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• (1100)

[English]

The Vice-Chair (Mr. James Bezan (Selkirk—Interlake—Eastman, CPC)): I call this meeting to order.

We are starting meeting number 44. I want to welcome everyone to it. Our chair is indisposed on a parliamentary trip and in sunnier climes than we are right now. We are continuing our study on Arctic security, which we started on October 6 with a motion under Standing Order 108(2).

Joining us today is Jody Thomas, former deputy minister of national defence and no stranger to this committee. She is now the national security and intelligence adviser to the Prime Minister. She is joined by Jordan Zed, interim foreign and defence policy adviser to the Prime Minister, and Mike MacDonald, assistant secretary to the cabinet, security and intelligence.

Welcome to all of you.

Ms. Thomas, I invite you to lead off with your opening comments. You have five minutes.

Ms. Jody Thomas (National Security and Intelligence Adviser, Privy Council Office): Thank you very much, Mr. Chair. It's nice to be back at the national defence committee.

As the chair said, I'm Jody Thomas, the national security and intelligence adviser to the Prime Minister. In this role, I provide advice and information to the Prime Minister on issues related to foreign affairs, defence, security and intelligence. This includes situational awareness and advice on a range of strategic and operational issues.

I work with officials across government to coordinate and advance a diverse range of activities related to these topics. Many of the files I deal with touch on the Arctic and decisions related to a dynamic region that can have serious domestic and foreign policy implications.

I would like to thank the committee for the opportunity to contribute to this important study on Arctic security, which comes at a critical time.

[Translation]

As you're all aware, the Arctic comprises more than 40% of Canada's territory and over 75% of its national coastlines. It is a complex and challenging environment, with a harsh climate, sparse population, limited physical and digital infrastructure and high op-

erating costs. The Arctic is fundamental to Canada's identity and its sovereignty.

It is also an area of high interest for allies and adversaries. Rapid and enduring climate change is making the region more accessible for navigation. New commercial and military technologies are connecting the North to the rest of the world and eroding the region's historical isolation from geopolitical affairs. This, of course, has far-reaching implications for the future of the Arctic.

[English]

Russia's invasion of Ukraine halted nearly all western co-operation with the largest Arctic state. This has complicated the important work of the Arctic Council, which is currently under Russian chairmanship until spring 2023, when it will pass to Norway. With the pending accession of Finland and Sweden, seven of eight Arctic states will be NATO allies.

Canada and like-minded Arctic states continue to promote a low-tension vision for the region, but this vision is increasingly complicated by current geopolitical frictions, strategic competition and an evergrowing number of states, both friendly and adversarial, seeking access and influence. While Canada continues to see no immediate threat of military attack to the Canadian Arctic, the Arctic region is generally seen by Canada and its allies as a theatre of competition and potential instability, if it is not closely managed by Canada and like-minded Arctic states.

The rapidly evolving strategic context underscores the importance of effective safety and security frameworks, strong alliances and credible deterrence. Climate change remains the most prominent and visible threat to the Arctic and all its inhabitants, with warming recorded at four times the global average. This is leading to melting ice, rapid coastal erosion, increased precipitation, permafrost degradation, crumbling infrastructure and invasive species migration. Environmental changes are profoundly impacting the health and well-being of northerners, traditional ways of life and northern infrastructure, including critical defence installations.

Adversarial states are increasingly active in the region. They are building Arctic-capable military equipment with the goal of seeking to secure control over strategic assets and resources. They are also looking to make economic investments, which could be leveraged for coercive effect.

The Arctic remains a strategically important region for continental defence, as the north continues to present a potential avenue of access or attack. Rapid technological changes—including in cruise missile and hypersonic technology—and the rise of competition in new domains, such as space, emerging technologies and cyber, are impacting the way states pursue their interests. These changes also enhance their ability to project military force in the Arctic and hold North America at risk.

As maritime navigation continues to increase over the coming years and decades, Canada must prepare to meet growing demands on national capabilities and infrastructure. These include supporting civilian authorities in response to domestic emergencies; ensuring safety of navigation, including port infrastructure; maintaining all-domain awareness of the Arctic environment; enforcing Canadian laws and regulations throughout the region; and being prepared to respond to more frequent search and rescue operations.

• (1105)

Given the current attacks on the international, rules-based order by some nations, Canada and like-minded Arctic states will need to work closely together to ensure Arctic tensions are responsibly managed. Circumpolar collaboration and co-operation among the Arctic states will be essential to achieving such partnerships. Canada's approach will continue to emphasize the need to minimize and manage tensions in the Arctic by, first and foremost, working closely, collectively, and bilaterally with like-minded Arctic partners.

[Translation]

The U.S. remains Canada's premier Arctic partner. This strong relationship, underscored by NORAD, will continue to stand as vital to the defence of the North American Arctic. Canada's Arctic and Northern policy framework also aligns well with the U.S. approach to the region.

[English]

As the second-largest Arctic state, Canada is looked upon to be a leader in Arctic issues. It is critical that Canada continue to prepare for increased international activity in the region to defend Arctic sovereignty and to ensure the safety and security of Canadian Arctic inhabitants. This is key to ensuring our sovereignty and our continued ability to meet our commitments for the defence of the continent.

Strengthening Canada's defence and security posture in the Arctic will also ensure Canada is recognized by the United States and other allies as assuming its security and defence responsibilities, an important part of our strategic credibility.

Thank you, Mr. Chair. I look forward to answering questions.

The Vice-Chair (Mr. James Bezan): Thank you. We're going to move to our first round.

Mrs. Gallant, you have six minutes.

Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC): Thank you, Mr. Chair.

China considers itself to be a near-Arctic nation, and the Five Eyes have warned our government about the security threat it poses.

As the NSI adviser to the Prime Minister, why was that contract let without a national security review being done? I'm referring to the contract to build for the RCMP an RF system.

Ms. Jody Thomas: Number one, we need to stop referring to China and its aspirations to be a near-Arctic state in that term. That's its term. It's not ours, and we should not use it. There is no such thing as a near-Arctic state. You're either an Arctic state, or you are not. That's a personal opinion of mine, and it's something I think we should emphasize.

In terms of the particular RFP you referenced, it is premature for me to speak to what occurred in that procurement. It began over a year ago. It is critical that, as we review and update procurement policies, we understand the threat vectors coming at us, we ensure that safety parameters are in RFPs and we determine the kind of technology and where it comes from in our procurements.

That is the work ahead, and the Prime Minister has promised a complete review.

Mrs. Cheryl Gallant: Let's talk about technology, because the CCP does consider itself a near-Arctic nation, and it has a permanent presence there. It is eager to exploit our rare earth elements. It makes no secret of preferring a Liberal government over a Conservative one, because it seems apparently more compliant.

CSIS reported on political interference earlier this year. As the NSI adviser to the Prime Minister, I would like to know, why was he not advised about the political interference in that CSIS report?

Ms. Jody Thomas: China may consider itself a near-Arctic state. We do not. It does not have a permanent presence in the Arctic. It certainly has a periodic, episodic and seasonal presence in the Arctic. The Chinese are working with Russia, where it's useful to them, to increase their presence in the Arctic. Their interest in critical minerals is known. That is something that we, as one of the richest countries in critical minerals, have to be very aware of.

• (1110)

Mrs. Cheryl Gallant: The Prime Minister must have known something about the political interference allegations in the 2019 and 2021 elections, because he raised the issues, or he claimed to have raised the issues with President Xi, when he was overseas, and President Xi was quite upset about that.

Was it you who advised him about the reports of political interference in those elections, or was it you who shielded him from knowing about the CSIS report?

Ms. Jody Thomas: Not being in this job during the 2019 election, I did not advise the Prime Minister on foreign interference at that time.

I have briefed the Prime Minister since on foreign interference along with my CSIS colleague. The Prime Minister is briefed regularly. Foreign interference is not just an election-cycle issue. It is a constant. It is something we are constantly vigilant about, and we keep the Prime Minister informed where we see vectors of foreign interference in this country on any number of platforms.

Mrs. Cheryl Gallant: The CSIS report came earlier this year, and you were the NSI adviser at that time. Why wasn't he advised when the report came out from CSIS, and when did he actually find out about this report and the contents?

Ms. Jody Thomas: You would have to reference the specific report.

Mrs. Cheryl Gallant: The specific report is the report that CSIS provided, which came out in the news recently, on the election interference in 2019 and 2021.

Ms. Jody Thomas: There's a news report on election interference. There's not necessarily a CSIS report that equates to that news report. The Prime Minister has been thoroughly briefed.

Mrs. Cheryl Gallant: When was he first thoroughly briefed?

Ms. Jody Thomas: I can't speak to when he was first briefed on foreign interference. He was briefed as recently as two weeks ago on foreign interference in general.

Mrs. Cheryl Gallant: Is that the earliest you're aware of his being—

Ms. Jody Thomas: No, I said, "as recently as two weeks ago". He has been briefed, since he has been Prime Minister, on foreign interference.

Mrs. Cheryl Gallant: Thank you.

During the visit to Ottawa by the "freedom convoy" earlier this year, a spy plane was flying a surveillance pattern. Was it scanning for the presence of the near-Arctic nation that China considers itself to be, for political interference in that?

Ms. Jody Thomas: I think DND would be best placed to answer that question, but the short answer is no. It was a training mission. It should not have been flying at that time.

Mrs. Cheryl Gallant: It should not have been flying, but if it wasn't scanning for foreign interference—because that's what the allegation was as the motivation behind this convoy—then it was obviously looking at the crowd's faces to identify military members. How many members in the military did that spy plane identify?

Ms. Jody Thomas: You are making assertions here that are not accurate. It was a training mission. It wasn't looking for foreign interference. The convoy was not motivated by foreign interference. It was domestic, ideologically motivated extremism and anger about COVID restrictions. I don't think that we should conflate issues.

Mrs. Cheryl Gallant: We're going to be approximately a decade short in having satellite surveillance in the Arctic. What are you going to suggest to the Prime Minister with respect to ensuring that

there is no interference or components that come from China, which considers itself to be a near-Arctic nation?

The Vice-Chair (Mr. James Bezan): You're just out of time there.

Can you provide a very brief answer, Ms. Thomas?

Ms. Jody Thomas: The security of the satellites that Canada puts in orbit is highly managed by the private sector partners, PSPC and certainly the Canadian Space Agency.

The Vice-Chair (Mr. James Bezan): Thank you.

Ms. Lambropoulos, you have the floor for six minutes.

Ms. Emmanuella Lambropoulos (Saint-Laurent, Lib.): Thank you, Mr. Chair.

Thank you, Ms. Thomas, for being here with us to answer some of our questions today.

My first question to you is about the role that foreign actors play in Canada. How concerned should we be? What is Canada currently doing to counter this? What are we doing in order to monitor foreign activities, especially in the Arctic but even more broadly across the country?

