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Chair

The Honourable Peter Kent

Standing Committee on National Defence

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● (1535)

[*English*]

The Chair (Hon. Peter Kent (Thornhill, CPC)): Good afternoon, colleagues.

As you see by the orders of the day we are gathered today for a briefing on Canada's current naval situation renewal and modernization.

We have two witnesses before us this afternoon from the Department of National Defence: Vice-Admiral Mark Norman, commander, Royal Canadian Navy; and Chief Petty Officer Tom Riefesel, command chief petty officer, Royal Canadian Navy.

Thank you, gentlemen, for joining us here today.

Admiral, may we have your opening remarks, please.

Vice-Admiral Mark Norman (Commander, Royal Canadian Navy, Department of National Defence): Thank you, Mr. Chair.

Good afternoon, ladies and gentlemen, members of the committee.

[*Translation*]

Good afternoon, everyone.

[*English*]

On behalf of the Royal Canadian Navy's command chief petty officer, Tom Riefesel, with me today, and the rest of the uniformed and civilian members of the Royal Canadian Navy, I thank you for the opportunity to appear before this committee.

Today I intend, as we say in the navy, to put a fix on the chart and to provide you with an update on the current readiness of the RCN. I am pleased to say at the outset that we are most definitely on track.

[*Translation*]

We are making excellent headway on the important modernization and renewal program that we have embarked upon. Although we have encountered some challenges, we have a comprehensive plan in place to tackle those challenges head-on, and we are executing that plan.

[*English*]

My intention this afternoon is to deliver my remarks within the framework of my four command priorities. These are: ensuring excellence in operations at sea; enabling the transition to the future fleet; evolving the business of our business; and finally, energizing the institution.

Excellence in operations is the ultimate measure by which all fighting organizations are judged. Our sailors and our ships demonstrate excellence at sea on a daily basis; at home, in all three oceans; and abroad.

This summer it was clear that the RCN is well on its way to becoming an Arctic navy rather than just a northern navy, with capabilities and skills to operate persistently in the High Arctic. To that end, HMCS *Kingston* was part of the whole-of-government team that located the lost Franklin vessel, HMS *Erebus*.

At the same time, HMCS *Shawinigan* travelled further north than any RCN vessel has ever done before.

To the south, one of our submarines, HMCS *Victoria* spent much of this summer in the vicinity of the Hawaiian Islands at RIMPAC, the world's largest maritime exercise. Exercises such as RIMPAC develop and strengthen ties among our defence and security partners. *Victoria* was a formidable foe, sharpening the skills of the allied fleet in a variety of complex war-fighting scenarios.

Victoria also joined Operation Caribbe, the campaign to combat illicit trafficking, operating in the eastern Pacific. She worked closely alongside several of our Kingston-class maritime coastal defence vessels that have stepped up to the plate this year and delivered real strategic effect, both domestically and internationally.

We're also encouraged by the fact that the first of our modernized Halifax-class frigates will soon be ready to deploy in support of government objectives. The Halifax-class modernization project is truly the bridge to the future fleet that Canada needs. This roughly $4.5 billion project is firmly on track to be completed on time and on budget.

As this committee no doubt recognizes, the fleet of today represents decisions of nearly 50 years ago and the fleet that will serve the Prime Minister and the people of Canada in 2050 will be defined by decisions made today. The retirement of HMCS *Protecteur*, *Preserver*, *Iroquois*, and *Algonquin* from active service was an essential step toward the introduction of new ships and capabilities to be delivered through the national shipbuilding procurement strategy.

[*Translation*]

Making these decisions will allow the Royal Canadian Navy to align our human and financial resources to invest in our future.

[*English*]

It's a future well within our sights thanks to the effectiveness of the modernized frigates, our submarine, and our coastal defence vessels, these capabilities that I have described as our bridge to the future.

In addition, all three of the major shipbuilding projects are right now in funded project definition. We look forward to seeing steel cut on the Harry DeWolf-class Arctic offshore patrol ships in mid-2015. It will be followed by the Queenston-class joint support ship, and in the longer term, the Canadian surface combatant, both now moving through key project milestones.

All these programs, along with the modernized Aurora maritime patrol aircraft, and the new Cyclone maritime helicopter, which will soon be integrated into fleet service, will truly take the RCN to the next level of overall war-fighting capabilities.

Certainly our transformation is not just occurring on the waterfront. As you may be aware, the RCN is now implementing a plan to navigate through its most intensive and comprehensive institutional renewal in half a century.

The RCN executive plan sets the conditions for our successful transformation, one which touches upon all elements of our fleet and its structure. We've made great progress executing on that plan, evolving our governance structures, our training systems, and our ship crewing models, to name just a few. We've emerged as a smarter, more efficient, and more focused organization, poised to embrace the next two decades of a nearly continuous evolution and introduction of new capability. It is very much an exciting time to be leading the Royal Canadian Navy.

I'm energized for the future, but not just because of the exciting new equipment coming to the waterfront. I am energized every day by the incredible work of our sailors, regular force and reserve, and by the families who support them. I'm energized also by our civilian workforce, those who get our ships to sea and keep them there. Today, I'm proud to say that we are more one navy than ever before in my career.

In conclusion, the Royal Canadian Navy is on track.

[*Translation*]

We continue to deliver strategic effect at sea and ashore for Canadians, while successfully negotiating through a decades-long period of change and modernization. We are able to achieve this balance because we have a plan in place.

[*English*]

Our plan will ensure that our people remain “ready aye ready” to embrace the opportunities of sustaining the navy of today and preparing it for tomorrow.

Thank you. Merci, Mr. Chairman.

Members of the committee, I look forward to answering your questions.

● (1540)

The Chair: Thank you, Admiral Norman.

We'll proceed now with our first round of questioning, in seven-minute slots.

Mr. Williamson, please.

Mr. John Williamson (New Brunswick Southwest, CPC): Thank you, Chair.

Admiral, it's nice to have you here. Thank you.

Could you speak to the importance of the Arctic in the navy as well as what the navy is doing there, or potentially could be doing in the Arctic?

VAdm Mark Norman: We see the Arctic as hugely important, not just for the navy, but for Canada looking forward. The Arctic represents a fundamentally maritime operating environment. It is defined by the ocean; therefore, we see it as a key area for us to be looking forward to operating in over the years and decades ahead.

Obviously, the Arctic offshore patrol ships will play a key role in enabling the RCN, with its other government partners, in opening up our ability to operate and sustain operations in the High Arctic. We've had great success over the preceding years through a series of operations and exercises, cooperating with our coast guard and other government partners in the Operation Nanook series, in Operation QIMMIQ and other operations as recently as just a few months ago.

As we look farther into the future and farther into the north, we recognize that one of the key challenges moving forward is sustainability. We're excited by the opportunity to establish a refuelling facility in Nanisivik, which will allow us to stage ourselves and reach even farther into the north.

