

# Overcoming Jetlag

Defining and Acting in Canada's National Interest

**Hannah Ross**

ADM Public Services and  
Procurement Canada

**Salvatore D'Agostino**

ADM Global Affairs

**Rathsara Illangasinghe**

ADM Finance

**Shovan Chakraborty**

ADM Defence

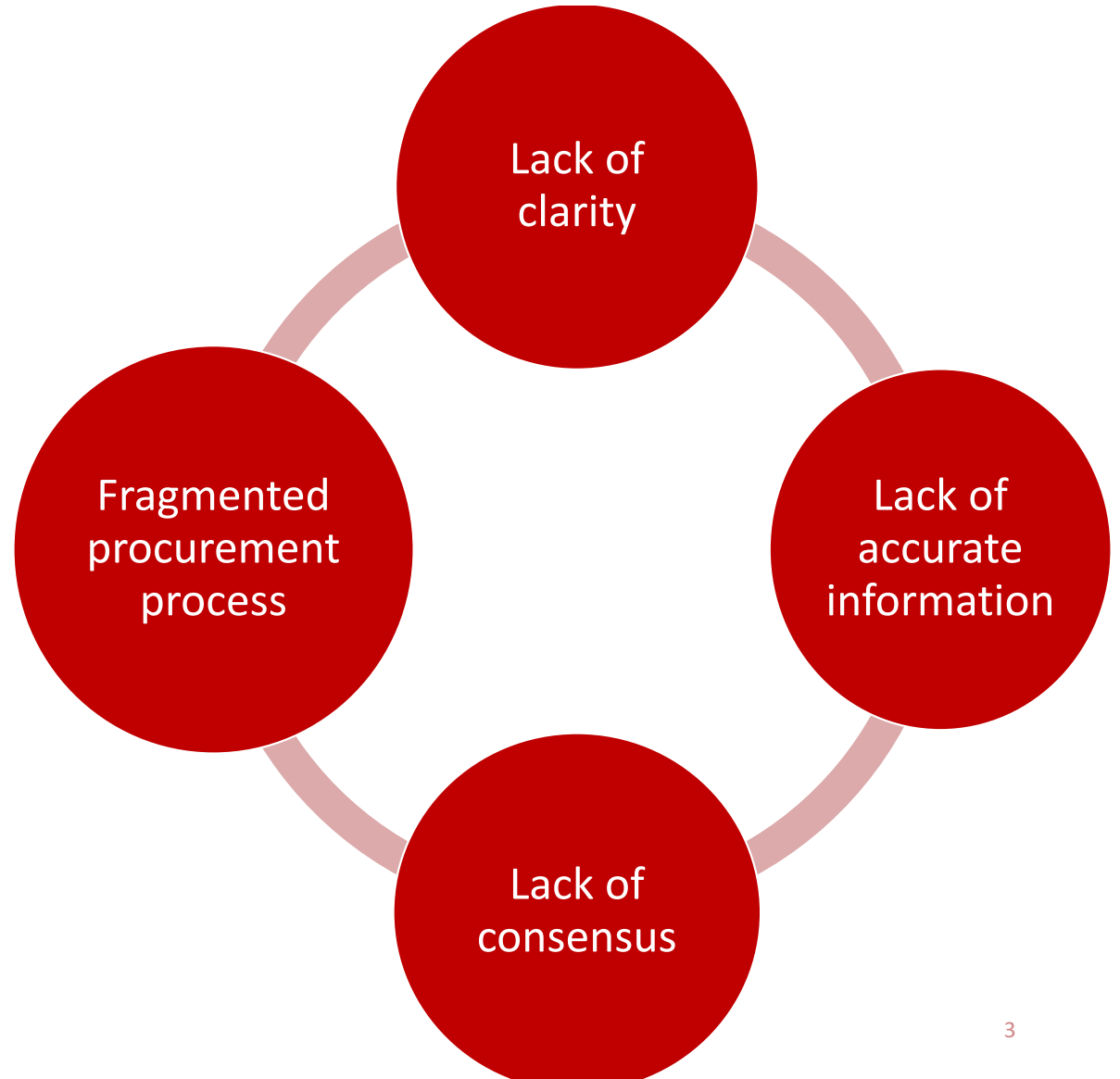
YORK UNIVERSITY



## THE BOTTOM LINE:

This is not just about buying fighter jets. It is about making a decision that is in the best interest of Canada.

THE  
IMMEDIATE  
PROBLEM:  
Calls to address  
diminishing CF-  
18 fleet



# THE BIGGER PICTURE: Political Rather Than Military Gap?

EXTERNAL PRESSURE to double defence spending.

- NATO
- NORAD

INTERNAL PRESSURE to address capability gap.

[See RCAF: Roles and Missions](#)

Is this the  
right thing for  
Canada?

US

Extensive combat  
history, once per  
decade.

CA

CF-18s have been  
used once in  
combat, ever.

[See Fighter Jet Combat Missions: Canada vs. U.S.A.](#)

GOVERNMENT  
COMMITMENTS

- F-35 Program Commitments
- NATO & NORAD (2%)
- Budgetary Allocation (\$84 billion)
- Buy F/A-18 – Super Hornets
- Open Competition



Value-for-Money  
National Security  
Defence Industry

## Options

1. Acquire F-35
2. Outsource Fighter Jets
- 3. Review Policy, Reform Process, Take Action**

# OPTION 1: Acquire F-35

## Reacting Rather Than Responding



### Advantages

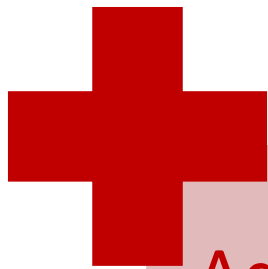
- Immediate decision
- RCAF military reputation
- International commitments