Ms. Jody Thomas: Colleagues from Public Safety and Minister Mendicino, certainly, along with the Minister of Foreign Affairs and the Minister of Defence, have spoken about the work being done to ensure that there is no foreign influence and interference in Canada. It is a universal problem. All of our Five Eyes allies are facing the same issues in terms of foreign interference.

The hostile activity of state actors is being examined and monitored. We're doing some public consultation now to look at a foreign agent registry, as well as vigilance in terms of our IT systems through the Communications Security Establishment and working with CSIS in terms of knowing who is a foreign threat actor in this country.

Foreign influence is a constant cycle of activity. Yes, there are particular threat vectors and particular issues that foreign actors would be interested in, but with regard to asserting their country's position on specific issues and trying to influence certain individuals, it's an age-old problem. It has become advanced in terms of the technology that is now used. Certainly, social media has advanced that.

Misinformation and disinformation are key tools of foreign threat actors because they attempt to use disinformation to influence the Canadian population.

• (1115)

Ms. Emmanuella Lambropoulos: Thank you.

We know that both Russia and China are quite good at this kind of foreign interference, and that they have cyber-capabilities we should be wary of and defending our country against.

What are some of the ways that our adversaries' cyber-abilities influence the way we prepare ourselves? In what ways have we made investments in technologies that would counter these kinds of cyber-abilities?

Ms. Jody Thomas: Thank you for that question.

As I think you know, the Communications Security Establishment is a jewel in the Canadian crown in keeping our cyber-networks safe from the interference, influence and disruption that can be caused by foreign threat actors.

What we have to do, as a society, is start to look very differently at misinformation and disinformation and how they are used to influence the population. Free speech is, of course, our right, but when we identify something as blatant disinformation—which is deliberately placing information that is untrue, as opposed to misinformation, which is the propagation of that information unwittingly—we have to take it down and address the issues. That gets difficult because of the social media platforms, but it is something that we are examining actively.

I don't know if you'd like to add anything, Mr. MacDonald.

Mr. Mike MacDonald (Assistant Secretary to the Cabinet, Security and Intelligence, Privy Council Office): Thank you. I'll be very quick.

There are four points I'd like to make in addition. First, key to efforts in dealing with cyber-activities is understanding the motivations of those who are your adversaries, and there's dedicated work in this area. Second are the skill sets of the people who work in this area. Ensure that you have the right individuals and that you grow cyber-experts in your labour force and your work markets. Third is to advocate cyber-hygiene. Get out and educate people. Talk to people about what it really means to click a button. The last is partnerships on all levels between governments, private companies, businesses, civil society, advocates and everyone. You can have a lot of effect if you have strong partnerships.

Ms. Emmanuella Lambropoulos: I'm not sure how much time I have left, but I'm assuming I have at least a minute.

On that point, can you speak to us about what role our allies can play in defending ourselves against these cyber-threats as well?

Is there a way that we can work with our allies in order to have more of a united front against these types of threats?

Ms. Jody Thomas: That's a very important question.

We are working with our Five Eyes allies constantly in sharing intelligence about foreign threats and foreign interference.

The G7 has taken an interest in these phenomena. Global Affairs Canada has a group called the RRM, which looks at interference from other nations in terms of misinformation and disinformation. I think that is really critical. It highlights it and reports back to the G7 body, and action is taken in some cases.

I think that the western world—our world that believes in the rules-based order—has to call out this interference as we see it, and we do that better when we do it as a unified group than if we do it as each individual country. It's a very powerful message when the G7 or the G20 calls out that kind of foreign interference when we see it.

Ms. Emmanuella Lambropoulos: Thank you.

Mr. Bezan, how much time do I have left?

The Vice-Chair (Mr. James Bezan): You have 30 seconds.

• (1120)

Ms. Emmanuella Lambropoulos: I'm not going to try to stick a question in here because you won't be able to answer me, but I want to thank you for being with us today.

Thank you.

The Vice-Chair (Mr. James Bezan): Thank you very much.

[*Translation*]

Mr. Desilets, you have the floor for six minutes.

Mr. Luc Desilets (Rivière-des-Mille-Îles, BQ): Thank you, Mr. Chair.

First, I like to greet and welcome our guests.

I'd also like to greet my hon. colleagues.

Ms. Thomas, on the one hand, do you feel that polar icebreakers being built by two different companies is purely a question of politics? On the other, will we see any impact from this decision?

[*English*]

Ms. Jody Thomas: Thank you for the question.

Icebreaking and icebreakers are very near and dear to my heart, going back to my Coast Guard days.

Two companies being provided contracts means that the Coast Guard will get ships faster, and that is the bottom line. The impact of it is that the throughput of refit, renovated, rebuilt and brand new ships for the Coast Guard will reach the Coast Guard, the operators and the client base sooner.

The national shipbuilding strategy is very high profile—there's no doubt—but the positive impact of what has occurred with awarding contracts to the third shipyard is that the Coast Guard fleet will be renewed much more quickly.

[*Translation*]

Mr. Luc Desilets: What do you mean when you say it will be done more quickly? Has the planned delivery schedule changed?

[*English*]

Ms. Jody Thomas: The original national shipbuilding strategy awarded all of the Coast Guard ships to Vancouver Shipyards. The recent announcement of the Davie shipyard receiving some contracts means that we will not be waiting for a ship-a-year approach out of Vancouver, which isn't a criticism of Vancouver as that's the capacity. It means that there will be an injection of additional ships from Davie.

[*Translation*]

Mr. Luc Desilets: What do you plan to do should the *Louis. S. St-Laurent* no longer be operational before the new icebreaker is ready?

[*English*]

Ms. Jody Thomas: Thank you for the question.

I am no longer the commissioner of the Canadian Coast Guard. He is best placed to answer that question.

There will have to be workarounds. There are icebreakers that are available for lease. They will look at whether they can extend the life of the *Louis*. She is an old ship, but she's extremely well built, so they'll have to see if there's a refit that can be done that provides good value for money in order to extend her life as we await the polar icebreakers.

[Translation]

Mr. Luc Desilets: Based on our information, it was supposed to be retired as of 2023, but that's been pushed back until the new icebreaker is delivered in 2030. I guess it must be expensive to keep an icebreaker afloat for seven years. It's hard to imagine how much the repairs would cost.

Can a cost assessment be done on that?

[English]

Ms. Jody Thomas: I thank you very much for that question.

That work is being done now within PSPC and within the Canadian Coast Guard to analyze the value for money, as I said, of completing a refit. Some of it will be that you do a refit and it gives you two or three more years. It's significant money, but you have to look at what you lose without that icebreaker. Between the ice-breaking capacity of the *Louis S. St-Laurent* and the science capacity, there would be a significant loss to the continuity of science research in the Arctic and to the continuity of icebreaking.

That's the work they are doing now. I'm no longer actually in this role or involved with the national shipbuilding strategy.

[Translation]

Mr. Luc Desilets: You're talking about two or three years, but we'll need to extend its useful life by seven years. Is that feasible and realistic?

[English]

Ms. Jody Thomas: As I said, I'm not current on the state of the *Louis S. St-Laurent*, but you would get advice from the Canadian Coast Guard commissioner on that. That work is being done.

[Translation]

Mr. Luc Desilets: The *Louis S. St-Laurent* isn't the only ship in that situation, I believe.

Shouldn't a cost-benefit analysis be done when you have seven years of repairs to do on an icebreaker, to see how the cost of those repairs compares to the cost of a new icebreaker? I don't know much about this type of maintenance work, but the cost must be astronomical compared to the cost of a new icebreaker.

Is this being considered and analyzed by the department?

• (1125)

[English]

Ms. Jody Thomas: Thank you for the question.

Yes, the ongoing cost of refitting old ships is expensive. There's no doubt. They are harder to refit and harder to get parts for. You

find more metal fatigue and you find problems you had not anticipated when you open up a ship like that for a refit.

It becomes a question of what you lose if you don't do it. There's a capacity loss that has to be weighed against the investment made. Buying new, though, is a long process. That's the concern.

[Translation]

Mr. Luc Desilets: We're aware of the political squabbles around this. It's a hot potato that gets passed from one government to the next. I feel like we'll be dealing with the same darn problem in a decade from now.

Ms. Thomas, if you had a magic wand, what would solve this, in your view? Use your imagination.

[English]

Ms. Jody Thomas: I would like a magic wand. I would do a number of things with it, but in the particular case of procurement, for National Defence and the Canadian Armed Forces, and for the Coast Guard, I would like to see a cyclical plan of procurement.

Number one, the Coast Guard has never had a class of ships built for them. They've had ships added in and old ships refitted. They are now, for the first time in the 65-year history of the Coast Guard, getting a class of ships that are built for purpose, built for them. That's very positive. The Canadian Armed Forces are equally.... The surface combatant is being built for them.

I would like to see a process in this country where it is evergreen procurement. For the surface combatant, you're halfway through building one fleet and you move on to start planning the next one. That's so you're not keeping ships in operation for 30 or 35 years and then starting to look at the next procurement.

It is complex and it is expensive, but I think that as the nation with the largest coastline in the world, and a huge land mass, keeping military and Coast Guard equipment major procurement as an evergreen and economically responsible program is a really critical move forward. If I had a magic wand on that front, that is what I would do.

The Vice-Chair (Mr. James Bezan): I have to cut it off there.

Ms. Mathysen, you have six minutes.

Ms. Lindsay Mathysen (London—Fanshawe, NDP): Thank you so much for joining us today.

In terms of that conversation, you talked about the role of foreign state actors as compared to the other issues that the Arctic is certainly dealing with. We have heard a lot, though, within this committee, that a lot of this idea of a "potential threat" is just that. There are a lot of guessing games that have to go on. We certainly have to be prepared for that. Our security overall has to be prepared for that.

What kind of data...? I know you can't tell us specifics. What have you seen to solidify that against the idea we have also heard in this committee that says Russia or China isn't going to come onto Arctic soil or is not going to invade Canada? Can you talk about the specifics or the hardline evidence that you see, generally?

Ms. Jody Thomas: I can, in general terms. Thank you. I think it's a really important conversation.

There are some data points we can look at. Russia's rebuilding their Arctic military infrastructure to Soviet-era capability. They had stopped and they're returning. I think that's interesting.

Russia is continuing their construction in the Arctic despite the economic woes they are experiencing as a result of their illegal and barbaric invasion of Ukraine. They're continuing to invest in the Arctic. I think that's an interesting data point.

Their military doctrine indicates when and how they would use their equipment from the Arctic, and we see them exercising that. That's another data point.

They are playing a long game and so is China. They don't have a partnership with China at all. We don't see them as collaborating with China, but they co-operate when it is each to their own advantage. I think that is another data point.

China's interest in rare earth minerals and hydrocarbons in our Arctic and their interest in being able to navigate through the Arctic—their construction of icebreakers when they do not have ice-covered waters that require icebreakers of the size and capacity they're building—is another data point.

At one point, two and two equals four, or you can make two and two equal three. We have decided that two and two equals four.

