

# The Navy Actually is a Liberal Priority

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During the 2015 federal election campaign, the Liberal Party of Canada promised to make investing in the Royal Canadian Navy (RCN) a priority. Amidst the hundreds of campaign commitments the party made, there was little reason to suspect that this, amongst the cacophony of other promises, would actually be a priority. Yet, the government’s record on defence, so far, has been consistent. Those campaign pledges were included in the Minister of National Defence’s (MND) mandate letter, the formal direction given to Ministers of the Crown by the Prime Minister, and are forming the basis for the Liberal Party’s actions in office. This is all to the good for the navy, as the government remains committed to making real progress on building ships especially. More broadly, the adherence to the DND mandate letter gives reason to believe that the focus will remain for the foreseeable future.

The Liberal Party of Canada’s election platform laid out nine major commitments in the international section. The MND’s mandate letter expanded and added to that list producing 14 priorities for the Minister, depicted in Table 1. Those shaded in blue have already made significant progress.

Making headway on any defence issue was initially made difficult by a lengthy delay in staffing the MND’s office,

which was not substantively complete until February 2016. Once that was accomplished, the first significant move made by the government was to change the military mission in Iraq. On 17 February it was announced that the air combat operations in Iraq and Syria would stop. The original plan for the mission in Iraq was that it was to cease at the end of March 2016. In order to change the plan, rather than let it run its course and propose something new, the government was forced to act in the early winter. Subsequently, the government has moved on a number of other fronts. The 2016 Budget made good on the mandate letter’s promise to sustain defence funding by providing the 2% annual increase to the defence budget the Conservative government had promised. And in April, an extensive public consultation process for the Defence Policy Review was initiated, and a review report is promised by the end of 2016, with a public document to follow shortly thereafter.

Most notable for this publication, though, is that the second big defence initiative the government made in February was to propose a reorientation of the procurement strategy for the Canadian Surface Combatant (CSC).

The CSC procurement strategy, the most important capability component of the shipbuilding program and

**Table 1. Liberal Party Commitments**

CAMPAIGN PLATFORM	MND MANDATE LETTER
End combat mission in Iraq, refocus effort	End combat mission in Iraq, refocus effort
Maintain status quo defence spending plans	Maintain status quo defence spending plans
Don’t buy F-35, launch open fighter competition	Open and transparent fighter competition
Invest in the RCN as a top priority	Invest in strengthening RCN, maintain NSPS
Renew Canada’s commitment to peacekeeping	Renew Canada’s commitment to peacekeeping, with specialized capabilities
	Help UN respond quicker to new conflicts, provide quick Canadian responses
	Expand peacekeeping training
Implement Report on Transformation	Maintain commitments to NORAD/NATO
An open and transparent review of defence	Create a new defence strategy through an open and transparent review
Continue reassurance measures in Europe	Renew focus on surveillance and control of Canada, expand the Canadian Rangers
Restore Canadian leadership in the world	Create workplace free from harassment and discrimination
	Work with Veterans Affairs Canada to overhaul service delivery
	Conduct cyber review
	Create suicide prevention strategy for Canadian Armed Forces and veterans



*Canadian content similar to the integrated bridge system produced by L-3 MAPPS will feature in the Canadian Surface Combatant design.*

by far the largest share of its cost, had undergone a series of changes already. In the winter of 2015, the government announced its intention to hold two competitions – one to select a Warship Designer and a second to source a Combat Systems Integrator. This progress was oriented around the need to produce what would have been essentially a purpose-built warship for the RCN the requirements of which could not have been met by any existing designs.

Over the course of the requirements review and reconciliation for the CSC which occurred over the summer of 2015, the RCN requirement underwent some significant changes, which opened up the possibility of holding a competition for an existing design that could meet Canada's needs. At the same time, it had become apparent that the plan to design a bespoke warship would create a delay of roughly two years between the completion of the last Arctic Offshore Patrol Ship (AOPS) and the construction of the first CSC. This would be problematic for the Prime Contractor and shipyard, Irving Shipbuilding, and also produced the spectre of further delay in introducing the new ships into Canada's fleet.

To address this, in February 2016 the government announced that it would alter the procurement strategy to select an existing military-off-the-shelf (MOTS) design that, with some 'controlled customization,' could adapt an existing design and meet Canadian needs. By going this route, the government hopes to eliminate the gap between CSC and AOPS, while also reducing technical and financial risk.

On its own, this early major change would be sufficient to indicate that the CSC and shipbuilding is in fact a government priority. Subsequently, the government has also taken steps to improve the handling of the shipbuilding file generally and embarked on an aggressive schedule. At the CANSEC defence tradeshow in Ottawa in May, the Minister of Public Services and Procurement Canada announced a number of positive changes to the management of the file. The government was enhancing the shipbuilding governance structure by securing the advice (albeit part time) of a shipbuilding expert, a retired British Admiral, and creating a Cabinet committee (although on an ad hoc rather than permanent basis) for defence procurement. Further, the shipbuilding capacity in government will be enhanced by hiring some needed additional staff, and the process of costing the vessels will be enhanced. Finally, the Minister acknowledged officially the well-known truism that the original budget of \$26.2 billion for 15 CSCs was well out of touch with reality, and would henceforth be set aside pending a re-costing.

With respect to schedule, the government is proceeding

swiftly. Prequalified bidders were meeting with the shipyard and government the last week of June to review the classified naval requirements documents. Beyond that, current plans are to have a Request for Proposal released in the fall, with bids submitted by early winter 2017.

Moving forward on this timetable will be a significant undertaking, given both the otherwise glacial pace of Canadian defence procurement and the nature of this particular file. The government will have to manage two issues carefully to make progress as intended. First, the inclusion of Canadian content in what will otherwise be an offshore design remains unspecified. The February announcement indicated a desire to include Canadian defence products in the final design, including some advanced systems. Doing so will require integration of these systems with whatever design is chosen, which will add time and schedule risk.

Second, while the intent is to secure a MOTS design, there will be a strong desire to Canadianize it to suit RCN specific requirements. Some of this, such as adapting it to accommodate the Cyclone helicopter or Canadian environmental or electrical standards is a foregone conclusion. Beyond this, there will be undoubtedly be a desire to make other changes to the design. Managing these two issues will be crucial. The potential advantage of this approach in terms of reduced risk and time is predicated on taking the existing design more or less as is. While there are legitimate reasons for making changes, if too many are made, the advantage of the MOTS approach will be lost.

While it is still early days, the initial signs from this government are encouraging. Although it has made some changes to the shipbuilding strategy, it has done so swiftly, and the impact has been to accelerate progress. For that, it deserves a Bravo Zulu! 🇨🇦

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