### Disadvantages

- Expensive
- Technical/operational suitability
- Public opposition



# OPTION 2: Outsource Fighter Jets Relinquish Control



## Advantages

- Cost effective

## Disadvantages

- Impact on sovereignty
- Pressure from media, public

# OPTION 3: Review Policy, Reform Process, Take Action



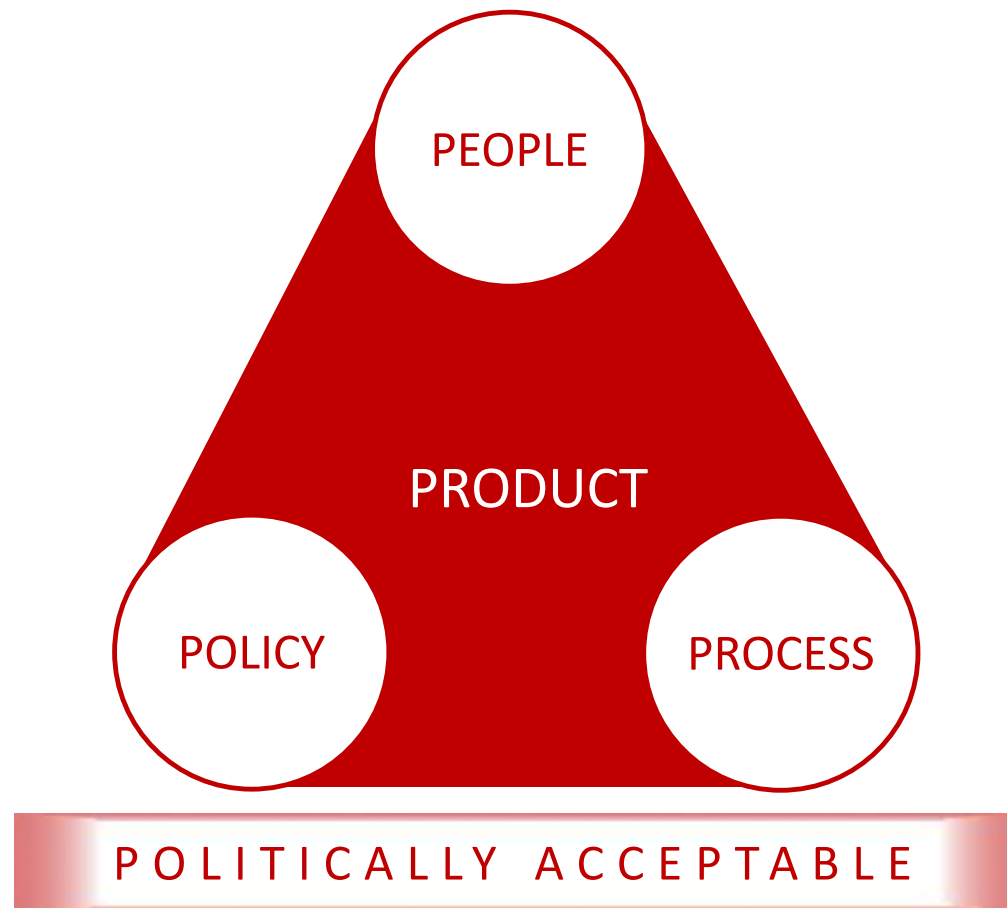
## Advantages

- Builds on existing policy initiatives
- Effective implementation
- Interests of stakeholders
- Honors government commitments
- Enhances transparency and accountability

## Disadvantages

- International credibility
- Efficiency

# IMPLEMENTATION STRATEGY



# POLICY CONSIDERATIONS

## **Foreign Policy**

- Counter-terrorism
- Peace-building

Russia in the Arctic

N Korea's ballistic missile

## **National Defense Policy**

- Continental
- International
- Domestic

"US intelligence ... refusing to share ... with the  
White House"  
Wall Street Journal