I think it would be useful to look to the north as an area of potential development and security challenge—not necessarily security in a true military sense, but security in a broader sense—as we look to the challenges of increased activity in the north. We look at the increased rate of both transit shipping and destination shipping, where we're starting to see levels of activity in the last few years that are well beyond those of the years preceding. It is fair to say that what we'll see over the next three decades in terms of increased activity and growth could, in fact, exceed the level of activity of the preceding three centuries. That's the pace that we anticipate we're going to see in the north.

It's not just about the ships. It's not just about forward operating capability. It's also about new competencies and new procedures. We're looking to the experiences of our coast guard partners with respect to how we can sustain deployed activity in the north, looking at new crewing models, new ways of maintaining a visible presence, a Canadian flag, in essence, in that vast expanse that's so important to us.

We'll also look to the fact that the north, and the Canadian Arctic in particular, is an area that is defined not just by its geography or its oceanography, but also by the politics surrounding expansion in the Arctic. The work of the Arctic Council, the work of our partners in that council, is key to our building not just military capability, but the ability to operate and sustain ourselves, as I've indicated.

I think there are many lessons we can draw from international maritime law and international regulation associated with everything from environmental legislation to safety to issues surrounding contested water space that are going to affect how we see ourselves operating in 2020, 2025 right through to 2050 in the High Arctic.

Mr. John Williamson: Thank you.

You touched briefly on the coast guard. Could you describe to us or explain to us briefly how the Royal Canadian Navy supports and works with the coast guard?

VAdm Mark Norman: We work together almost seamlessly in the regions assigned to both the RCN and the coast guard in search and rescue and other routine activities. In many cases our headquarters are, if not co-located, certainly in the same community. The commanders responsible for the regions across the country work very closely together.

At the tactical level, in terms of interoperability, the two organizations work together frequently on everything from counter-narcotics to search and rescue to routine surveillance. It really is a very powerful partnership. We're looking to the coast guard as a partner in developing our Arctic competencies as we learn from their experience. They truly are the leaders in Canada.

The last thing I would say is that on a day-to-day, 24-7 basis, the coast guard and other government departments, the RCMP, border services, all work together, integrated in the maritime security operation centres that are located on both coasts and in the Great Lakes. They're great partnerships.

● (1545)

Mr. John Williamson: I'm going to change tracks here a little bit. I see that the Victoria-class submarines will reach steady state sometime later this year or next year. Is that right?

I have a broad question for you and I'd like to hear the answer. Why is it important for Canada to have a number of submarines as part of its navy?

VAdm Mark Norman: The way I characterize the submarine capability and its importance to Canadians is to draw a parallel to what I think is something people can relate to in the context of ground operations. If somebody in the army were to talk about taking and holding ground, I think there would be an intuitive sense of understanding of what that meant.

In a maritime context, there are really only two ways to take and control water space. One is to mine it. The second is to put a submarine in it.

When we think about the requirement for Canada to exercise absolute sovereign control over a piece of water space, whether it's here in our own territorial waters or perhaps somewhere else in a conflict situation, this is where a submarine becomes an incredibly powerful capability. There's nothing else that can do that in a maritime domain. They truly are the dominant weapon system of naval operations.

As for the specifics of the capabilities that we have in the Victoria class, we're very pleased with where we are now. It's been a long road getting there, but we now have three of our four boats in the water, which is where we planned to be. That's our characterization of "steady state". They're at varying degrees of operational availability.

We're certainly pleased with the great work that both *Victoria* and *Windsor* have done this year, with a combined 253 days at sea between those two vessels in 2014. Now, with the *Chicoutimi* back in the water, she's starting her six-year operational cycle. We're in the process of executing some very demanding technical trials as we speak. In fact, she's at sea today executing those technical trials.

Mr. John Williamson: Very good.

Would you say that working as a submariner is one of the toughest jobs in the navy?

VAdm Mark Norman: I have been there and I'm sure Tom's been there a few times as well. It is an incredibly demanding environment to operate in.

Mr. John Williamson: I've heard that.

The Chair: That's time, Mr. Williamson.

Mr. Harris, please.

Mr. Jack Harris (St. John's East, NDP): Thank you, Chair.

Thank you for coming today, Vice-Admiral Norman and Chief Petty Officer Riefesel.

I appreciate your presentation. I noted the enthusiasm with which you spoke about the future of the navy. I'm sure you are very proud of it, and we're proud of the work you do and the service you provide.

But I note, Vice-Admiral, that in the business plan of the navy for 2014-17 there was a little less enthusiasm in referring to the 15.7% budget reductions and the cumulative effects on various programs, and to the buying power and flexibility being eroded by this, much due to the cumulative effects of that. In an accompanying letter, you're quoted as saying this on December 13, 2013, "Limited resources, financial and human, and competing priorities continue to test our ability to most effectively and efficiently deliver our mandate."

This of course was echoed by the Chief Review Services in his report released on October 24, which says that in "recent years there has been a steady decline in the RCN's ability to achieve the required levels of readiness, to the point that it is currently challenged to meet...readiness requirements."

Can I ask you how budget cuts have affected the navy's readiness and which elements of the navy in particular? Would it be training, staffing, or procurement that has been most affected by these cuts?

● (1550)

VAdm Mark Norman: I'm just making a few notes, Mr. Harris, so that I can properly address the elements of your question.

Let me start by saying that there's no question that the RCN, all elements of the Canadian Forces, government, and Canadians writ large have challenges. It is a constant requirement of senior leaders and managers like me to balance the resources available to us to do all of the things that we know we must do and that we would want to do with our organization, or with our personal finances for that matter.

With respect to the issue of resource pressures, how we manage them and what the impact is, I would say that I see the responsibility to address these as falling into two categories. One is the obligation to extract every bit of value we can from the resources we're given, both financial and human, and to ensure that we are optimizing the utility of those resources. At the same time, it's identifying where we have pressures and to seek, where possible, relief to those pressures. I'll come back to that second issue, but I'd like to speak to the first one for a moment.

One of the significant drivers to our internal business modernization—"evolving the business of our business", as I refer to it in my priorities—is to help address the primary area of responsibility, which is to squeeze out, eke out, every bit of possible efficiency we can from our organization. We're seeing great progress in that regard. We're seeing enormous strides in terms of how we can make better use of our training system, how we can make better use of our crewing, how we can eke out every opportunity we can for every day at sea. That most valuable commodity—

Mr. Jack Harris: Sir, perhaps I can interrupt. I realize that you're trying to do your best, but my question was specifically on whether or not these cuts have affected the readiness. I don't know if you're addressing the readiness at this point.

You've expressed some concern about it, and the Chief Review Services staff did. I'm wondering if you could be specific about that, as I don't have very much time, I'm afraid.