There is no imminent threat. We agree with all of the analysis, the intelligence and the military view. That said, everything I've described is not happening in a vacuum. We have to be aware and we have to understand it.

• (1130)

Ms. Lindsay Mathyssen: We could argue the same. We're investing in icebreakers. We are investing in commercial and natural resource capacity in our north. We align ourselves with other state actors at our convenience.

Why is that so dramatically different?

Ms. Jody Thomas: It's their intent. China has made it very clear what their intent is with the belt and road initiative and certainly with the polar silk road, I believe it is called. You can look at the belt and road initiative and see the checkmarks down the list of things they're doing. There's no reason to presume they're not doing the same with their Arctic intentions.

Ms. Lindsay Mathyssen: One other thing you had mentioned, of course, is the climate change perspective. We have this huge gap. We're going to be hearing from the Auditor General shortly about this procurement gap, what we haven't been planning for in the last decade and where we need to be, but the immediate threat is climate change.

How do you make sure that's constantly part of your plans? What do you consult in terms of that climate change risk? What's the comparison, in terms of that, with other national security risks?

Ms. Jody Thomas: As I think the chief of the defence staff has said here, climate change is an existential risk. It is opening. It is causing drought. Wars are being fought over access to water. It is causing the world's major protein source—fish—to move further north and away from populations that need it, causing more illegal fishing, which causes economic harm. There are a number of things that are not purely military that add to our risk assessment when we talk about climate change.

In terms of the Arctic, we know it is warming faster than the rest of the globe. It means that the opportunities to access hydrocarbons... Hydrocarbons, rare earth minerals and things that are of interest are more accessible. They're, in fact, more dangerous in the mid-term.

I think the Coast Guard has probably told you about its concern about how, as the ice melts, multi-year ice comes down from the polar cap and is in the navigable waters. It's much more dangerous for navigation. The Arctic is not charted to modern standards. It doesn't have aids to navigation that are to modern standards. The consequence and the ecological disaster that could occur from that if something goes wrong—a ship going aground—is significant. We have to be prepared for it. In the immediate, there's that kind of risk as opposed to a military risk.

Ms. Lindsay Mathyssen: In terms of the commercial value of illegal fishing, we are certainly seeing that with state actors going that route, and then there's the need for more search and rescue. This certainly plays into the idea, which we have discussed before in this study, that those are policing issues and that it is determined by international law, not necessarily in the military sense, but it also relies upon our having very strong alliances, as you mentioned, with other international partners in that multilateral forum.

Also, you mentioned the role of the Arctic Council. With that further pushing away of Russia within the Arctic Council and their seeing themselves as a major Arctic player, how do you see that in terms of a—

The Vice-Chair (Mr. James Bezan): Can you wrap it up?

Ms. Lindsay Mathyssen: How do you see that in terms of a larger problem, and how we solve that?

The Vice-Chair (Mr. James Bezan): Ms. Thomas, I'm asking you to be like question period here, so answer under thirty seconds, if you can. I know it's a lot to unpack.

Ms. Lindsay Mathysen: I'm sorry. That was a lot of preamble.

Ms. Jody Thomas: I would say, very quickly, that Russia doesn't get to choose the parts of the rules-based order it wants to participate in. They have eliminated themselves at the moment from discussions, because they have not proven themselves to be a trustworthy member of the rules-based order. They need to come to the table and account for what they've done in Ukraine.

That said, many multilateral fora go on. The Arctic Council is under discussion. It is moving to Norway in terms of the chairmanship.

A really critical element in terms of safety in the Arctic is the Arctic Coast Guard Forum. It was begun in, I would say, about 2015, and it's where Arctic coast guards talk about ecology, policing, safety and search and rescue.

The Vice-Chair (Mr. James Bezan): I'm going to have to cut you off there. I'm sorry about that. We have to be judicious.

We'll go to our second round of five minutes for everyone. Well, not for everyone, but we'll start with Ms. Kramp-Neuman for five minutes.

Mrs. Shelby Kramp-Neuman (Hastings—Lennox and Addington, CPC): Thank you, Mr. Chair.

Madam Thomas, were you ever briefed or informed in any capacity about foreign interference or potential foreign interference in any electoral process by China or any foreign actor? If yes, did you relay this to the Prime Minister? If not, why not?

• (1135)

Ms. Jody Thomas: I brief the Prime Minister on intelligence constantly, and certainly on foreign interference.

As I said, I was not in this job, and I was not a part of the panel of five in the election oversight committee for the 2019 election or the 2021 election. The news stories that you have read about interference are just that, news stories. We have not seen.... I'll just say it. We have not seen money going to 11 candidates, period.

Mrs. Shelby Kramp-Neuman: Thank you.

Earlier today you mentioned that we would need to reference a specific CSIS report. Could you possibly let us know if there is a report on the 2019 or 2021 foreign election interference? If so, when was it published? If there was a title, could you share it, and did you brief the Prime Minister on it, yes or no?

Ms. Jody Thomas: Again, CSIS reports constantly, so I can't give you the title of a specific report. It would certainly be heavily redacted if there were one, and I wouldn't be able to speak about it here.

There are several oversight mechanisms to ensure safe elections. There is a technical committee called SITE. Mike is a member of it and, in fact, co-chairs it. He can speak to you about that.

Mrs. Shelby Kramp-Neuman: Thank you. I have to move on to my next question.

We've learned, of course, that the Liberal government has awarded a contract to a company with ties to China to secure counter-espionage technology. In my opinion, government seems to be pre-

tending to do a complete 180° with China. How is it possibly a good idea to give a company accused of espionage control of our anti-espionage technology?

Ms. Jody Thomas: As I said, we are looking into what happened with that contract now. It was awarded a year ago, or the RFP process was started about a year ago. The IPS that has just come out has been very clear about the government's position on China. However, we are just creating the terms of reference for the review we are doing. I'm still gathering information from the departments involved.

Mrs. Shelby Kramp-Neuman: Thank you for that.

Madam Thomas, when you took on this job, were you briefed on foreign election interference?

Ms. Jody Thomas: I started this job on January 11, 2022. I had a series of briefings. Foreign electoral interference was not one of the first ones. Certainly, it has occurred. The public reporting that you have seen indicates that there was no interference that affected the outcome of the election.

There is constant misinformation and disinformation. There are people putting out information about elections constantly, about individuals and about your party's platforms and other parties' platforms. That's how this happens in the world we live in today. There was no interference that affected the election outcome.

Mrs. Shelby Kramp-Neuman: Thank you.

Madam Thomas, the Chinese government currently owns approximately 10% of Hytera Communications through an investment fund, and it is being investigated by the U.S. for espionage. Have you advised the Prime Minister and the RCMP about Hytera?

Ms. Jody Thomas: I have not.

Mrs. Shelby Kramp-Neuman: Thank you.

Perhaps this is a little bit more direct. Do you feel as though you're currently shielding the Prime Minister?

Mr. Bryan May (Cambridge, Lib.): On a point of order, Mr. Chair, we've been very patient with the relevance of the questions from the opposition. This is a study on the Arctic and—

Mrs. Shelby Kramp-Neuman: With all due respect—

Mr. Bryan May: Excuse me. I just ask, respectfully, that we get back to the study of the Arctic.

Thank you.

The Vice-Chair (Mr. James Bezan): I'll just say this. Because this has been discussed at this meeting, it is relevant to the meeting, because it has been.... Ms. Thomas has been answering the questions, so I'll allow the questioning to continue, especially in light of the fact that we do see China as a threat to our Arctic security.

Go ahead, Mrs. Kramp-Neuman.

Mr. Bryan May: The question was not about Arctic security, Mr. Chair.

The Vice-Chair (Mr. James Bezan): It's relevant to the meeting we're having because—

Mr. Bryan May: It is not.

The Vice-Chair (Mr. James Bezan): I've ruled that this is in order, and we'll continue on.

You have a minute and a half left, Mrs. Kramp-Neuman.

Ms. Jody Thomas: I would like to answer that question.

The Vice-Chair (Mr. James Bezan): Go ahead, Ms. Thomas.

Ms. Jody Thomas: I'm not sure that my personal integrity needs to be attacked in this committee. I am not shielding the Prime Minister. The Prime Minister is briefed regularly. He's very interested in this subject and has directed work for agencies to do, but it's not a.... To imply that bureaucrats and officials, deputy ministers or agency heads are shielding the Prime Minister I find to be a bit offensive. We are briefing regularly, and those briefings are received and acted upon.

• (1140)

Mrs. Shelby Kramp-Neuman: That's fair enough.

With regard to that, I was speaking to this because, due to the proximity, any line of questioning with respect to the People's Republic of China I feel is relevant. Could you speak further to any security briefings you have been in contact with our Prime Minister about in the last two weeks?

The Vice-Chair (Mr. James Bezan): You're out of time, so I'd say a 30-second response if you can, Ms. Thomas.

Ms. Jody Thomas: In the last two weeks, I actually can't tell you what we briefed the Prime Minister on. I don't think that's appropriate, but there are constant briefings to the Prime Minister. He is briefed almost daily on the situation in Ukraine—that's an intelligence brief. He's briefed on the situation in Haiti—that's an intelligence brief. He's briefed on foreign interference when we have issues to raise to his attention. He has a daily foreign intelligence brief, and he has a weekly Prime Minister's intelligence brief.

The Vice-Chair (Mr. James Bezan): Thank you.

Ms. O'Connell, you have the floor for five minutes.

Ms. Jennifer O'Connell (Pickering—Uxbridge, Lib.): Thank you, Mr. Chair.

Thank you all for being here. I'm sorry for the inappropriateness.

Let's follow up on some of the questions from the Conservatives.

I was a member of NSICOP. In 2019, NSICOP tabled their annual report on foreign interference in the House of Commons. Conservatives should take note, if they want the title of a report. It spoke about potential election interference.

This is more of a rhetorical question.

It is funny to me, as somebody who sat on the committee and knows exactly the quality of documents provided under very strict national security protection guidelines. Conservative members and senators sat on that committee. They would have reviewed that in-

formation, yet they waited until 2022 to talk about foreign interference in elections, when a report was tabled in the House of Commons—it was in a redacted form, of course—that spoke about that.

Maybe I'm biased, because I was a member of NSICOP and I think they do incredible work, but it's funny to me that Conservatives are only waking up to foreign interference now, when they were provided information tabled in the House about foreign interference on an ongoing basis, including misinformation, disinformation and attempts on our elections. As a reaction to that, the Prime Minister is required to respond to those reports, which I'm assuming you all did as well in your teams—maybe not at that specific time as you wouldn't have been in this role, but eventually.

One thing that came from that was the NSICOP committee and the non-partisan panel of national security experts at the deputy director level, if I'm not mistaken. They came together to determine, during elections, whether or not the threshold was met on the constant foreign interference that happens all the time. It doesn't mean it's successful, but it happens. Number one, if it ever reaches that threshold, does the public need to be aware of it? Number two, how is communication then made to Canadians, so that it's not in some partisan form that will influence the election, one way or the other?