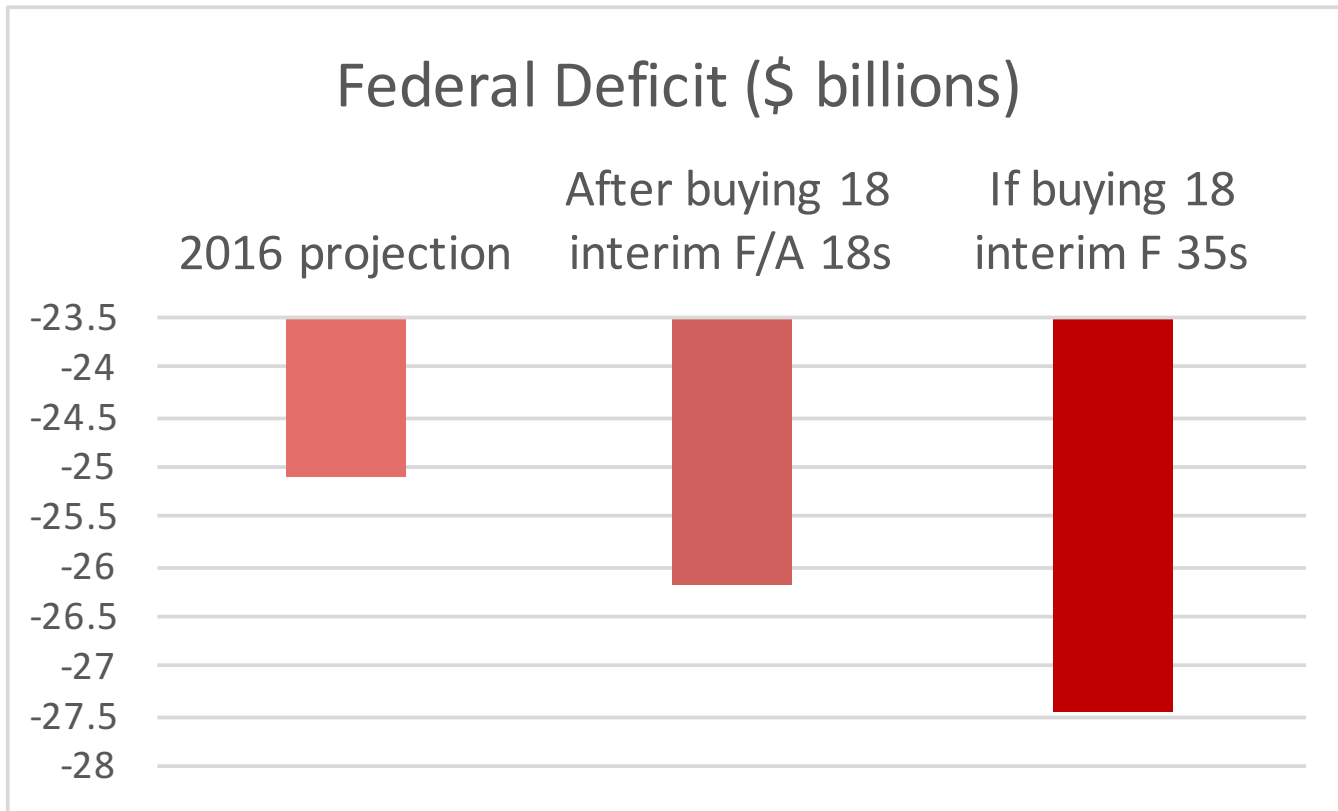
Unsolved Wars

Evolving  
Threats

Evolving  
Opinions

# POLICY CONSIDERATIONS

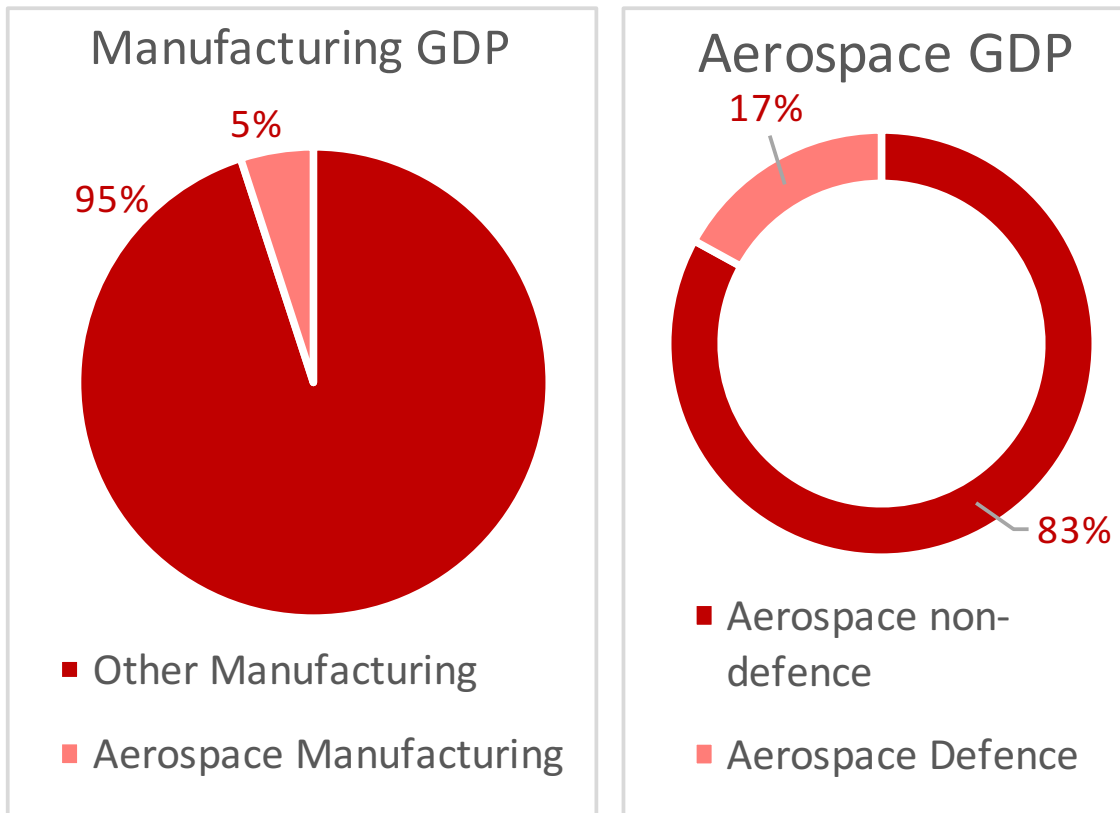
## Fiscal Policy



High Down  
Payment needs  
justification

# POLICY CONSIDERATIONS

## Industrial and Technological Benefits Policy



### Lockheed Martin F-35

- 1% of aerospace GDP
- 1,500 Jobs for F-35

95% contracts out of USA are with Canada