VAdm Mark Norman: To the specifics of the pressures, first of all, I'd like to say that the 15.7%, as it was characterized in the document, is a cumulative number. It's not a reflection of direct cuts. In fact, part of that number is a result of the pressures resulting from fixed costs going up and a number of costs that we're having to absorb. So it's not so much specifically related to cuts as a combination of things. It refers to a loss in flexibility.

Fundamentally, the challenge is that fixed costs are going up while the money available for discretionary expenditure is under pressure. That's what that was referring to.

Mr. Jack Harris: Do we have ships tied up that would otherwise be out to sea because of the cost of fuel or other costs associated with that?

VAdm Mark Norman: We have a number of ships tied up right now because of the ongoing modernization. What we've been able to do is to leverage the fact that those ships are in a state of modernization; to reactivate, for example, four of the maritime coastal defence vessels; to reallocate money from some of the divestment decisions that were announced earlier; and to put it into the return of those modernized ships coming back into the fleet.

To your specific question of readiness, fundamentally, on a ship-for-ship basis, HMCS *Toronto*, deployed today in the Mediterranean as part of Operation Reassurance, is as ready as any ship previous to her two years ago, three years ago, ten years ago. On a ship-to-ship, sailor-per-sailor basis, that deployed readiness is no different from what it was previously. Where you're seeing a difference is in the bench strength supporting that deployed ship. At the moment, much of that is a direct function of the removal from service of the frigates in particular to execute their modernization.

In that context, we've been able to take some risk in terms of the non-availability of those frigates and apply those resources to other capabilities. I mentioned the maritime coastal defence vessels as a great example of where we've been able to surge that capability in the short term.

The issue of maintaining competency as a component of readiness—it is not exclusively the only driver of readiness—is an ongoing challenge. The most significant thing we've done in the last two years is to re-engineer how we train our sailors at sea so that we make the most use, the optimum use, of every sea day we have. That's required us to move sailors around more frequently, but we're doing it in order to maintain those competencies so that in the next couple of years, when the frigates are back into operational service, we can transition smoothly knowing that we've bridged that gap to the greatest extent possible.

● (1555)

Mr. Jack Harris: Do you do that by double-bunking on board the ships?

VAdm Mark Norman: No, there's no double-bunking going on at all. For example, on training deployments we will fly people in and out of different locations, which we wouldn't traditionally have done. We would have left one crew in for an exercise. Now we may fly people in and out in order to give as many people as we possibly can exposure to that training opportunity.

The Chair: Mr. Harris, thank you.

Mr. Bezan, go ahead, please.

Mr. James Bezan (Selkirk—Interlake, CPC): Thank you, Mr. Chair.

I thank both Admiral Norman and Chief Petty Officer Riefesel for being with us today. The work you're doing in the navy is incredibly important. The Royal Canadian Navy is continuing to modernize and to do great work in multiple operations around the world. You just mentioned the work we're doing as part of the NATO Reassurance package and the NATO maritime task force.

I know we were just participating in some Black Sea operations as well. Can you touch on that briefly? What interoperability lessons were learned working with some new partners and probably some old allies that we haven't been in exercises with for some time?

VAdm Mark Norman: One of the hallmarks of NATO—and obviously I will speak to the maritime domain explicitly, but it applies to all the domains—is the very issue of interoperability, as you indicated in your question. Certainly the ability of Canada or any other country—but we're talking about Canada—to train, generate, and then deploy a ship that can seamlessly integrate into a NATO battle group or a U.S.-led battle group of whatever type is an incredibly powerful and flexible capability to have.

In the deployment of *Toronto*, you saw a couple of things. First of all, having the ship forward deployed in the first place represented a strategic decision, a real representation of forethought. We didn't know exactly what might or might not happen, but we knew we were going to need a reactive capability in that eastern Mediterranean Gulf region.

So, that's the first thing. To be able to redeploy the ship in very short order speaks to the flexibility of the capability itself and, in essence, to the value of forward deployed sea power to be able to react at fairly short notice. Then there is the ability to actually integrate into a NATO command structure that is pre-established, incredibly flexible, and adaptive. Having a Canadian warship in the Black Sea for the first time in over 20 years—22 or 23 years—was a significant event in and of itself, demonstrating the very solidarity that we were there to demonstrate. We worked with the U.S., Spanish, and other partners in a fully integrated battle picture, with fully integrated procedures, communications, and everything. Being able to work with some new partners, some emerging partners, and to, in essence, export our competencies at basic and intermediate levels to bring the ships and those sailors into fairly basic exercises is a very powerful indication not just of technical competence and tactical ability but, I think, of strategic solidarity.

I would like to go back to a previous question on readiness. As it relates to the events themselves that were reported in the media, I would simply say that as the admiral responsible for the calibre, the quality, and the readiness of that ship and her crew, prior to the deployment, I expressed complete confidence in the readiness of that crew and the materiel state of the ship. I indicated that to Minister Nicholson when the events transpired, and I stand by the fact that not only am I proud of how that ship is conducting itself but I have absolute confidence in her readiness as a front-line war-fighting capability for Canada.

● (1600)

Mr. James Bezan: Can we venture a little bit into the capability gaps that currently exist as we transition into the new fleet? Of course, the auxiliary oil replenishment vessels have been retired, and there is a change in having control and command off destroyers, moving into the frigates, especially with the modernized frigates. Many of us on the committee had the chance to be on the HMCS *Winnipeg*. She was just about to come out of dock.

Can you talk about how you're dealing with that, not only with the transition on the equipment side but also about how you're dealing with the human resource side, with our sailors?

VAdm Mark Norman: I'll go class by class, but before I do, I'd like to address the second half of that latter question because it's common to all classes.

Again, the key to transitioning through these gap periods is to maintain competency. The way to maintain competency is through focused training that includes traditional classroom training but also the increased use of simulation, and ultimately and most significantly, it involves assuring that our folks get as much time at sea as they possibly can.

What we're doing is exactly what I indicated in response to a previous question. We've re-engineered how we manage the experience levels of individual sailors. Unlike previous systems, where we would look at an entire crew, we now look at individuals and assure that they get the opportunities they need. They can be moved from one class to another as required to get that experience.

As it relates to the specifics of individual capabilities, as you alluded to in your question, the first I would speak to is the command-and-control capability for a group of ships. That capability has truly evolved over time. It really comes down to having the space and the technology in the ship to support the command-and-control functions. We made a conscious decision at the front end of the Halifax-class modernization to basically upgrade four, the first four—*Winnipeg* was one of those ships—to mitigate that gap, because we knew the gap was going to happen at some point before we had a replacement capability.

We're quite confident that this gap will be filled with that capability. As I said, we're getting great results out of the modernized Halifax class.

The Chair: That's time. Thank you, Mr. Bezan.

Ms. Murray, please.