Part of the NSICOP role and response.... One thing that came from ongoing foreign interference was the fact that major parties are now briefed on foreign interference and what to look for and how to protect themselves, advise their candidates and protect their data.

This is for anyone on the panel. Ms. Thomas, you could start.

Can you talk about the briefings that political parties now receive on foreign intelligence, which they never received in the past? Do you have any specifics on the dates when parties—whether in 2019 or for the 2021 election—were briefed on foreign interference and how they could best protect themselves?

Ms. Jody Thomas: I think Mr. MacDonald should answer.

Mr. Mike MacDonald: Thank you for the question.

You described it extremely well, actually. It's called the election security architecture and the various players who contribute to the governance of that space.

It is correct that a call goes out to political parties, via a letter, to have candidates who can be security-cleared and who will then engage with officials during the election period.

I was around for the 2021 general election and was part of organizing those briefings with officials from the parties. Generally, the conversations were very educative, making sure that, if individuals saw issues that caused concern, they knew where to go and how to identify issues. Topics covered were foreign interference and what to look out for. Briefings were also given on what ideologically motivated violent extremism is, and on security. What is a security clearance? What does it mean? How does it operate?

The last thing those meetings were very instrumental for is this: They allowed the representatives from the parties a chance to ask any questions they wanted to ask. There was a range of questions asked. It was very much a free-flowing exchange. They had security clearances, so we were able to share information.

• (1145)

Ms. Jennifer O'Connell: Thank you.

Did the Conservative Party send a representative to be briefed on foreign interference during the 2021 election?

Mr. Mike MacDonald: Yes, they did.

Ms. Jennifer O'Connell: Thank you.

The Vice-Chair (Mr. James Bezan): Thank you.

We'll move on to two and a half minutes with Mr. Desilets, please.

[Translation]

Mr. Luc Desilets: Thank you, Mr. Chair.

Ms. Thomas, my question is for you again.

Don't you think that the West not being at the table on the Arctic Council is somewhat dangerous?

[English]

Ms. Jody Thomas: That's a very important question to ponder.

In 2015, when Crimea was invaded, we had a similar situation where Russia was removed temporarily from the Arctic Council. The other nations managed very well in co-operation and continued dialogue on very important Arctic issues, such as economic issues, social issues and development issues. It's unfortunate. I think it's of their own making. Again, you can't just decide when you're going to participate in a rules-based endeavour.

[Translation]

Mr. Luc Desilets: In your opinion, is that dangerous or not for Canada?

[English]

Ms. Jody Thomas: It's not dangerous.

[Translation]

Mr. Luc Desilets: One diplomatic approach says it's always better to have a country across the table from you when it doesn't necessarily move in the direction you want, because those are the only ties that remain.

Wouldn't it be better if we were at the table?

[English]

Ms. Jody Thomas: That is certainly a school of thought. That was seen at the G20, where Russia had representatives at the leaders table. They didn't necessarily like what they were hearing and left. Each situation has to be judged on its merits. In this particular case, I agree with the decision to hold the meetings in advance, because Russia was the chair.

[Translation]

Mr. Luc Desilets: You said earlier that Russia continues to invest in the Arctic. Given the geopolitical context, why do you think it's doing that?

[English]

Ms. Jody Thomas: The Arctic is an enormous element of the Canadian land and our geopolitical structures. The Arctic is critical for the defence of North America through NORAD. There's a responsibility to Arctic peoples to invest in infrastructure for them and with them. Certainly, not without them. We have enormous riches in the Arctic that we need to protect. That is the most important reason.

The Vice-Chair (Mr. James Bezan): I'm sorry. That's your time. The two and a half minutes fly right by.

Ms. Mathyssen, you have two and a half minutes.

Ms. Lindsay Mathyssen: Thank you, Mr. Chair.

Last May, Minister Anand announced that Canada was going to take a comprehensive look at joining the U.S. ballistic missile defence system. Why was that conversation reopened? How has that conversation continued, or has it ended?

Ms. Jody Thomas: Within the Department of National Defence, certainly, the officials are having the discussion. We'll see it continue as the defence policy review or update comes forward.

What is important about BMD is that those three letters occupy a lot of discussion. In fact, we should be talking about missile defence and protection for Canada from all hazards that are coming at us. Ballistic missile defence is important, but there are many other threats, such as hypersonics, cruise missiles and weapons that can reach Canada's shore from a far distance, which is recent. It used to be that you would have to get a ship, submarine or a bomber close to Canada. These missiles can now be launched from overseas and reach North America.

We need to take broad view of what the missile threat is and what the North American response to that is going to be, as opposed to just focusing on BMD.

• (1150)

Ms. Lindsay Mathyssen: I was in a discussion with the former ambassador from the UN on disarmament, Paul Meyer. He said that ultimately it would be far easier for states and nations to purchase that kind of equipment with its allies rather than working on peace with its enemies.

In terms of those discussions, how often are those diplomatic discussions happening, and how often do you discuss disarmament agreements?

Ms. Jody Thomas: I don't participate in those discussions. That's done through Global Affairs Canada.

Ms. Lindsay Mathysen: Okay.

I think that's it.

The Vice-Chair (Mr. James Bezan): We're back to five minutes and the final two questions.

Mr. Kelly is next.

Mr. Pat Kelly (Calgary Rocky Ridge, CPC): Just to begin, I want to correct the record on something that's been raised, not just at this committee but also in the House of Commons. It's this notion that Conservative interest in election interference is something brand new.

I understand that a quick control-F type of search on Open Parliament reveals that Conservatives have raised the issue of foreign election interference 12,806 times in the House of Commons between 2015 and—

Ms. Jennifer O'Connell: But you didn't do anything about it.

Mr. Pat Kelly: We're not the government.

The Vice-Chair (Mr. James Bezan): Order.

Mr. Pat Kelly: That was between 2015 and 2022, including 3,659 times between the 2015 and 2019 elections. This is a topic that is of much concern. I made some of those interventions myself, so I know that this is something we've raised repeatedly. It's a real concern.

Ms. Thomas, you mentioned earlier on that, as recently as two weeks ago, you briefed the Prime Minister on foreign interference. When was the first time you briefed him on foreign interference?

Ms. Jody Thomas: I can't give you a date. I'd have to look at my records—

Mr. Pat Kelly: Okay.

Ms. Jody Thomas: —but foreign interference is a constant conversation. It's not just about elections. Foreign interference happens on a range of issues. We see foreign interference on misinformation and disinformation about what's going on in Ukraine.

Mr. Pat Kelly: You have suggested at this table that the media reports of 11 candidates being financed by Beijing.... You've characterized them as merely media reports. Are you suggesting that these reports are false?

Ms. Jody Thomas: No, I'm not suggesting that. I'm saying I do not know. There was a blurring of what's been reported to the Prime Minister and what's been reported in the press. I am trying to differentiate them and I have not been briefed and have no awareness. I've asked the question of 11 candidates and the connection to the money that was in that report. I know nothing of that. I have seen no evidence of it.

Mr. Pat Kelly: Are you concerned about it?

Ms. Jody Thomas: I am very concerned about it, which is why I've asked questions about it.

Mr. Pat Kelly: Okay. Do you think that likely, perhaps with the resources available to the Government of Canada, you could locate

the sources that the media seem to have and find out if this is correct or not?

Ms. Jody Thomas: I think you've seen that the RCMP is doing an investigation to understand what's going on from the criminal perspective and who those sources could be and whether there was an exchange of money, so that investigation is going on. As well, CSIS is constantly looking at foreign actors and state actors and their activities in Canada.

Mr. Pat Kelly: Thank you for clarifying that you're not denying the report. We have heard this from the government, you know, that the news story in The Globe and Mail was false and that kind of thing, so you're—

Ms. Jody Thomas: What I've said is that the Globe story was there. I have no evidence that says there were 11 candidates who received money.

Mr. Pat Kelly: All right.

In your opening statement, you talked about briefing the Prime Minister on situational awareness. We have a damning Auditor General's report that talks about the looming obsolescence of nearly every bit of kit we use to manage domain awareness in the Arctic, especially our satellite surveillance. We have a nine-year gap projected in the replacement of that system.

How does that affect domain awareness in the Arctic and your ability to brief the government, to brief the Prime Minister, on situational awareness?

• (1155)

Ms. Jody Thomas: I think domain awareness is a critical element of the NORAD modernization that's been described to you and certainly was announced earlier this year. The approach that has been taken to domain awareness is a system of systems, so that there is not just one source of information—

Mr. Pat Kelly: I have less than a minute left. How are you going to deal with the nine-year gap? What's the plan B on the nine-year gap?

Ms. Jody Thomas: We're working with the Department of National Defence and—

Mr. Pat Kelly: There's no plan yet—

Ms. Jody Thomas: No, I'm not saying that. I'm not in the Department of National Defence. That is their responsibility and they are actively ensuring that there is no fail in our ability to have domain awareness in the Arctic.

Mr. Pat Kelly: How are you going to do that when there's going to be a nine-year gap between the projected failure and the new system?

Ms. Jody Thomas: There are alliances we can have and other satellites in space in rotation where we can obtain information—

The Vice-Chair (Mr. James Bezan): I have to cut you off there. We're out of time. I appreciate the answer.

Mr. May, you have the clean-up for the last five minutes.

Mr. Bryan May: Thank you, Mr. Chair.

Thank you to our witnesses today.

I wanted to bring us back to focusing on the Arctic a little more here, given that is the topic we're supposed to be talking about.

Back in 2018—we already discussed this—China released its official Arctic paper, in which it declared itself a near-Arctic state. Most of the allies I have spoken to chuckled, but there are serious consequences to drawing that distinction. Within that document, China talks about the economic possibilities that the region offers, but it also talks about China developing military projection capabilities that would extend into the Arctic region.

Can you share the implications of China's Arctic policy on Canada's sovereignty in the Arctic?

Ms. Jody Thomas: China's interest in the Arctic is threefold, I would say.

One is economic, absolutely. It has shorter shipping routes from Europe and it will save them significant money.

Two is that it is expansionist. That's the determination of themselves as a near-Arctic state, but they have a voracious appetite for hydrocarbons, for rare earth minerals and for fish, so they see it as a critical element of their sustainability as a nation, and we have to ensure that the rich resources that are in the Canadian Arctic are protected.

Even science is always a huge issue when we're talking about national security. Yes, that need to share science for the benefit of all is critical, but we also have to be aware of and careful about what's being collected on science missions in the Arctic when they send icebreakers to the Arctic.

Understanding what is being done when they are there and ensuring that we have some management of it, those are the critical elements.

Mr. Bryan May: In your conversations with our allies, what is their view of China's Arctic policy paper?

Ms. Jody Thomas: I would say it is absolutely in-line with ours.

Mr. Bryan May: Are they taking different steps? What are they doing to respond to that Arctic paper?

Ms. Jody Thomas: You have seen that the United States has announced its Arctic foreign policy, which Jordan can speak to in some detail, if you're interested.