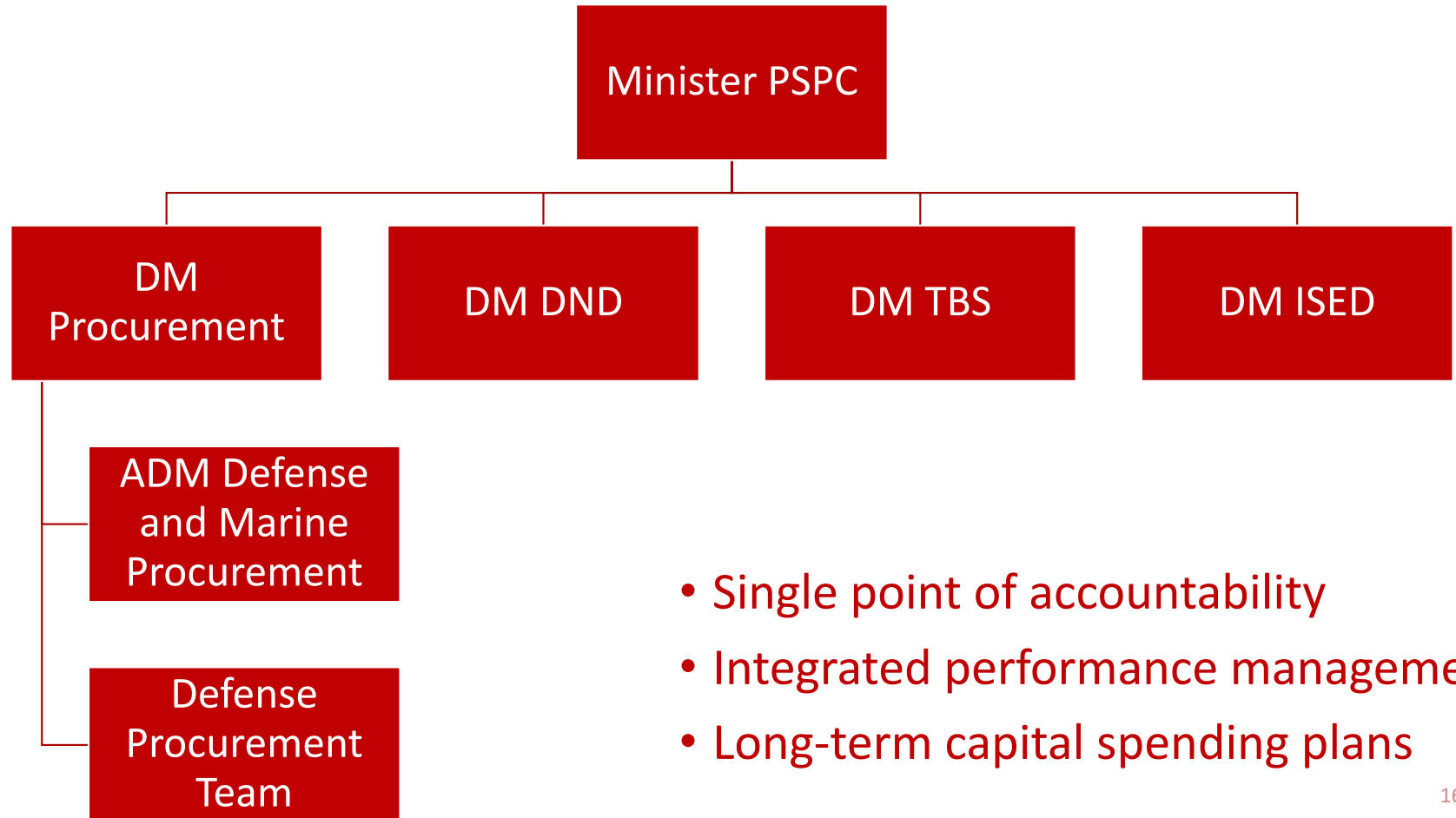


## CANADIAN DEFENCE PROCUREMENT

- PROBLEMS:
  - LACK OF ACCOUNTABILITY
  - FRAGMENTED PROCESS
  - FRAGMENTED PERFORMANCE EVALUATION
  - NO BANG FOR OUR BUCK

[See Current Procurement Process](#)

# DEFENCE PROCUREMENT COUNCIL



- Single point of accountability
- Integrated performance management
- Long-term capital spending plans

