD commitments simultaneously, so I would be prepared to change the motion. Where it says that the study be completed and findings be reported back after adoption of this motion, we would just say “that this be conducted as part of the NATO study”, and take that piece out.

**Mr. Darren Fisher:** Mr. Chair, I often agree with Randall, but I don't think it's part of the NATO study, so I don't know if I would support that.

**The Chair:** We're still in discussion. It will get complex if we do it, so we can have a discussion until we agree or not. If you want to move an official amendment...

**Mr. James Bezan:** I can't move an amendment on my own motion.

**The Chair:** You can resubmit.

Go ahead, Mark.

• (1035)

**Mr. Mark Gerretsen:** I don't understand. If that's the direction you want to go, to include it as part of the NATO study, I don't understand why you even need the motion then. Isn't it just about calling the witnesses you want? Again, that's a discussion that should be happening within the steering committee.

If you think it's germane to the actual study we're doing, then put forward witnesses to that effect. The steering committee should decide on how that's going to play out.

If it's part of it, it's part of it. You don't need to have a motion to that effect.

**The Chair:** Go ahead, Sven.

**Mr. Sven Spengemann:** I tend to agree with my colleague. I would encourage Mr. Bezan to withdraw the motion. I am inclined to vote against it as it stands.

**Mr. James Bezan:** What I'll do is.... Let's—

**The Chair:** Just let me go to Randall, and then we'll—

**Mr. Randall Garrison:** I'm going to move that we refer this motion to the steering committee.

**Mr. James Bezan:** That's what I was going to suggest.

**The Chair:** Okay.

(Motion agreed to [*See Minutes of Proceedings*])

**Mr. Darren Fisher:** I move to be removed from the steering committee.

**Some hon. members:** Oh, oh!

**The Chair:** Darren, as we say in the air force, “hot mike”.

Go ahead, Mr. Garrison.

**Mr. Randall Garrison:** Can I suggest that on adjournment today, maybe the members of the steering committee could stay and talk about times when they're generally available so that we can try to advance this matter?

**The Chair:** Fair enough.

Unless there is other business, I'd like to adjourn. Those on the steering committee will stay back and we'll talk about when we can get together to refine our focus.

The meeting is adjourned.







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