We're seeing the U.S. Coast Guard and the U.S. Navy each having an Arctic strategy now. The U.S. is renewing its icebreaker fleet, particularly the large icebreakers, for the exact same reason that we are. Our co-operation with the United States is, of course, seamless.

Mr. Mike MacDonald: If I may add very quickly, there are dedicated bodies in which Canada and the U.S. work exclusively on Arctic intelligence issues. It's also discussed in Five Eyes bodies when we look at policy issues and operational issues, specifically focusing on the Arctic.

That's where the greatest strength comes from. It's the long alliance of intelligence co-operation.

• (1200)

Mr. Bryan May: I have a minute and a half left, and I want to hear from Jordan.

However, in your response, can you include not just the U.S. response but what Canada is doing to curb attempts by China to assert itself in the north?

Mr. Jordan Zed (Interim Foreign and Defence Policy Adviser to the Prime Minister, Privy Council Office): I have a couple of points to pick up on.

The first is to say that there are a number of initiatives within the Arctic Council that continue to be pursued, even as Russia is not involved in those. Many of them don't involve Russia. They involve the full range of Arctic states, so it is important to reiterate that a lot of the work on research, on environmental sustainability and on the importance of drawing on and understanding the role of indigenous peoples and communities is all ongoing. That's work that continues to happen across all of those areas.

I would say that, in addition to the Arctic Council members, apart from Russia, there are a number of other bodies. There are security meetings that have taken place. There are defence conversations in various configurations, bilaterally, trilaterally and, obviously, working closely with Norway as they assume the role of chair going into next year.

Mr. Bryan May: I have 10 seconds left, which I will take to thank you for being here with us today.

Thank you, Mr. Chair.

The Vice-Chair (Mr. James Bezan): I want to thank our witnesses as well.

Ms. Thomas, could I just ask you to provide a written response back to committee? One thing I'm very concerned about, as a member of this committee, is that we're going to be spending tens of billions of dollars in upgrading our north warning systems, satellites, NORAD modernization, signals and communications. There was the story about what happened to the RCMP procurement and Hytera being investigated for espionage in the States. We went through the Huawei debacle and everything, surrounded with our Five Eyes partners.

Perhaps you can get back to us on what procurement changes are going to happen to ensure that we're not going to be caught in this situation again, where Chinese state-controlled enterprises are interfering in our procurement processes. Thank you very much.

Ms. Jennifer O'Connell: Mr. Chair, on a point of order, it would have been appropriate for the Conservatives to ask that question during their time. If you seek a written response on a question that was never asked in the allotted time, then we should be able to put forward questions. I would love to have a written report on the Conservative inaction on foreign interference from—

The Vice-Chair (Mr. James Bezan): That's not a point of order. You're now into debate. I'm going to move on.

We do have our officials from the Office of the Auditor General waiting to come up next—

Ms. Jennifer O'Connell: You could have used your time to ask that question—

The Vice-Chair (Mr. James Bezan): I'll just again thank our witnesses for appearing today. It will help inform our study on Arctic security. Thank you very much.

We're going to suspend while we swap out witnesses.

- (1200) _____ (Pause) _____
- (1205)

The Vice-Chair (Mr. James Bezan): I call this meeting back to order.

Welcome, everyone. We're going to continue our study on Arctic surveillance and security.

Pursuant to Standing Order 108(2) and the motion we passed on November 15, 2022, we have with us officials from the Office of the Auditor General to talk about “Report 6: Arctic Waters Surveillance”.

Joining us now is the Auditor General herself, Karen Hogan. With her, we have Chantal Thibaudeau, director, and Nicholas Swales, principal. I want to thank all of you for being here.

Ms. Hogan, you have five minutes for your opening comments.

Ms. Karen Hogan (Auditor General, Office of the Auditor General): Thank you, Mr. Chair, for this opportunity to discuss our report on the surveillance of Canada's Arctic waters, which was tabled in the House of Commons on November 15.

I would like to acknowledge that this hearing is taking place on the traditional unceded territory of the Algonquin Anishinabe people.

Joining me today are Nicholas Swales, the principal who was responsible for the audit, and Chantal Thibaudeau, the director who led the audit team.

In recent decades, Canada's Arctic waters have become more accessible as summer sea ice has declined and navigation technologies have improved. This has generated interest and competition in the region, significantly increasing ship traffic and affecting local communities. Growing maritime traffic increases the risk of unauthorized access, illegal activities, and safety and pollution incidents.

For this audit, we wanted to know whether key federal organizations built the maritime domain awareness needed to respond to safety and security risks and incidents associated with increasing vessel traffic in Arctic waters.

No federal organization is solely responsible for this surveillance of Canada's Arctic waters. In our audit, we included the five organizations that are mainly responsible: Transport Canada, Fisheries and Oceans Canada, the Canadian Coast Guard, National Defence and Environment and Climate Change Canada.

We found that over the past decade these organizations have repeatedly identified gaps in the surveillance of Arctic waters, but they have not taken action to address them. These gaps include limited capabilities to build a complete picture of ship traffic in the

Arctic and the inability to track and identify vessels that don't use digital tracking systems, either because they don't have to or because they are not complying with requirements.

Collaboration is important to mitigate gaps in maritime domain awareness. Coastal communities contribute information through direct observation. Federal initiatives such as the marine security operation centres in Halifax also play a key role. However, we found that weaknesses in the mechanisms that support information sharing, decision-making and accountability affected the centres' efficiency.

[*Translation*]

Arctic waters surveillance relies on several types of equipment, such as satellites, aircraft and ships. We found that much of this equipment is old and its renewal has been delayed to the point that some equipment will likely need to be retired before it can be replaced. This is the situation for the Canadian Coast Guard's ice-breakers and Transport Canada's single patrol airplane: They are near the end of their service lives and likely to be retired before new equipment can be delivered. Satellites are also nearing the end of their service lives and currently do not meet surveillance needs. Replacements in all cases are many years away.

We also found that the infrastructure projects aimed at supporting the surveillance aircraft and offshore patrol ships were delayed. For example, the Nanisivik Naval Facility, intended to support government vessels in Arctic waters, is behind schedule and has been reduced in scope to the point that it will operate only about four weeks per year. As a result, Royal Canadian Navy ships may not be resupplied where and when needed.

Our 2021 audit of the national shipbuilding strategy raised concerning delays in the delivery of the combat and non-combat ships that Canada needs to meet its domestic and international obligations. That audit also noted that further delays could result in several vessels being retired before new vessels are operational.

In this audit, we found that those delays persist. Effective surveillance in the Arctic relies on marine vessels, aircraft and satellites, all of which are aging. The government urgently needs to address these long-standing issues and put equipment renewal on a sustainable path to protect Canada's interests in the Arctic.

- (1210)

This concludes my opening remarks. We would be pleased to answer any questions the committee may have. Thank you.

[English]

The Vice-Chair (Mr. James Bezan): Thank you very much for those comments.

We're going to go to our first round.

Mr. Pat Kelly, you have six minutes.

Mr. Pat Kelly: Thank you, Mr. Chair.

I spent much of my first Parliament on public accounts, and these reports are so incredibly important to Canadians. They're often very frustrating to read because they often reveal problems that have been identified long ago, often spanning multiple governments, that just don't get addressed.

The imminent failure or coming to the end, the obsolescence.... Much of our infrastructure to maintain domain awareness in the Arctic is coming to an end, and the replacements are not going to be there on time.

Can you talk about the satellite program? The nine-year gap is just stunning. Can you comment on that and on the government's response to date?

Ms. Karen Hogan: I am going to have to turn to Nicholas for some of the additional details.

When we looked at the satellites in this audit, it was around whether or not the government had the capabilities to gather the maritime domain awareness. What we found was that the satellites were not meeting the current needs. If a priority request came up, another request was bumped down on the list. We did highlight the aging and, as you mentioned, the length of time to replace these.

What we're looking for is for the government to have a bit of a contingency plan. What will happen should these satellites reach the end of their useful lives? Right now, the government either buys information commercially or turns to its allies. We encourage it to have a bit of a contingency plan in addition to doing that.

If you want more details, maybe Mr. Swales could provide that.

Mr. Pat Kelly: Actually, I would like...because that's an important point. It's not merely that the satellites are going to reach the end of their expected life in 2026 and not be replaced until 2035. They're already not fulfilling the need in the Arctic.

Could you elaborate on that?

Mr. Nicholas Swales (Principal, Office of the Auditor General): That's certainly the situation. There are multiple departments seeking information from the satellites and not all of their needs are currently being met.

What's troubling is that the lifespan of satellites—at least the expected time for which they will work—as you can see from the information we provide, is relatively short, yet at the moment, it is taking a long time for the government to develop new satellites. Decision-making is certainly a problem here.

• (1215)

Mr. Pat Kelly: If a vessel in Canadian Arctic waters turned off its transponder, how would Canada be able to track that vessel?

Ms. Karen Hogan: Tracking vessels is done not just by satellite, so it would be with aircraft, with visual confirmation. That's why collaboration and coordination with the coastal Inuit communities is essential. We highlighted a couple of programs there. While there is an effort to work with those communities, they're very slow to develop those programs.

Mr. Pat Kelly: Does Canada possess the capability to track a vessel that is without a transponder throughout the entire Arctic? Do we have the aircraft and shore-based capabilities to maintain domain awareness if the vessel is uncooperative?

Ms. Karen Hogan: What we found was that several years ago the government identified that gap. In repeated assessments of gaps, they have identified it, but no action or solution has been taken to resolve that gap.

Mr. Pat Kelly: That's what is so frustrating to, I think, all Canadians, and it spans governments. This is not a partisan shot, but that's a real problem in Canada. A problem is repeatedly identified and action isn't taken.

What confidence can Canadians have that this time it is somehow going to be different?

Ms. Karen Hogan: I'm often asked that question. I'll be really honest. I can't tell you with any degree of confidence that departments will take action. They've agreed to our recommendations. I think it's about finding different solutions. A lot of analysis has happened. Now it's time to actually develop some concrete plans to address the analysis. Instead of refining the analysis, let's take some action to address it.

Mr. Pat Kelly: Indeed. Since 2016 this government has delayed implementing these solutions. It has had seven years now. What are the most urgent—let's go beyond the satellite piece. I know you've identified recommendations, but what are the absolute priorities to maintain domain awareness in the Arctic?

Ms. Karen Hogan: I think it would cover all elements. There's more than one factor to maintaining domain awareness. You need to have good collaboration with all stakeholders in the Arctic and good collaboration among the federal entities in the Arctic. We have identified that there are still some weaknesses in terms of information sharing to make it more effective and timely, but then there's also the equipment that you need. It's really up to the government to prioritize what will come first. You need ships, aircraft, facilities, individuals and satellites.

Mr. Pat Kelly: Are any of these items on track to either maintain or, in some cases, create the necessary domain awareness to maintain Arctic security?