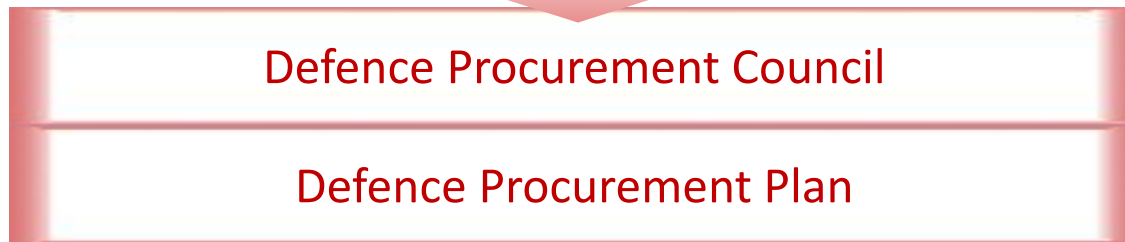


# IMPLEMENTATION PLAN

SHORT TERM  
1 year



MEDIUM TERM  
2 years

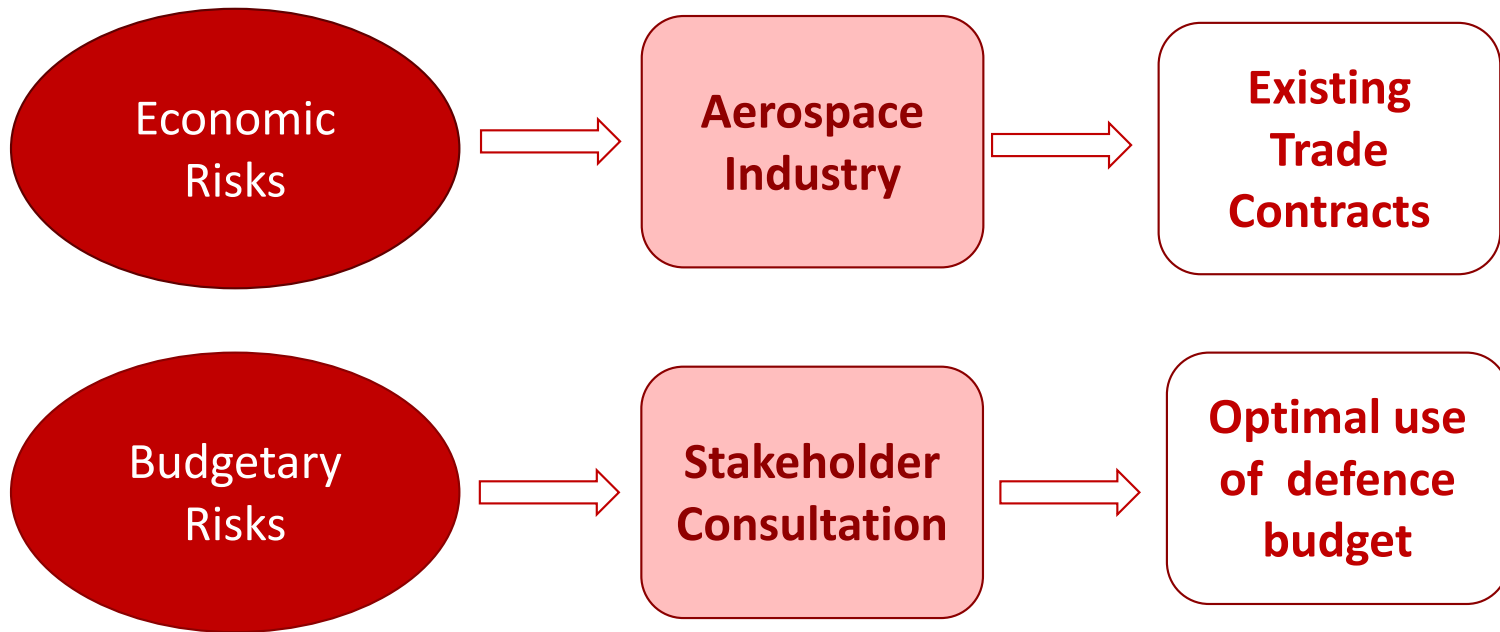


LONG TERM  
5 years

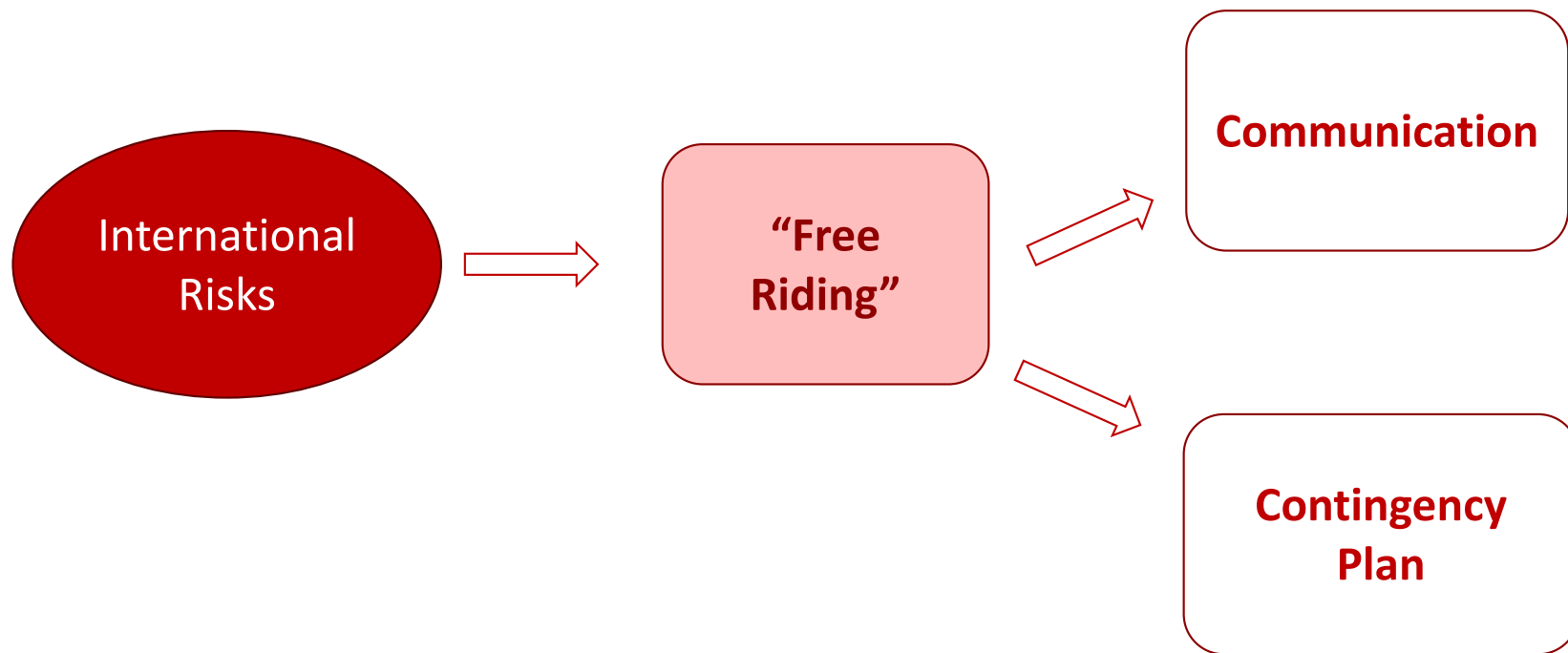


Communication

# POTENTIAL RISKS



# POTENTIAL RISKS



# POTENTIAL RISKS



## Key Messages

- Doing The Right Thing, The Right Way, For the Right Reasons.
- The Government of Canada is working to determine where we want to be in terms of our defence.
- Positioning ourselves globally in a way that reflects Canada's national interests.

## Whole-of-Government Communications Strategy

- White Paper on Canadian  
Defence Procurement





**Justin Trudeau**  
@JustinTrudeau

Follow

We are consulting Canadians on their vision of Canada's future military presence, and making the defense procurement process open, accountable and transparent.