Ms. Joyce Murray (Vancouver Quadra, Lib.): Thank you very much for being here to help us understand your challenges.

I did note in your remarks here that somehow the section around challenges got deleted from the notes, but clearly there are many, and I'm referring to the "Evaluation of Naval Forces" document of December 2013.

Their key findings are these: number 4 is challenges in "readiness"; number 5 is "a reduction in forces capability"; number 6 is "strained Navy resources and...issues", etc.; key finding number 8 is that the "Navy will be obliged to do less with less"; number 10 is that the readiness direction was changed to address that it wasn't being met with respect to "the required materiel state of ships"; and number 13 is that "Despite the efficiency improvements, there remains a funding gap in maintenance...". For number 16, I'll get to that one later.

It's a pretty huge challenge that the RCN is facing.

I'm curious. What does it mean when it says that the navy will have to "do less with less"? Can you explain what's being dropped?

We know there have been budget cuts, but there have also been significant planned clawbacks. Those actually account for $3.5 billion over the last four years alone of capital underspend. That's 23% of the capital budget that has been deliberately clawed back. To what degree is that contributing to this set of challenges?

Lastly, in terms of mitigating these problems created by the premature retirement of four of the ships, the gap that you've been talking about—and you've been talking about capacity or training—I will note that in key finding number 16, "the percentage of personnel trained at optimal course capacity was [only] 54 percent," whereas the target is 90%. Clearly, there is a huge fall-down in training, so that's hardly going to be what is going to address the gap. Could you explain how these gaps will actually be filled when training is so far below its target?

● (1605)

VAdm Mark Norman: Thank you. I'll walk through this, possibly in reverse order, if I may.

The first thing I'd like to do is specifically address the reference to the training capacity of the finding and recommendation. I would like to clarify that the CRS finding is that we are operating our training system at less than optimum capacity, not a reference implied or otherwise to the overall quality of the training that's being delivered or the degree to which we're training our people. CRS is saying in that piece of the report that we have a training system that is not operating at optimum efficiency and we have a number of courses that are either being cancelled or zero-loaded, or are not running at full capacity, which is a function of many things, not the least of which is the efficiency of our school board, which is one of the key areas that we're transforming as we go forward.

Why do I say that? I just want to make sure that we're all on the same page. It's not a reference to the overall quality of the training that's being delivered. It's the degree to which we're running either classrooms that aren't full, or we're having to cancel courses because we don't have enough people to go on courses.

Ms. Joyce Murray: Excuse me, let me just interject. Is part of that problem of training that you don't have the ships available to do the training, which is a much deeper and more systemic problem?

VAdm Mark Norman: If I then can transition to the other two elements of your question, first was the issue of resource pressures and the implications, and the second issue was specifically capital expenditures and that kind of thing. The first thing I would say, as it relates to the CRS report itself, is we invited the CRS report. I'm not going to refute anything in it. I stand by the findings. It is indicative of a mature organization that it's capable of opening itself up to internal, and in some cases, external scrutiny.

Ms. Joyce Murray: My time is very short, so justifying this report is not the best use of time. My question is what are you dropping? To what degree does the targeted underspend explain this laundry list of challenges that RCN is facing?

VAdm Mark Norman: We're not dropping anything explicitly or significantly. I indicated in response to Mr. Harris' question that we're at a point right now where we can risk-manage some of this because the fleet is not at its full capacity. In the next couple of years we're going to be returning to full capacity and stand fast the removal of the ships, which have to be retired at some point.

In some cases we're going to reallocate people and a little money from those retirements into the higher priority areas, those being modernized frigates, submarines, and coastal defence vessels as the bridge to the future.

With respect to the capital underspend as you've characterized it, in many cases we were unable to move those projects and those investment opportunities in a timely way and so that money has been reprofiled into the future when we can get at it and use it, and—

● (1610)

Ms. Joyce Murray: I have a side question. Is the national shipbuilding procurement strategy the reason you were unable to move forward on some of those planned replacements of ships?

VAdm Mark Norman: In some cases the underspend, as you've characterized it, is a function of smaller projects that are related to other modernization and capital programs, and those have been reiterated in the recent defence acquisition guide. Those are the key priority investment areas from the RCN's perspective that cover the spectrum of missile systems, underwater warfare systems, boats, tugboats, and things like this that are fairly fundamental to our business. They're all part of a systemic approach to modernization because it's not just one fell swoop.

As it relates to the NSPS programs themselves, they're moving along. As I said, we're optimistic, quite confident we're going to be cutting steel on the Harry DeWolf-class within the next nine months. Sure, we're not where we thought we would be—and you'd have to talk to the chief financial officer as to the specific underspends in specific dollars—but as it relates to the schedule, there is a direct correlation between schedule delays and spending delays.

I'd leave it at that. I'm not the expert in...

The Chair: That brings us to time.

We'll now go to the second round of questioning, five-minute slots.

Ms. Gallant, please.

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

Through you, what arrangements are we making with our allies and NATO partners to mitigate any capability gaps after our ships are retired?

VAdm Mark Norman: I'll speak to what I think is the most visible example, the auxiliary oiler replenishment capability. That is an area where we can work and will be working with our allies.

I spoke to the command-and-control gap earlier. The only other gap that I was unable to address, and perhaps I can use this opportunity to speak to it, is the air defence gap. As we've modernized the frigates, we have enhanced their self-defence capability. Where we will have to manage a capability gap is in the longer-range air defence capability that was inherent in the destroyers. I think that is a key area where allies will play an important role as we get to the new capability, which will come in the surface combatants in early to mid-next decade.

In the interim, our closest allies have very capable ships that have enhanced air defence capabilities. We operate with them routinely, and this goes back to the other question about interoperability.

The key, from a Canadian perspective, to having access to that capability is to be able to participate in the complex battle space of air defence, and that's exactly what we're doing on a routine basis. We're therefore able to get into what is a very integrated and distributed air defence situation at sea.

As it relates to the replenishment capability specifically, we are working with key allies to investigate options that cover a wide spectrum, from what I refer to as smart scheduling, which we do on a regular basis and we look to continue to do in the months and years ahead, up to the possible access to a more deliberate and dedicated capability. At the moment we're still in the analysis stage. It's not as positive a story as we thought it would be.

The key thing to understand is that capability is one of the most in-demand and short in supply capabilities across all of our allies, so there is not an affluence of under way replenishment capability amongst our key allies. In fact, they manage it all very tightly themselves. They're prepared to help to a point, but there is no silver bullet, if I may, solution. We are still working on a couple of leads. I have a remit back to the minister in the short term with respect to some of those possible leads.

● (1615)

Mrs. Cheryl Gallant: Russia's been engaging in large-scale militarization of the Arctic, and former Soviet bases are being reactivated. How will the maritime equipment modernization prepare Canada or protect Canada from a Putin-led Russian aggression in our Arctic?