Ms. Karen Hogan: I would refer you to an exhibit we included in our audit report, which actually maps out the current expected useful life and/or extensions, and then when the government currently believes replacement equipment will be available. You'll see that in some of those—

Mr. Pat Kelly: Actually, if I may, I'm sorry—

Ms. Karen Hogan: Yes, of course.

Mr. Pat Kelly: —but I have it right here, on page 17. There are some ships that maybe, way down the line, are expected to arrive just in time to replace existing ones, yet that assumes there will be no further delays and that every single ship—

The Vice-Chair (Mr. James Bezan): You're out of time, and unfortunately I'm going to have to be very.... We have such a short period of time with the Auditor General.

We will move to Mr. Fisher.

Mr. Darren Fisher (Dartmouth—Cole Harbour, Lib.): Thank you very much, Mr. Chair.

Thank you, Auditor General and your team, for being here and for providing very important oversight to the government. I certainly personally appreciate the work you folks do.

You talked about the five relevant federal organizations: Transport, Fisheries, the Coast Guard, National Defence and Environment and Climate Change. Did all of the relevant federal agencies co-operate with and provide information to your office in a timely manner, in your opinion?

Ms. Karen Hogan: Absolutely. If we have any concerns with co-operation or disagreements with any of the entities in our audits, we are always transparent and include that information in our audit report. We received great co-operation from all the organizations involved.

• (1220)

Mr. Darren Fisher: Thank you.

You also said to the last questioner that there was an agreement with your recommendations. Thank you for that. If that's something that can move us forward in a more expedient manner, then that's a good thing.

Can you name some of the specific initiatives the government is undertaking to address some of the recommendations in your report? What are some of the things we're doing, not exclusively but.... For instance, Transport Canada is working to address the national aerial surveillance program fleet. Other examples are welcome as well.

Ms. Karen Hogan: I might turn to Nick to see if he has anything that he'd like to add to that, but it's a little early on.

We get departmental responses to our recommendations. They signal agreement and give us a bit of a high-level plan of action, which we publish in our audit reports. It's then up to each department to develop a detailed action plan, put that into action and progress on it.

Those, I expect, will have clear accountabilities, timelines and steps. I have not reviewed their detailed action plans, but they typically provide them to the public accounts committee when they are called for a hearing. I would expect that once public accounts sits down to study this report, a detailed action plan will be made publicly available.

Mr. Darren Fisher: Does Mr. Swales want to speak to the aerial surveillance program fleet or maybe some other initiatives you might see that will line up recommendations?

Mr. Nicholas Swales: We would require more details on what Transport Canada intends to do about the NAS program.

I would say the issue of ships was also addressed in our 2021 report on the national shipbuilding strategy. In that, Public Services and Procurement Canada, in particular, committed to some actions around better ways of monitoring scheduling, which they are in the process of implementing. Action is being taken there.

Clearly, in the time between that report and this one, it hasn't yet borne fruit.

Mr. Darren Fisher: How did the massive national defence investments in NORAD modernization tie in with our overall maritime domain awareness?

Mr. Nicholas Swales: The focus of our audit was on surveillance of waters, which is separate from surveillance of the airspace, which is the responsibility of NORAD, mostly. The one area where they do overlap is that NORAD has a maritime warning mission, as it's called, but that really comes at the tail end of this maritime surveillance exercise.

We talk at one point about the effort to integrate information systems. That information is then passed to NORAD and NORAD combines that with its intelligence work to provide that maritime warning mission. The investments that have been talked about so far for additional radars and so on don't really touch on this. We need to get our act together on integrating our maritime information before NORAD will be able to contribute here.

Mr. Darren Fisher: Are we making other investments where you see us moving in the right direction?

Mr. Nicholas Swales: In terms of the maritime surveillance, I think we would need to see the detailed action plans of the entities to know how they're going to deal with some of the issues we've raised.

Mr. Darren Fisher: Did you go to school on other Arctic nations as to what they're doing for maritime awareness and what things we might be able to learn from them?

Ms. Karen Hogan: No. In the scope of our audit, we really did focus on what the federal government was doing. We highlight that there are interactions and reliance with international partners, but we did not look at the work they are doing. I think it's well known that the Canadian government doesn't spend a great deal right now on military investments. I think we're seeing it through the national shipbuilding strategy and the additional delays.

It isn't so much about what you're spending, but about getting faster at finding the replacement equipment and having it operational. That's what Canada should be focusing on.

Mr. Darren Fisher: Did your office consider making a visit to the Arctic when you were doing this report? Do you think that would have allowed a different perspective?

Ms. Karen Hogan: Typically we do always spend some time with indigenous communities and take a trip up, but because of the pandemic, we did restrict our travel for this audit. We focused on what awareness the federal organizations had here.

• (1225)

The Vice-Chair (Mr. James Bezan): Thank you very much. The time has expired.

[*Translation*]

Mr. Desilets, you have the floor for six minutes.

Mr. Luc Desilets: Thank you, Mr. Chair.

I'd like to thank our guests for being here.

Ms. Hogan, I believe this is the third time in two weeks that I've seen you testify before committee. Yet, this is the first time I've heard such a disturbing and worrisome speech that underscores such serious potential repercussions. I'm not usually an alarmist, but in this case it's at all levels: ships, aircraft, and so. All of this has implications not only for national security, but also for Indigenous peoples and for supply, among other things.

Do you feel the same way I do, that we're in a pretty crappy situation?

Ms. Karen Hogan: I would hope that all the issues that I raise in Parliament will be discussed. In my opinion, all of the topics I spoke of should encourage everyone to debate them.

What we saw here is very much cause for concern, in our view. We have a presence in the Arctic, but if we don't take action immediately, we will see very significant gaps in the next decade.

Mr. Luc Desilets: Are you hopeful that this can be done?

Ms. Karen Hogan: I feel that there is goodwill there, but we can only confirm if it's feasible once we see that action is being taken.

Mr. Luc Desilets: Have you been asked to comment on national defence matters in the past few years?

Ms. Karen Hogan: Personally, I haven't done so since I took up my duties two and a half years ago. However, for several decades, the Office of the Auditor General has tabled reports covering procurement, gaps and favourable aspects of national defence.

Mr. Luc Desilets: To your knowledge, did any of the reports tabled in the previous 10 years contain recommendations similar to yours? Surely there must have been some.

Ms. Karen Hogan: Yes. In our report on the national shipbuilding strategy, which we tabled in early 2021, we showed that there were gaps and delays in replacing ships. We recommended that time be taken to readjust and get shipbuilding on track. What we're seeing today in our Arctic waters surveillance audit is that there are even more delays, but the breathing room is gone. It really is time to act.

Mr. Luc Desilets: To your knowledge, based on the discussions you've had, has an action plan been prepared? I know you would like to see some action, but have steps been taken to establish an action plan, given the urgency of the situation?

Ms. Karen Hogan: As my colleague said, we know there is an action plan to improve the management of contracts pertaining to vessels. Now, we need be sure to keep a closer eye on contracts for

other ships, for aircraft and for satellites. We need to analyze these things, but not endlessly. We really need to make a decision and move forward.

Mr. Luc Desilets: Action must be taken, I understand that, and we're not necessarily seeing any action being taken.

In your opinion, is the government's current failure to act putting national security at risk?

Ms. Karen Hogan: What we saw is that we do have a presence in the Arctic. Yes, there are gaps, but we still have our allies, who we rely on. However, it's time to act now, or the gaps will become significant in the next decade.

Mr. Luc Desilets: Are you saying that we're forced to rely on our allies to meet our needs?

Ms. Karen Hogan: The Arctic has always been a collaborative effort. We're not the only country that has to worry about the Arctic.

Mr. Luc Desilets: You are a real politician; you're good.

If you had a single recommendation that would bring all of this together, what would it be? What would it take? Political balls or money? What's it going to take?

Ms. Karen Hogan: We've made several recommendations, and in our opinion, all recommendations are equally important, so the government should take them seriously and act on them.

Mr. Luc Desilets: What's it going to take for a government, Liberal, Conservative or otherwise, to take this seriously? Otherwise, we're going to drop the ball. You have a neutral position. What do you think it's going to take? Is it going to take a disaster?

• (1230)

Ms. Karen Hogan: I remind you that I'm a neutral party in Parliament. My role is to report to you what is good and what is not, and I make recommendations. That said, it's really up to the public service and parliamentarians to make sure that action is taken.

Mr. Luc Desilets: You've answered my questions well.

Thank you very much.

The Vice-Chair (Mr. James Bezan): Thank you, Mr. Desilets.

[*English*]

Ms. Mathysen, you have six minutes.

Ms. Lindsay Mathysen: Thank you, Mr. Chair.

Thank you for being with us today.

We're talking about significant gaps in our procurement, in the equipment, our armed forces and our military needs, yet that procurement process takes a great deal of time, obviously, in terms of those gaps that we've seen.

You talked a little bit in your report about the Canadian Rangers, Canadian auxiliary, the Coast Guard and the volunteers who are part of that. We heard in a previous meeting directly—well, he wasn't able to contribute in words, but he was part of our conversations, and he's reported to this committee—what's ultimately needed on the ground for those Canadian Rangers.

Could you talk a bit more about what government spending needs to happen for those folks on the ground, for Canadian Rangers, but also in terms of...?

Mr. Pedersen was one of our witnesses, and he said that training needs to happen for more of the search and rescue folks on the ground. Could you talk a bit more about that in your report?

Ms. Karen Hogan: If you don't mind, Mr. Chair, I'll ask Mr. Swales to answer that.

Mr. Nicholas Swales: The rangers were not a significant part of our work because their role is mostly on the ground. They don't have a maritime mission, per se.

What we do speak to in the report is that, of course, where there are communities, where there are people, that is another source of maritime domain awareness information. We talk about a project that was put in place to provide a linkage to those communities to some of the other domain awareness information that the government had. That initiative has proceeded slowly but at present is being rolled out on a more permanent basis.

Ms. Lindsay Mathysen: In terms of that gap, though, it's going to take a long time for us to build those ships, so the realization of people on the ground fills that gap. I mean, there was the ship that was missed by the equipment, and people on the ground saw it.

How important is that shift in terms of investment in people and what they need on the ground, in your opinion, if you can give it?

Ms. Karen Hogan: I don't know if it's important to shift from equipment to people. I think it's about investing in all sources of information. A complete picture of maritime traffic requires all the pieces of equipment, because someone who is trying to evade could avoid one and you hope the other piece of equipment will find them. It's really about investing in all in order to build that complete picture about maritime domain awareness.

Ms. Lindsay Mathysen: We've heard a lot—or I certainly have—in terms of the flaws in the government procurement process. I know we all have. In fact, I spoke with one of the folks from the national shipbuilding strategy. The determination was that the government's military needs to provide final details, final plans, and that they're not great about doing that. That's one of the problems they found within the procurement process. We were at a forum with multiple parties, and they talked about the partisanship and the partisan nature of the procurement process.

Could you talk a bit about how we need to streamline, if you could, that military procurement? There are many suggestions that have been made, but overall, could you see suggestions within that?