RETWEETS  
271

FAVORITES  
32




Reply Retweet Favorite More


12:02 PM - 16 Feb 2017

## PUBLIC COMMUNICATION STRATEGY

- Coordinated press, media and social media campaign
- PMO issues joint statement on behalf of PM and relevant Ministers
- Social media engagement: Q&A sessions, tweets, etc.



**IT'S NOT HARD  
TO MAKE DECISIONS ONCE  
YOU KNOW WHAT  
YOUR VALUES ARE.  
-ROY E. DISNEY**



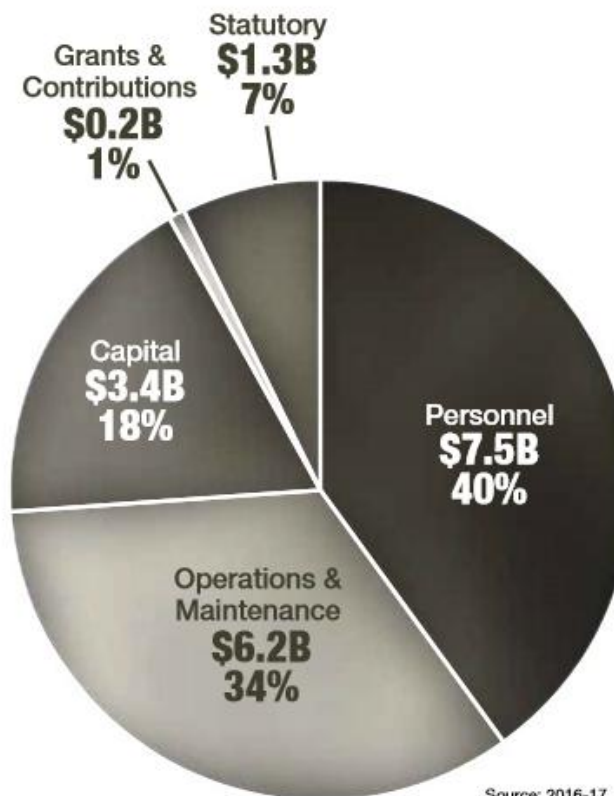


# APPENDICES

1. [Defence Budget Breakdown](#)
2. [Current Procurement Process](#)
3. [Budget 2016: National Defence Spending](#)
4. [Canadian Aerospace Industry](#)
5. [Budget Projections](#)
6. [Role and Mission of RCAF](#)
7. [Fighter Jet Combat Missions: Canada vs. U.S.A.](#)
8. [F-35 Opinion-Ometer](#)

# Defence Budget Breakdown

2016-17 MAIN ESTIMATES OF \$18.64 BILLION



**Personnel:** Expenditures associated with salaries and wages of employees

**Operations & Maintenance:** Expenditures associated with the upkeep of facilities and equipment

**Capital:** Expenditures associated with the construction and acquisition of assets

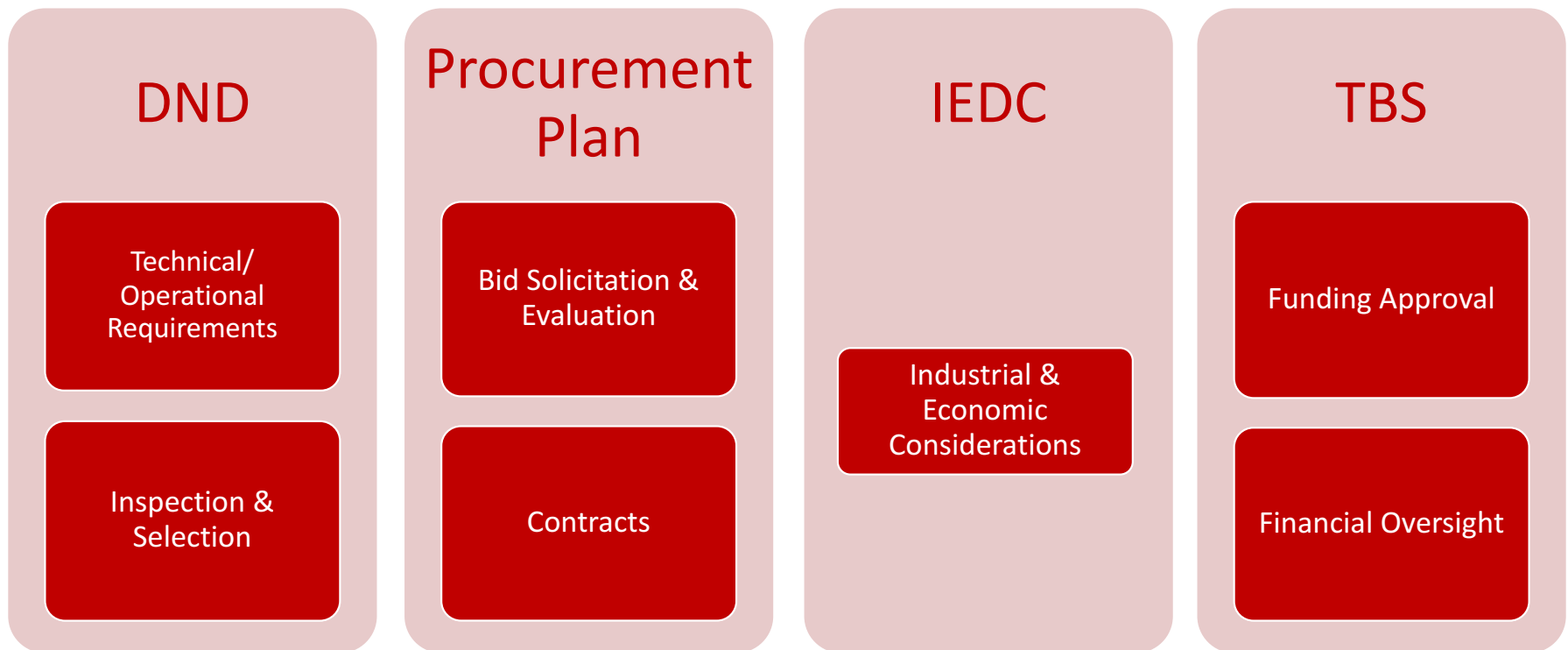
**Statutory:** Contributions to employee benefit plans such as pensions

**Grant:** a type of transfer payment by government that is not subject to audit and that is restricted by Parliament as to amount, recipient, and often purpose, through the relevant Supply Bill.