VAdm Mark Norman: As I indicated in response to an earlier question, I think one of the key things to take into account, as we move into the Arctic in a more deliberate and sustained way, is that it is not just physical capability in terms of ships. The Arctic offshore patrol ships, the Harry DeWolf ones, are going to give us a significant improvement in the RCN's ability and the overall Government of Canada's capacity to have a sustained presence in the north.

I mentioned Nanisivik as the start of a sustainable support capability in the high north. I think the other key capabilities to your question, which will help in that regard, are other investments that are happening in terms of surveillance, communications, space-based, territorial-based. All of these investments represent what can be characterized as a system of systems approach.

There is no one single solution to the challenges you've characterized. It really comes down to having an integrated network of sensors so that we know what's going on in the high north; having the communications capabilities that are required to operate in high latitudes because those are special requirements—not all communications operate in those high latitudes—and so there are investments required and investments that are planned in that regard; then lastly, having a set of platforms that can either respond if we know something's happening or can be pre-positioned to respond, as in the case of the Arctic offshore patrol ships, long-range patrol aircraft, and other capabilities we have in our inventory now and that are all also undergoing extensive modernization.

The Chair: We'll have Ms. Michaud, *s'il vous plaît, pour sept minutes.*

[*Translation*]

Ms. Élaine Michaud (Portneuf—Jacques-Cartier, NDP): Thank you very much, Mr. Chair.

Vice-Admiral Norman, I want to begin by thanking you for your presentation.

You very briefly touched upon some problems with the vessel acquisition process. I would like you to tell us more about the direct consequences of the delays in the joint support ship project on the Royal Canadian Navy. I would like you to explain how you have dealt with those situations and how you intend to deal with them going forward.

VAdm Mark Norman: If I understand correctly, you asked me two or three questions not only regarding the acquisition of new vessels, but also regarding decisions related to the retirement of refuellers. Is that right?

Ms. Élaine Michaud: I want you to tell us specifically about the consequences the delays have had on the joint support ship project.

VAdm Mark Norman: You mean construction delays?

Ms. Élaine Michaud: Yes.

You can use the simultaneous interpretation to make this easier for you. That way, you can be sure to understand my questions. I have only five minutes, and having to repeat or explain my questions makes things difficult.

VAdm Mark Norman: Even in English, I often have to check what exactly I am being asked.

Ms. Élaine Michaud: I just wanted to make things easier for you. Go ahead.

VAdm Mark Norman: I only want to give you the best possible answer.

When it comes to delays in the building of joint support ships, as I just explained regarding other acquisition projects, these things unfortunately happen. Project complexity and investments in Canadian shipyards explain the delay of two or three years.

● (1620)

Ms. Élaine Michaud: My question was about the consequences of construction delays. Can you answer briefly, as I have other questions.

VAdm Mark Norman: The consequences are fairly easy to describe. The retirement of current refuellers and the delay in the construction of joint support ships have led to capacity issues, which have a ripple effect. Owing to the capacity issues, Canada is unable to support and maintain those ships at sea if it needs to deploy them elsewhere. We have to ensure that other allies are with us. We cannot do that by ourselves. That is the first consequence.

The second consequence is that it is very difficult, almost impossible, to organize training for a group of vessels at sea. Training for a group of ships poses the same challenges as does deploying a group of ships elsewhere. That is the second challenge.

I think the third consequence is the most challenging one. I am talking about a potential lack of skills or loss of skills among seamen —those who work aboard refuellers to facilitate the deployment and commissioning of new refuellers.

Ms. Élaine Michaud: Perhaps I could stop you there.

The consequences you are talking about are fairly serious. That jeopardizes the navy's operational capacity. With that in mind, I find it incomprehensible that the Davie shipyard was completely excluded in 2011 under the National Shipbuilding Procurement Strategy. As you know, that is the largest dry dock in Canada. The shipyard's production capacities are available now, and its management even told Public Works and Government Services Canada they could help other shipyards that have already been awarded contracts in order to keep up with the demand and help the navy acquire the vessels it needs as quickly as possible.

Would it be possible to use the Davie shipyard at this point to accelerate the vessel acquisition process? That shipyard has the required capacities.

The Chair: Please give a brief answer.

VAdm Mark Norman: Unfortunately, Ms. Michaud, it is not my place to offer an opinion on decisions related to acquisitions, operations and contracts in shipyards.

Ms. Élaine Michaud: You can still conclude, as I have, that this could potentially help accelerate the process.

[*English*]

The Chair: Thank you, Ms. Michaud.

Mr. Norlock, please.

Mr. Rick Norlock (Northumberland—Quinte West, CPC): Thank you very much, Mr. Chair, and through you to the witnesses, thank you for attending today.

I was very interested in your introductory remarks, Admiral. You mentioned, of course, that the Halifax-class modernization project will bridge this fleet into the future, and that the $4.5-billion project is on track, to be completed on time and on budget. That's a fairly accurate statement, based on what I know and what you've just confirmed.

I'm very interested in all the problems that some of the members here have talked about. I'd like to come back to the part of your statement where you said, “As this committee no doubt recognizes, the fleet of today represents decisions of nearly 50 years ago.” You said as well that the fleet that will serve the Prime Minister in 2050... are the decisions that are made today.

We talk about the national shipbuilding strategy and all the things we're going to do for the navy that bode us well for the future. Would you agree with that, by your statement, the decisions we make today we will be living with for 50 years? If the navy is in as dire straits as some of the members across the way suggest, perhaps the governments of their day, of their political stripe, not reinvesting in the navy is why we're dealing with some of those results today. Would you say that's accurate and that it goes along with your statement?

● (1625)

VAdm Mark Norman: Well, thank you for the question. I....

Mr. Rick Norlock: It's rather pointed. If you don't want to answer it, that's fine.

Ms. Joyce Murray: Nine years in government, Rick?

An hon. member: It's our fault.

Ms. Joyce Murray: Nine years?

VAdm Mark Norman: I would suggest that what an NPS offers us is an opportunity for a long-term commitment and long-term planning. I think that's a key element of the strategy.

Certainly, like any major decision of the complexity that we're talking about, it's never a seamless or perfect execution, but we're now where we need to be. As I say frequently, we're now no longer talking about building ships, we're actually building the capability to build those very ships.

Mr. Rick Norlock: Thank you very much for that. I think you've nailed it on the head. We're where we need to be today, and the plans we have will bode us well for 50 years down the road, or at least 30 years to 50 years down the road; I won't put words in your mouth. These new ships will last approximately that long.

VAdm Mark Norman: I can't say that the ships themselves will last.

Mr. Rick Norlock: The capabilities.