Ms. Karen Hogan: I'll start with comments and then maybe Nick would like to add. He's been auditing national defence issues for many years, so he definitely has a lot more detail than I do.

When we looked at the national shipbuilding strategy, it wasn't so much at the procurement but really at the management of that strategy and the management of those contracts. You're right; they were lengthy to put into place. Then there were delays in defining requirements, and those delays really just kept compounding and pushing out. Sometimes there's a large delay between signing an agreement with the shipyard and having an actual construction agreement. That's another one. It is rather complex and time consuming, but it does start with having clear requirements laid out and then clear milestones to better manage the achievement of those milestones.

I don't know, Nick, if there's anything more that you want to add, because I know in these two we didn't really look specifically at contracting per se.

• (1235)

Mr. Nicholas Swales: I think I would just add, following a little bit on an earlier response, that timely decision-making is important too. That's one of the issues we see with the satellite programs. Decisions to start taking action are happening after it's too late to get the result in a timely manner.

Ms. Lindsay Mathysen: Just before you came, we had Jody Thomas here, the national security adviser. She said she would like to see a more cyclical plan for procurement and evergreening. Could you weigh in on that?

Ms. Karen Hogan: Having a more long-term vision and actually not just waiting for one procurement to be done and then starting the next procurement is a great way of making it more efficient. There are a lot of ways to make procurement more efficient. I trust the government will explore different and unusual ways, instead of repeating the past and hoping to have a different outcome.

Ms. Lindsay Mathysen: How much time do I have?

The Vice-Chair (Mr. James Bezan): You have 20 seconds.

Ms. Lindsay Mathysen: I will wait until the next round. Thank you.

The Vice-Chair (Mr. James Bezan): Thank you very much. I appreciate it. Everybody is being brief in their questions.

We're going to the five-minute round with Mrs. Kramp-Neuman.

Mrs. Shelby Kramp-Neuman: Thank you.

Thank you to all of you for being here this afternoon.

My first question is this. What do you make of the fact that the government is reducing instead of increasing the resources in the north, specifically with regard to the lack of heating for the fuel in Nanisivik and the fact that it only operates a few weeks of the year?

Ms. Karen Hogan: As I mentioned, you need to invest in so many elements in order to make sure you have good maritime domain awareness. Having the infrastructure that supports the vessels, the aircraft and the individuals who are operating in the north is essential.

We did highlight the Nanisivik naval facility. We saw that the budget was originally set at a certain level and then reduced. That reduction resulted in removing the ability to heat the fuel in the north, which then rendered that facility only operational for about four weeks out of the year. In our view, that's not good value for money. We recommended that we need to find better ways to support those vessels. In the absence of that facility, the Canadian government needs to look to commercial means or allies to help fill those gaps.

Mrs. Shelby Kramp-Neuman: Perfect. Thank you.

In your report, it states there is "insufficient data about vessel traffic in Canada's Arctic waters" and that the renewal of vessels, aircraft, satellites and infrastructure that support that monitoring has fallen terribly behind.

How high is the risk to our ability to do the monitoring, given how we are onboarding these new capabilities?

Ms. Karen Hogan: The main message coming out of our audit is that there is a presence in the Arctic now, but that there are some gaps in surveillance because we know certain satellites aren't meeting the need. If action isn't taken, there is a significant risk that there will be gaps in surveillance capabilities and the presence in the Arctic in the next decade.

That is why our national shipbuilding strategy highlighted the need to take some real concrete action now to turn the replacement of vessels on a viable path. We're seeing that those delays are persisting, so this is a second call to action, quickly, so that we don't run into significant gaps as a country in the Arctic.

Mrs. Shelby Kramp-Neuman: Earlier, you touched on the Canadian Rangers. They seem to be our first line of defence, and we really are reliant on them in our Arctic.

Do our Inuit monitors and rangers have access to drones to help them do surveillance of our Arctic? If not, why not, and if so, how capable are they?

Ms. Karen Hogan: I am going to turn to Nick on that. I do believe drones are in the plans, but I don't want to misspeak. I'm going to see if Nick has any insights.

Mr. Nicholas Swales: As we mentioned in the report, there are plans for both military and civilian drones to operate in the Arctic. They are not specifically aligned with the rangers, and we didn't look at the capabilities of the rangers in this report.

Mrs. Shelby Kramp-Neuman: If Russians have a submarine in our Arctic waters right now, are we able to immediately identify that threat, yes or no?

Ms. Karen Hogan: That's hard for us to answer, because our audit was really based on the surface maritime awareness and not sub-surface or air. It really is a question best asked of the parties in the Arctic.

Mrs. Shelby Kramp-Neuman: We know the government has announced funding to modernize NORAD. Clearly, National Defence has the money to do it. We still see very little progress on the points you have raised in your report, everything from satellite surveillance, icebreakers, patrol aircraft to infrastructure.

Given the amount of time it takes to procure and build these things, and the infrastructure they need to survive in the north, how confident are you that we have the domain awareness we need in the Arctic in the next five years?

• (1240)

Ms. Karen Hogan: Our audit identified that right now there are gaps in the maritime domain awareness. The longer those gaps persist and action isn't taken to fix them, the wider that gap will become or the more reliance will be needed on other means. That is why we have a call to action, so that these gaps don't become more significant in the next decade.

Mrs. Shelby Kramp-Neuman: Thank you.

You conclude your report by saying that National Defence and Transport Canada "had not taken the action required to build the maritime domain awareness they collectively needed to respond to safety and security risks associated with increasing vessel traffic in Arctic waters."

Do you believe it's a failure of the companies tasked with building these capabilities, or is it failure of political will?

Ms. Karen Hogan: Again, that's a tough one for me to answer, because we're looking at what the federal public service is doing. There are many gaps that were repeatedly identified in 2011, 2014, 2015, 2016 and 2021, and then there was the call for a third party to look at gaps. Those keep refining the gap identification. They confirm similar gaps. Now, it's about taking action.

I think you'd have to ask the departments involved in our audit what is hindering their ability to take the action needed.

The Vice-Chair (Mr. James Bezan): Thank you.

Your time has expired, so we're going to move on.

The next question is to Ms. Lambropoulos, please.

Ms. Emmanuella Lambropoulos: Thank you, Mr. Bezan.

I'd like to thank our witnesses for being with us today.

I'm not 100% sure if you'll be able to answer my questions, but you can guide me as to whether or not you have thoughts on these questions.

First of all, we know that some of our NATO partners.... The goal of NATO is 2% spending. What are your thoughts on upping our defence spending to match that 2%?

Ms. Karen Hogan: It really isn't my place to comment on policy decisions. It's my place to hold the government to account for running their programs in accordance with those policy decisions.

Ms. Emmanuella Lambropoulos: The question is more whether you think that, based on the recommendations that you have in your report.... Obviously, you think more spending needs to happen in order to accomplish the recommendations that you have.

Ms. Karen Hogan: Our audit identified that the government identified it has needs. Those needs include having extra ships, new ships, new satellites and new aircraft. Those all come with additional spending.

I wouldn't argue that it's necessarily always about more money, but maybe more effective procurement so that you can minimize cost increases. Delays traditionally bring about cost increases.

Ms. Emmanuella Lambropoulos: We've mentioned several times today during this meeting that these ships take a long time to build. What do you think the reason might be for these gaps?

I know you're not necessarily looking at that, but based on this report and in comparison to past reports, what might be some of the reasons we are behind where we should be?

Ms. Karen Hogan: I would encourage the committee to look at our national shipbuilding strategy audit from earlier on. In that audit, we talked about how the strategy isn't just to procure and buy new ships. It was about supporting an industry, and there were many factors. There is give-and-take in the procurement process, because the strategy is more than just procuring ships.

Again, I would encourage you to have a conversation with National Defence about the actions they've taken to address some of the recommendations that we provided in that shipbuilding strategy to increase the efficiency and effectiveness of contract management in order to get the ships in a more timely way.

Ms. Emmanuella Lambropoulos: Thank you for that. I appreciate the recommendation.

Of course, any action taken by any government has certain side effects and a ripple effect on future governments as well, because when something isn't done, or when spending stops at a certain point, certain catch-up needs to be done.

Do you think it would be accurate to say that some of the gaps—and where we are currently—could also be partly due to some of the backlog left behind? For example, in the early 2010s, there were some serious cutbacks on defence spending. Do you think that, possibly, some of the reasons why we are where we are today could be because of how we've chosen to spend over the last decade?

• (1245)

Ms. Karen Hogan: I think the safety, security and sovereignty of our Arctic is something that all Parliaments should be concerned with. Of course, every decision has a ripple effect. All we looked at here were the actions being taken between April 2021 and March 2022.

I can give you the state of the situation now. Trying to find a better solution—looking forward and finding viable solutions to speed up delivery—is the best place for everyone to focus.

Ms. Emmanuella Lambropoulos: Thank you.

You spoke a little bit about the shipbuilding strategy and how we should be looking towards that report and seeing how we can make it a more efficient strategy. What would you say are some of the current obstacles that lie in the way of reaching certain goals that you've set out?

The Vice-Chair (Mr. James Bezan): Answer very briefly because we're almost out of time.

Mr. Swales.

Mr. Nicholas Swales: If I might comment briefly.... In the previous report, one of the things we commented on was something called a “target state” in the shipbuilding strategy: the ability to produce ships efficiently. That was part of the strategy. There were some issues that we identified with how that was being implemented, and we recommended that it be improved with the new shipyard that's going to be added. That is still in train, but that would still be an important component to making an improvement there.

The Vice-Chair (Mr. James Bezan): Thank you.

We go to two and a half minutes for the next couple of questions.

[Translation]

Mr. Desilets, you have the floor.

Mr. Luc Desilets: Thank you, Mr. Chair.

Ms. Hogan, I really liked it when you said in your earlier remarks that this should be of concern to all governments, since it's about personal safety and national security. On the other hand, you said that the contracts were very complex. I think we all understand. However, a responsible government must be a responsible manager. Despite the complexity of the issues, we should be able to see things coming, whether we're Conservative, Liberal, Bloc or any other party. This is not a criticism, but I find the reason given to be inappropriate.

My question is for all three witnesses.

To your knowledge, would it be beneficial to look at how other countries operate in terms of procurement and construction, for example?

Ms. Karen Hogan: I certainly agree with you. When you have equipment, you need to know its useful life and you have to see the need to replace it coming. It's not a need that comes out of nowhere. I certainly agree with you that it requires some long-term planning.

It's hard for me to answer your question. You have to take the time to invest, set up the contracts and put it all in place. The national shipbuilding strategy involves more than just buying ships. In my opinion, this balance must be struck, and it's what's causing the delays in replacing ships.

Mr. Luc Desilets: I understand you, but in my opinion, that's not a good enough reason to explain why we're in this situation today.

Are there any countries that have best practices in this area that we can rely on? Earlier, we were talking about Russia. You can think what you want about Russia, but the fact remains that it is increasing its budgets and its presence in the Arctic.