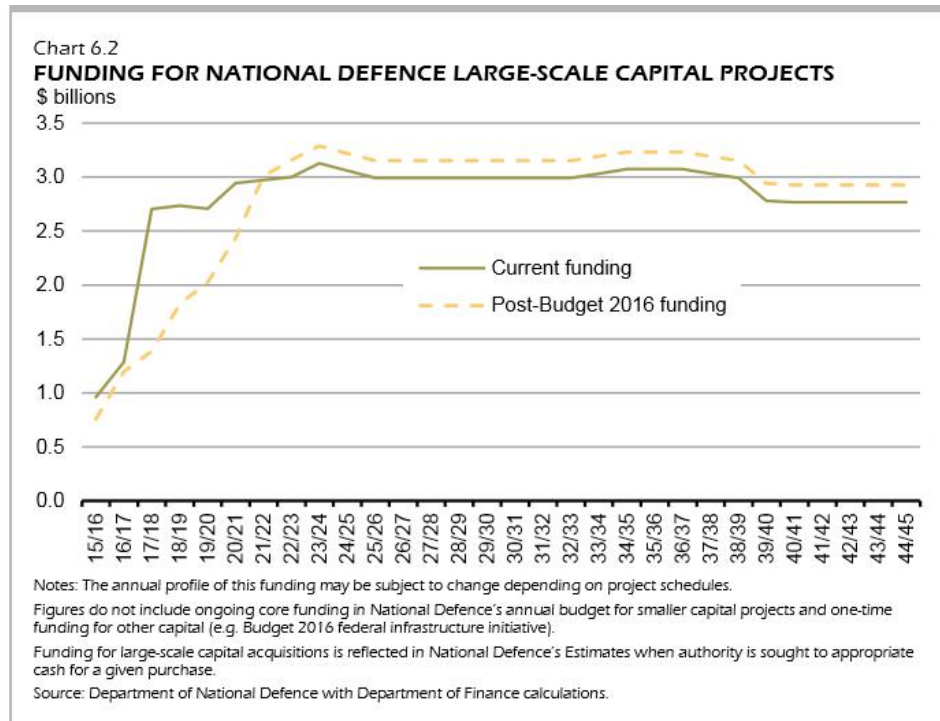
**Contribution:** a type of transfer payment by government that is conditional, subject to audit, and with fewer restrictions than grants.