VAdm Mark Norman: What I can say is that the plan is to deliver three classes of ship over the next almost 25 or 30 years, and that those ships will then serve for upwards of 30 years. They're being designed for a 30-year life. That's what we're engineering into the designs of the ships. This is recognizing that decisions will have to be made, then, some decades down the track by future governments as to what they want to do, whether they replace the capability completely, or, as we've done—to your opening comment—decide to recapitalize the capability by modernizing it, because the platforms themselves are still viable platforms. That's the difference—

Mr. Rick Norlock: Thank you for that.

You've been in the navy for quite some time. I suspect, by your rank, it would be close to 25 to 28 years—okay, plus that—so you were present when a previous government purchased some submarines. How much did it cost to get those submarines serviceable?

VAdm Mark Norman: I would have to go back and take that question—

Mr. Rick Norlock: Perhaps you would provide us with that material. We talk about replenishing the navy, so if somebody bought some used equipment for us and we had to make it...and by the way, I know they're a useful platform, but it took a lot of money to get them shipshape, if I may.

Would you not agree with me that if the budget in 2005 for our defence department was $12 billion and in 2014 it's $18 billion, that affords the Department of National Defence a capability to do more things with an increase in their budget? If I increase your budget, you can do more. Would you agree with that?

VAdm Mark Norman: I would agree that the budget has gone up, and I would agree that more money will buy you more.

Mr. Rick Norlock: Thank you very much.

Would you also say that the Department of National Defence is your one component of it? And would I not be correct in saying that this government has increased the capacity of the Royal Canadian Air Force by purchasing strategic and tactical lift aircraft and other aircraft to assist in the complete serviceability of the Canadian Armed Forces, as well as purchasing some very needed equipment so that we can do some things from the army's perspective, and now it's the navy's turn to get some new equipment and to be able to do the job that the Canadians expect them to?

The Chair: Give a brief answer please, Admiral.

VAdm Mark Norman: I will be brief, Mr. Chair.

I would say that there is no denying the degree to which there have been significant investments made in new capability over the last several years. I would also agree that the navy is very much looking forward to operationalizing—if I may use a military term—or bringing to life this shipbuilding program.

As to your last point, I don't necessarily agree with the notion of turns, but I'm quite happy to be where we are right now on the cusp of some very exciting new capabilities that are just around the corner.

● (1630)

The Chair: Thank you, Admiral.

[*Translation*]

Mr. Larose, the floor is yours. You have five minutes.

Mr. Jean-François Larose (Repentigny, FD): Thank you, Mr. Chair.

Regarding our current fleet, we can say that

[*English*]

about half are dry-docked right now. Is that correct?

[*Translation*]

What would be a typical scenario? Would it be about 5 dry docks for 30 vessels?

Could you please give a quick answer?

VAdm Mark Norman: Our system is based on the idea that surface vessels have a readiness period of five years. For submarines, the readiness period is....

Mr. Jean-François Larose: I just want a ballpark figure.

VAdm Mark Norman: We are talking about a six-year period.

With a five-year period, every vessel must go through a graving dock or a shipyard once every five years. That's typical. In a fleet of 12 frigates, for instance, it is normal for a quarter of them to be in a shipyard or at....

Mr. Jean-François Larose: So it is about 5 out of 30, or a little more.

VAdm Mark Norman: It is about a quarter.

Mr. Jean-François Larose: Thank you.

So we cannot currently say that our fleet is operational, even if you compensate in terms of training. The Arctic is currently melting. We know that maritime space is expanding and, as you yourself said, the current scenario is based on the situation from 50 years ago.

I am having trouble understanding, even if we take new technologies into account. How can you say that we are currently ready, even with the new technologies?

Perhaps you could help me understand something. If we need new vessels with new technologies, it is because a need currently exists. How can we compensate now, given that the maritime space is much larger than it was 50 years ago and that it will certainly grow even larger 50 years from now? We all know that the Arctic continues to melt. What can be done to compensate? Should subcontractors be used? Should we work with the Americans?

You talked a lot about training. Beyond that, what are you doing to be ready in terms of your naval capabilities? What are you doing to compensate in that area? You currently do not have a full fleet; you have only half a fleet.

VAdm Mark Norman: I can try to explain by telling you about the difference between individual competencies and the competencies of a navy crew, instead of explaining the full capacity of a marine fleet.

Mr. Jean-François Larose: Before you explain that, I would like to share my concern about the water extent and our presence, as we have no aircraft and have very few vessels. I understand the issue of technological competence, but we are replacing our fleet because its technology has not been updated.

VAdm Mark Norman: The issues you described are based on the idea of fleet size and capacity. It is inevitable that frigates would make up over half of the fleet, but there is more to the fleet than just frigates. The smaller offshore patrol ships are very important to our current operations because they provide us with a capacity....

Mr. Jean-François Larose: A larger capacity?

VAdm Mark Norman: Exactly. We have to find effective ways to deploy as many vessels as possible.

Mr. Jean-François Larose: Of course, given the limited number of vessels we have, their use

[*English*]

is somewhat overextended.

[*Translation*]

So that affects those vessels' wear and tear.

I am asking you again what we can do to compensate for that. The few vessels we have are currently overused. They are also already old. You are overusing them because there aren't enough vessels. So we end up with foreign ships that ensure support, like the American vessels, but at what cost?

The other issue is that cuts have been made in your department. There is no allowance for new vessels. Cuts have also been made to civilian positions providing logistical support. So I am having some trouble seeing anything positive in this situation.

● (1635)

VAdm Mark Norman: One way to address the issue is to use more effective caps. That is why we use frigates instead of destroyers, as well as small offshore patrol ships instead of frigates. They are more efficient, simpler to repair, and their daily maintenance is less expensive.

[*English*]

The Chair: Thank you, Admiral, that's time.

Mr. Preston, please.

Mr. Joe Preston (Elgin—Middlesex—London, CPC): Thank you for allowing me here today. Mr. Williamson has told me he's got urgent things he'd like to do, so I'll give my time to him.

The Chair: Mr. Williamson.

Mr. John Williamson: Thank you, Chair.

Gentlemen, thank you.

The Royal Canadian Navy has indicated it is in the midst of its most intensive and comprehensive period of recapitalization in peacetime history, touching on all elements of the fleet.

Can you tell us the last time our navy or any element of the forces for that matter engaged in such investments in its capabilities?

VAdm Mark Norman: Based on the historical work we have done from the navy's perspective specifically, my understanding is we have not seen the degree of recapitalization in terms of its broad impact on the fleet since the Korean War. We have replaced one class over a relatively short period of time on a cyclical basis. As a result we've had these boom and bust cycles.

We have not engaged in such a widespread recapitalization since that time. The modernized Halifax class is a new class of ship, notwithstanding the fact that it's the recapitalization of an existing capability. At the same time we brought the submarines to their operational state and are now looking at the introduction of three new classes of ship at the same time that we're going to deliver a number of these other major projects that I referred to in the response to Ms. Murray's question around missile systems: underwater warfare systems; tugs, which are not exciting but are important; boats; and a whole bunch of other things that are all happening over a relatively short period of time. This is why when I speak to the sailors in the fleet I talk about two decades of continuous transition. In non-wartime we've never seen anything like this.