Are there any examples of countries we could learn from?

Ms. Karen Hogan: We didn't look at whether there are examples to follow elsewhere, but I'm sure that discussions with other countries could be another useful source of information to improve our ability to manage contracts and purchase equipment for the Arctic.

• (1250)

Mr. Luc Desilets: I have one last question—

[English]

The Vice-Chair (Mr. James Bezan): I'm sorry.

We'll go on for two and a half minutes with Ms. Mathysen.

Ms. Lindsay Mathysen: In terms of, again, that expansion, that extension of the lifetime of the equipment that we're talking about, the ships—I mean, it's overall in terms of all military equipment—there are a lot of questions in terms of how long we can actually make things last in order to cover that gap that you've laid out here. Were there any conversations about the concern the government needs to have about ensuring the safety of our troops, the servicemen and servicewomen who have to actually work on that equipment?

I think about the Cormorants. I think about our subs. I know that you didn't do the study specifically in terms of that, but could you give a comment in the time that I have?

Mr. Nicholas Swales: The comment I would offer is that life extensions don't always extend life as much as is hoped for. That's one of the concerns we have when we see counting on life extension as the means by which you cover gaps. There have been a couple of recent examples of Coast Guard ships that were life-extended and then pulled out of service much more quickly. I don't think that's a commentary on the safety of those ships. I would expect that decisions were made at the right time, but it does show that life extension is not the silver bullet here.

Ms. Lindsay Mathysen: Ultimately, the Government of Canada is the employer. It has a responsibility to ensure the health and safety of its workers and the safety of the equipment it provides.

In terms of that conversation, was that ever explored? Is that something you would be looking at in the future, specifically about the extension of the equipment that you looked at and that lifetime?

Ms. Karen Hogan: We really didn't focus on the ship, on the safety and security of individuals on a ship or in a vessel. We really focused on the global picture of maritime domain awareness that was needed and the gaps that are created by the equipment needed to support it reaching the end of its useful life.

It's a question that I think you should ask National Defence and the Coast Guard.

Ms. Lindsay Mathysen: Is that something your office would run in terms of an audit in the future?

Ms. Karen Hogan: I guess it's always something that we could include in the scope. We have a lot of work planned, obviously, in National Defence.

I thank you for the suggestion. Nick is hearing it, so we'll see what we can do in future audits.

Ms. Lindsay Mathysen: There's no doubt that you're kept fairly busy.

The Vice-Chair (Mr. James Bezan): Thank you.

We'll move on to our last two five-minute questions.

Go ahead, Ms. Gallant.

Mrs. Cheryl Gallant: Auditor General, you outlined a 2020 case of a vessel that sailed into Canadian Arctic waters without approval. Was the intent of that vessel to make landfall in Canada's Arctic without permission? Also, where did it come from?

Ms. Karen Hogan: For the specifics of that, I'm going to see if Nick has any and if we can share them.

Mr. Nicholas Swales: I'm actually going to turn it to Chantal to speak to that specific case.

Ms. Chantal Thibaudeau (Director, Office of the Auditor General): Thank you, Mr. Chair.

May I ask you to repeat which case you were referring to?

Mrs. Cheryl Gallant: It's the 2020 case of a vessel that sailed into Canadian Arctic waters without approval. Was its intent to make landfall without permission? Where did it come from?

Ms. Chantal Thibaudeau: That's right.

This example makes reference to a ship that was registered from New Zealand: the *Kiwi Roa*. We don't have any details as such as to what was—

Mrs. Cheryl Gallant: Thank you, Ms. Thibaudeau. You've answered my question with telling me where it's from.

If the the Russians have a submarine in our Arctic waters right now, can we immediately identify that threat, yes or no?

Ms. Karen Hogan: Unfortunately, our audit didn't look at subsurface or air. We really looked at ship traffic on the water. Again, you'd have to ask National Defence and the Coast Guard that question.

Mrs. Cheryl Gallant: The sensors under water were not part of your audit.

Ms. Karen Hogan: That's correct. We did not look at subsurface.

Mrs. Cheryl Gallant: Okay.

Do our Inuit monitors and rangers have access to drones to help them do surveillance in our Arctic?

Ms. Karen Hogan: I believe we had a similar question earlier on. We answered that we know that drones are in the plans, but we do not know who will actually be using those.

Mrs. Cheryl Gallant: Okay.

There was a \$15-billion black hole in the defence budget. In your audit, did you find any evidence that some of the money we could not find listed in the budget but was allocated is somehow going to the Arctic?

• (1255)

Ms. Karen Hogan: I'm not sure that I know what money you're talking about, so it's really difficult for me to answer that question.

Mrs. Cheryl Gallant: All right.

Apparently, we decided not to engage with renewing the contract for the “green hangar” up there. Did you have anything to do with the hangarage for the aircraft to be there in the Arctic at the only Arctic refuelling station?

Ms. Karen Hogan: On the few infrastructure projects we looked at, I mentioned earlier the Nanisivik naval facility. I'm not sure you're referring to the same facility, so I don't have any information on that.

Mrs. Cheryl Gallant: It's the one at Inuvik.

Ms. Karen Hogan: Yes. I'm sorry. I do not have any information on that.

Mrs. Cheryl Gallant: Okay.

Let's go back to Nanisivik then. It was supposed to be a full-blown naval facility. It was reduced after 2015 to be a basic refuelling station, and now in your report you mention that it has barely any significance at all, that it won't be of that much help. Is that because it's been hollowed out, or is it the positioning of the naval facility that makes it of no importance to our navy?

Ms. Karen Hogan: According to our work, it was because the budget was reduced after it was initially scoped and set up, which meant the heating of the fuel tanks could no longer be covered in the current budget. Hence, the facility is operational only four weeks out of the year.

Mrs. Cheryl Gallant: We know from your report that the inter-departmental marine security working group has repeatedly identified gaps in maritime surveillance. It's clear that the government knows what the gaps are, so why haven't they been addressed yet and why does it seem that the government is just ignoring them?

Ms. Karen Hogan: I'm going to ask Mr. Swales to talk a little bit about that.

Mr. Nicholas Swales: I would say we didn't really look at the motivation for those actions. What we did notice was that in 2015 a work plan was identified to take action on it, but there was no follow-up on that. Again, it's a circumstance in which action needs to be taken and there needs to be a process for ensuring that occurs.

The Vice-Chair (Mr. James Bezan): Okay. Your time has expired.

Ms. O'Connell, you have the last round of questions.

Ms. Jennifer O'Connell: Thank you, Mr. Chair.

Thank you all for being here. Just to follow up on that last point about the Nanisivik naval facility, that was originally announced in 2007 and then descope in 2012 or 2013. It was a decision of a previous government to descope it. Is that correct?

Ms. Karen Hogan: I believe the original cost was set in 2010 and it was reduced in 2012.

Ms. Jennifer O'Connell: Thank you. I just wanted to clarify, on the record, where the descope happened.

I'd like to follow up on Mr. Kelly's point that successive governments have struggled in terms of moving forward in this space. There was, for example, the polar icebreaker, the construction of which, the Harper government announced in 2010, would begin in

2013 for delivery in 2017. Obviously that didn't happen. After 2013 the Conservative government had no plan for when it would complete the polar icebreaker, and not a single vessel for the NSS was delivered under the Harper government

You've identified your recommendations, and the government has accepted them. There seems to be a real challenge when it comes to perhaps not identifying the gaps or the scope that's needed but then moving forward with evergreen planning and procurement.

Based on the work you've done—and this is perhaps opinion—would you say that the blockage or what stops that is a logistical issue, actually being able to procure these vessels on a regular basis as needed versus doing new construction and ongoing maintenance, or is it a matter of possibly having too many cooks in the kitchen, so to speak, when you have so many departments responsible for the overall monitoring in the Arctic and not having a singular planning body?

Is that the issue or is it just the logistics of procuring these vessels and having them built and delivered? Do you have any thoughts on that?

• (1300)

Ms. Karen Hogan: Again, my opinion on the whole situation is that many gaps are identified and then there's just no comprehensive plan to address them. Just identifying the need to purchase a piece of equipment is not sufficient. A whole comprehensive plan is required to ensure that you have increased satellite capacity, vessel presence, aircraft and individuals who support on the ground to address all of the gaps. That even extends to sharing information and making that more effective and timely. It's about not having a plan to address all the identified gaps that have been repeatedly identified over the years.

Ms. Jennifer O'Connell: Do you think, to avoid repeating the same mistakes of the past, it would be helpful or useful if there were some sort of restructuring to have one department or one.... I get that the procurement department might be in charge, but what if there were one group responsible for that specific planning instead of every department looking at their individual needs and maybe not being able to come up with that overall comprehensive plan?

Ms. Karen Hogan: I think our audit did demonstrate—and you've probably heard it from many other witnesses—that there are so many parties involved in the Arctic that siloing it probably doesn't make sense. It's about doing it together and leveraging the expertise and the knowledge of all involved. That would be the approach that I would encourage, but again, it's not based on a lot of the evidence. I think having diverse use is always the best way to go about tackling an issue.

Here it's more about knowing the gaps and not having the plan to deal with the gaps, so having the plan is really the best place to start.

Ms. Jennifer O'Connell: Right, but understanding those gaps and then understanding that plan.... Having one department or one oversight, whether it's a team made up of all of those different departments that are responsible for ensuring that the plan is created and then implemented....

That's what I'm worried about with the current set-up.

Ms. Karen Hogan: I am absolutely in agreement with you.

Ms. Jennifer O'Connell: Okay.

Ms. Karen Hogan: I think it's an issue that we see across so many horizontal initiatives in the government. If you don't have one accountable party who can compel others to carry out what's needed in order to meet the objective, you will likely not meet it. Yes, having one accountable party is definitely a best practice when you're going to have multiple parties involved.

The Vice-Chair (Mr. James Bezan): Your time is expired, and our meeting time has expired.

I want, first of all, to thank Auditor General Karen Hogan and all of the staff from the Office of the Auditor General for joining us today and for providing that insight. We really do appreciate all of the work you do on behalf of parliamentarians and on behalf of Canadians.

I just want to remind all committee members that today we have an informal meeting at 3:30 in room 315 with Yehor Cherniev, who

is the deputy chairman of the defence committee in the Ukrainian Parliament, Verkhovna Rada. He is going to be joined by Ambassador Yuliia Kovaliv, our Ukrainian ambassador to Canada. We'll have that meeting, and I hope you can all attend.

On Tuesday, we have a meeting with Justice Louise Arbour to talk about the Arbour report. She will be joining us. An invitation has been extended to the minister as well, so I'm hopeful that she'll be able to attend.

Can you confirm that, Mr. Parliamentary Secretary?

Mr. Bryan May: Yes, I can confirm.

The Vice-Chair (Mr. James Bezan): Okay. That's perfect. That's our Tuesday meeting.

Is there any other business?

Seeing none, we are adjourned.

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