Source: 2016-17 main estimates

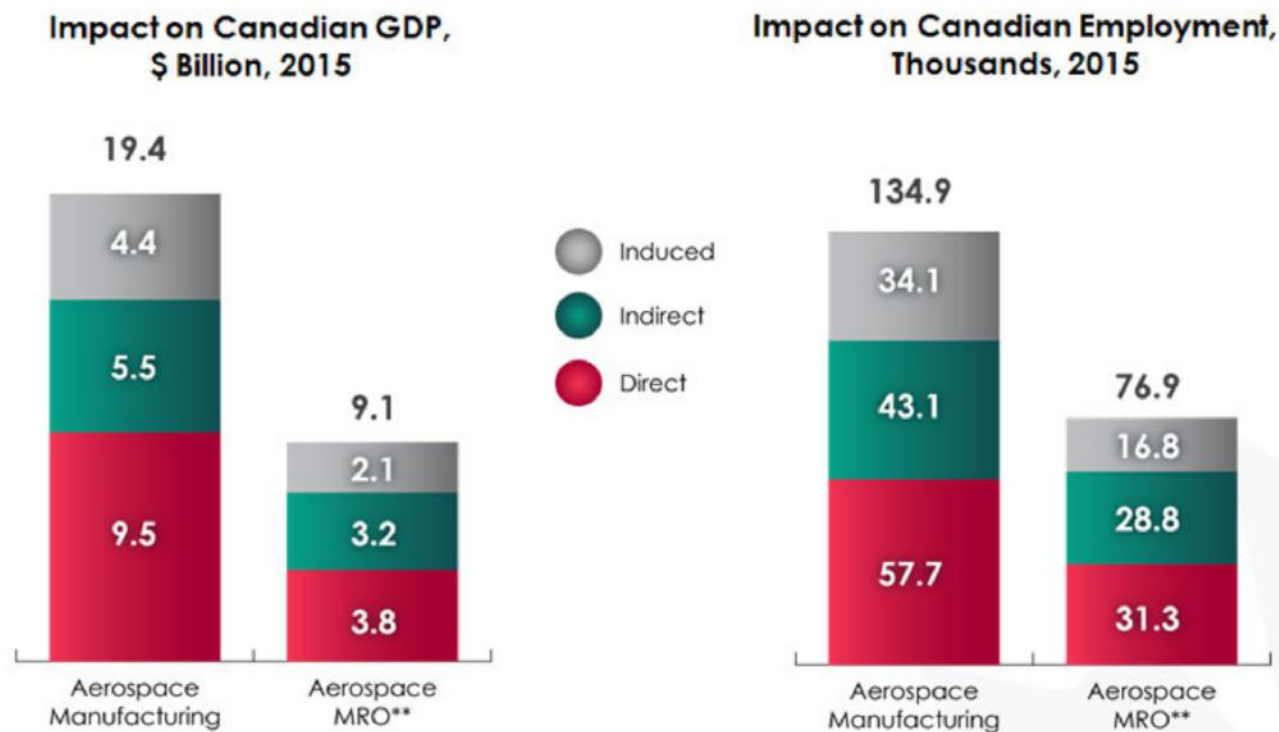
# Current Procurement Process



# Budget 2016: National Defence Spending



# Canadian Aerospace Industry



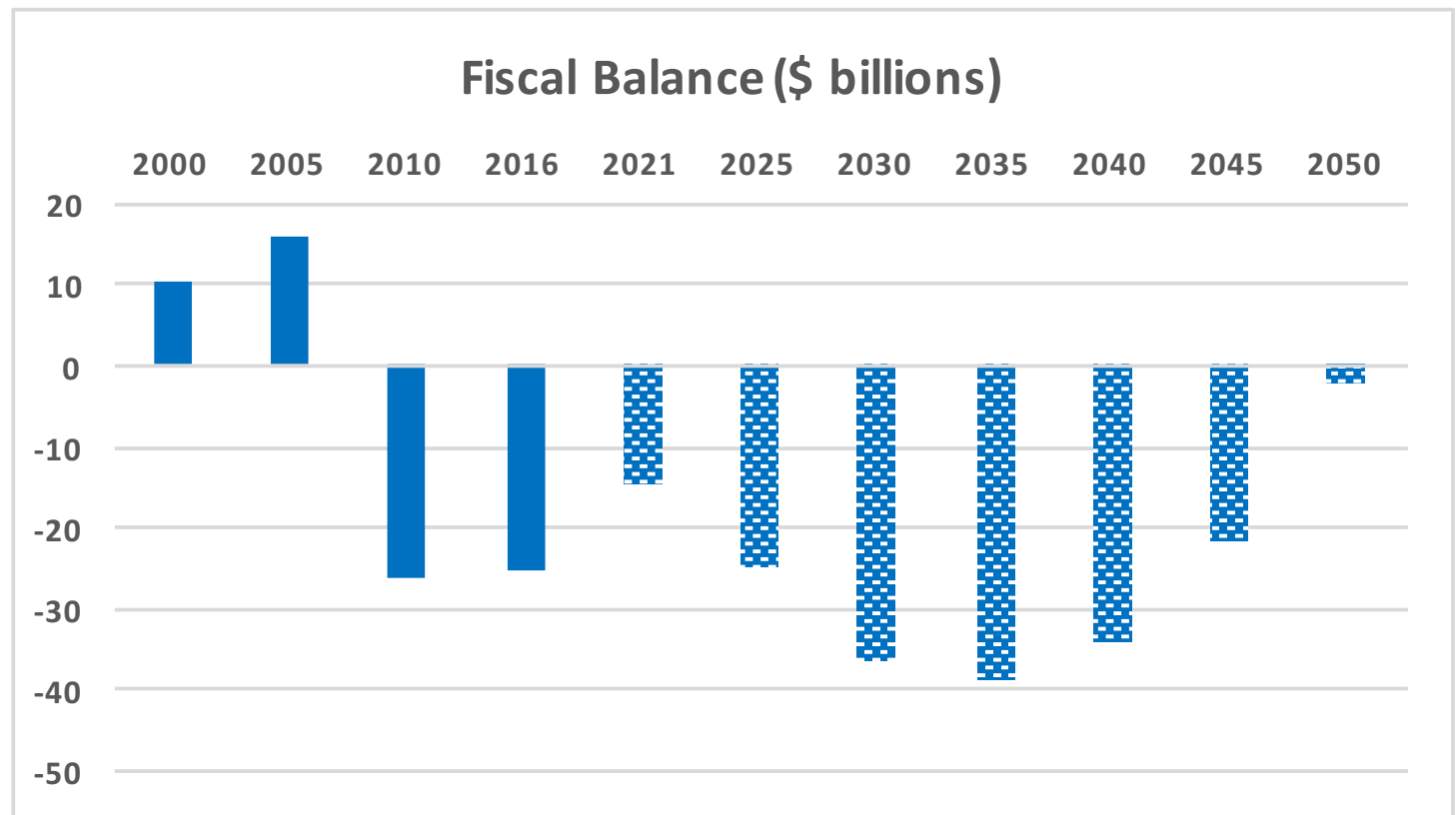
ISED's economic model estimates based on data from Statistics Canada

# Budget Projections

Fiscal Policy

Budget Trend

Deficit Forecasts



# ROYAL CANADIAN AIR FORCE

- ROLE

1. Defending Canada
2. Defending North America
3. International Peace & Security

- MISSIONS

1. Daily domestic and continental operations
2. Support major international events
3. Respond to terrorism
4. Support during crises
5. Major international operations

# Combat Missions by Fighter Jets Since CF-18s

## Canada

- 2000: Yugoslavia

## United States

- 1986: Libya, Operation El Dorado Canyon
- 1987-1988: Persian Gulf, Operation Praying Mantis
- 1989: Libya, Second Gulf of Sidra Incident
- 1990s: Gulf War, Operation Desert Storm
- 1991: Gulf War, Operations Provide Comfort I & II, Operations Northern & Southern Watch
- 1993: Bosnia, Operation Deny Flight
- 1995: Bosnia, Operation Deliberate Force
- 1998: Gulf War, Operation Desert Strike
- 1998-1999: Kosovo, Operation Allied Force
- 2000: Yugoslavia
- 2001-2014: Afghanistan
- 2003-2011: Iraq
- 2004-Present: Pakistan
- 2011: Libya
- 2014-Present: ISIL



# Opinion-ometer, Save The Royal Navy