This is why it's so important that we work out not just the acquisition part of it, which is challenging in itself, but what I call the back end of the business because we can't continue to do business the same way. In order to make maximum use of these huge investments by the taxpayers we've got to sort out some things that we're doing on the back end, which speaks to the CRS report, which speaks to a whole bunch of other things that we're openly attacking.

Mr. John Williamson: That's a very good answer, particularly your concern for how we're going to pay for this.

You and I spoke to one another just before the start of this meeting and you mentioned Saint John Shipbuilding— at one time it was located in the port—and the boom and the bust; the cost to the government to ramp up shipbuilding in the 1980s and then ramp it down. The company at the time said they were done. There is the cost to ramp it up and of course there is the cost to ramp it down. Can you talk about that a little more because that's important?

As a government I do want to press the navy and the forces as well as other departments to get value for taxpayers at the end of the day. The idea that there won't be that oversight I think is perhaps lost on the opposition in committee and to me it's important. When I see how procurement has been done in the past on shipbuilding in particular, my view is doing it this way is the right way to do it. Over 25 years, it's a generation of work, and we hopefully will avoid that boom and bust.

Could you talk a little more about that because I think it's a very good point?

VAdm Mark Norman: I think the way I'd like to tackle this is to first off say that, as it relates to the economic benefits and industrial policy, there are people far more qualified to speak to that. I would invite your committee...just don't tell them that I said you should invite them.

I would say from the perspective of somebody who was part of the commissioning crew of the first ship, I spent 18 months plus scattered over my career in Saint John, New Brunswick, delivering that ship, to the guy who has the great fortune and honour of sitting here as the head of the institution looking ahead 20 years, that I think one of the things we have to recognize is that there is an enormous advantage to predictability in planning and it's not just the fiscal predictability associated with planning, but it's also what I would characterize as capability insertion. When you look at some of the most successful shipbuilding programs around the world they are constantly updating the productivity of their yard. They are constantly evolving the specific capabilities that they have in certain classes of ship and they're tweaking their designs and they're on the leading edge almost on a decade-by-decade basis.

● (1640)

The Chair: Thank you, we have reached time for that slot, Admiral. You can come back to this if you wish. I'm going to take the final slot in this round. You spoke in your opening remarks, Admiral, of your determination to maintain the navy's “ready aye ready” status. I personally would like to, and I suspect it's on behalf of all members of this committee, commend the personnel of the HMCS *Toronto* who on shore leave in Turkey intervened, took time off to save lives, and in fact fight and quench a serious fire. To me that suggests a reflection of the training both in capabilities and leadership, but I seek your thoughts on this event.

VAdm Mark Norman: Thank you, Mr. Chair.

Certainly I don't think you'll find anybody who's prouder of those sailors and airmen than I am. The brand of “ready aye ready” is a powerful statement. It speaks to who we are as an institution. We're increasingly using it as a rallying cry for our sailors recognizing that ultimately that's what we're there to be. We're there to be ready for Canada no matter what. The translation is equally powerful.

[*Translation*]

In French, we say the following: “Toujours prêts, toujours là”.

[*English*]

It speaks equally to the essence of who we are as a navy. I'd like to ask maybe the chief to speak to some of the cultural aspects of where the chair's coming from, from a grassroots deckplate leadership perspective.

Chief Petty Officer, 1st Class Tom Riefesel (Command Chief Petty Officer, Royal Canadian Navy, Department of National Defence): Thank you, sir.

Mr. Chairman, “ready aye ready”, as the admiral said, is part of what we are. That translates across every generation of today's current navy. From those of us with more past than future and our responsibility to those of our junior members who have more future than past, particularly at this critical time where we are transitioning to the future fleet, this period truly energizes all our sailors, all our officers, our workforce who put us to sea, and our families who put us to sea. It's examples like that of sailors knowing what right looks like and being prepared to take the right steps to ensure that others know what right looks like and what those right reactions are.

The Chair: Thank you.

Admiral, again coming back to your opening remarks and given that tomorrow's navy is going to be much more active in the Canadian Arctic than it has ever been in its historic past, you spoke of crewing models and mentioned the Canadian Coast Guard. The testimony that we've heard, evidence that we've heard, during our continuing study of the defence of North America talks more and more about interoperability between the coast guard and the Royal Canadian Navy, and other elements of the Canadian Forces. Were you hinting perhaps of days ahead where RCN members would be regularly stationed aboard coast guard vessels?

● (1645)

VAdm Mark Norman: I think that's a possible scenario. I'm not sure I would jump there yet. What I will say is we're already doing it. In fact, we have coast guard folks at sea with us in Operation Caribbe on occasion. We are aggressively exploiting the hospitality of the coast guard. We have officers deployed to the high north, the High Arctic, to get experience operating in ice. We have a really interesting initiative at a more basic level, in which we are co-crewing a number of rescue boats in 20-some stations across Canada, with coast guard and naval personnel working together side by side in the same crew. It is happening though maybe not to the extent that it could or should in the future.

What I was really leaning into was the fact that there are some great lessons and best practices to be learned with respect to how you maintain a platform that is forward deployed for a long period of time. I remind people regularly that forward deploying from Halifax to Nanisivik, which is where you then deploy from in the high north, is a farther deployment than is one from Halifax to Portsmouth, England, which people think of as being a long trip. There are some great opportunities for us to learn in terms of crew rotation and smaller crews. We're already practising some of that in our vessels today. We're looking at those lessons not just to look north but to look east, west, and south as well.

The Chair: Thank you.

Now for our third and final round, we go to five-minute slots, starting with Mr. Harris.

Mr. Jack Harris: Thank you, Chair.

I wonder if I could talk about the AOPS for a moment. I'm inspired by Mrs. Gallant's question about the Russian naval activity. Is the Canadian navy looking, from a strategic point of view, at engaging the Russians in a naval way in the Arctic, or, as we've been told by other officials of the Canadian government, do they not see a threat to Canada in the Arctic?

The corollary to that question is whether there is any role for the AOPS in such a scenario.

VAdm Mark Norman: AOPS is not being built or delivered to deal with the Russians. AOPS is being built to deal with our northern waters. Irrespective of any relationship we may have with partners in the Arctic Council, which includes Russia, or with anybody we may have disagreements with, including our neighbours with whom we occasionally have disagreements about territorial issues, the purpose of having a capability like AOPS is to have a naval presence in what is the largest maritime space in Canada. It is increasingly open to navigation. There is absolutely no question that it is a maritime theatre.

We see this as a strategic investment in the future of the north. In the same way that we continue to patrol east and west coasts, and we continue to engage our emerging partners in Central and South America, we see working with our partners in the Arctic Council. We see AOPS as a mechanism by which the government will exert sovereign control over Canadian maritime territory. We also see this as an additional tool in the government's tool box to help support the people of the north. As the north opens, it will bring a degree of security.

Mr. Jack Harris: Thank you, sir. I think that covers the field.

Nanisivik was initially talked about as a naval station, but now its budget has been cut from $258 million to $116 million, essentially for refuelling for part of the year. How does that affect the ability of the AOPS to deliver a program in the north?

● (1650)

VAdm Mark Norman: The re-evaluation of the requirement for Nanisivik is a function of a variety of things, including ongoing development in that general area, which was not necessarily either predicted or known about at the time that Nanisivik was announced. There are other things going on up there that we can leverage, which don't necessarily require us to make the degree of investment we were initially looking at.

Obviously there are issues in terms of how much is enough with respect to the bare minimum capability. The navy had maintained that the minimum capability was to have a terrestrial refuelling capability, and anything beyond that would be nice.

Mr. Jack Harris: We're down to the minimum now.

In terms of the AOPS I understand there is something called the beartrap, which is another name of a helicopter haul-down rapid securing device invented in Canada, made in Canada, and used by other nations. But the AOPS won't be equipped with that for financial reasons, I'm told. Is that the case? Will that diminish the capability of the helicopter operating with the AOPS, particularly in some of the rough waters that Canada has?

VAdm Mark Norman: In answer to your specific question around the beartrap, that is a legacy system designed exclusively to support Sea King operations. The AOPS is not designed to support Sea King; it will be designed to support the Cyclone and other helicopters in the Canadian Forces inventory.

Mr. Jack Harris: You can't use that with a Cyclone can you?

VAdm Mark Norman: No. It uses a completely different arresting system and the new system is being engineered into the modernized frigates, which will be the first platform to operate the Cyclone.

But to your point specifically on AOPS, I want to address it because AOPS will be fitted with the next generation of arresting gear once that arresting gear has been fully engineered and tested. The first vessel will be fitted for the equipment and vessels two through six will be fitted with that equipment, based on the schedule that we have at the moment. Vessel one will be retrofitted with that new system once the engineering is finalized on what that new system is going to look like.

The Chair: Thank you.

Mr. Bezan.

Mr. James Bezan: Thank you, Mr. Chair.

Admiral Norman, I want to go back to what we were talking about in my previous line of questioning, which was dealing with the capability gaps and transitioning until the new vessels are in place. You talked about the human resources side and you talked about the Halifax-class frigates and the command-and-control structure that's capable in there. Could you finish off with the other classes of vessels and how we are moving forward in transition as well as the training?

VAdm Mark Norman: I was going to transition to the air defence capability of the destroyers, which I indicated. We've had significant enhancements built into the self-protection capability of the modernized Halifax class from an air defence perspective, significantly better than the Legacy class. In some ways it is more capable than the destroyers themselves with the exception of the missile system. We continue to operate the missile system in *Athabaskan*, which is the last remaining vessel of the class, so we'll keep that system alive.

As indicated in a previous response with respect to the replenishment gap, the options are on the table now to look at a variety of different approaches and the possibility of the combination of different approaches as we look at what I call smart scheduling through to the possible securing of a capability on the contractual or lease perspective from a key ally for a few months at a time. We could do this a few times over the next little while.

We're exploring some other options with industry potentially to look at how we can come up with a more sustainable, medium-term solution that would take us right through to the full operational capability of the Queenston class. That would be the early 2020s, probably 2021 or 2022, by the time we have the second ship and both ships are up and running. We'd be looking at something that might be able to bridge that gap completely. Those options are fairly well developed at this point. As I indicated, I am providing advice to the minister this week on some of those options and looking for direction with respect to how the government may want to proceed.

● (1655)

Mr. James Bezan: Thank you.

I want to follow up on some of the questions we had on national shipbuilding. We were talking quite extensively about the Arctic offshore patrol vessels. Can we talk about the new joint supply ships and their capabilities? Also when they come online and are seaworthy, how will the Canadian surface combatant stack up with other new modern vessels that you've seen from our allies around the world?

VAdm Mark Norman: I'm very conscious of time, so I am going to be as quick as I can.

I characterize the joint support ship and the legacy capability that it's replacing as floating Canadian Tires. They are floating Canadian Tires-plus, and what the new *Queenston*class is going to bring is the plus: the ability to replenish under way, to fuel both the ships and the helicopters, to provide ammunition supplies, and to deliver some humanitarian assistance, to embark people to supplement whatever type of mission we may have, and to be able to command and control forces ashore. There's a very modest capability to do that, but nonetheless it represents an incremental improvement over the legacy capability.

As it relates to the surface combatant, the way I would characterize it, if we look at the early discussions around requirements and design, would be as a hybrid of the traditional capabilities of a frigate and of a destroyer. We would look, in essence, at combining those two capability sets in a way that gives us a scalable and flexible response in a single platform. We would also add very robust war-fighting capabilities and also some of these incremental non-traditional, non-war-fighting—for operations other than war—capabilities, which, at the moment, are very difficult to deliver using our current legacy platforms. We see this as a vitally important capability that would provide real flexibility for government downstream.

The Chair: Thank you.

Finally, Ms. Murray, go ahead, please.

Ms. Joyce Murray: I have four questions. I'm just going to whip them out so you can answer them and I won't take all the time asking them.

I do want to say though that given your statement on the critical importance of predictability in planning, the question I won't ask is what $10 billion in deliberate clawbacks to the capital budget and about 20% operating fund budget cuts compared with the defence strategy are doing to your ability to predict in planning, because I can guess the answer.

The four questions are these.

First, National Defence refused to give the Parliamentary Budget Officer a statement of operating requirements for the AOPS. Why is that?

Second, the AOPS were intended to be delivered already, starting last year. Now you've said it will be 2018 to 2025 given the delivery schedule. Could you update us on what the delivery schedule is expected to be currently and whether it will mean an increase in budget, a decrease in numbers, or a decrease in capability that will be delivered, as the PBO has identified the options?

Third, for the surface combatant project you were just talking about, there's been a seven-year delay. It was originally announced for delivery in 2012, and now it's 2019. I suppose that's just around the corner. The departmental performance report notes that a decision—an update—was anticipated for last month, but nothing was announced. Could you fill us in as to whether that's meant another delay in the schedule?

Fourth, I just want to build on the conversation about the supply ships. You yourself mentioned that replenishment capability is a big challenge. We're not able to depend on our allies because capacity is short there, so what is the plan to deal with this? Are you recommending that the government lease commercial or military vessels from other countries, as has been reported in the media?

● (1700)

Mr. James Bezan: Mr. Chair, on a point of order, I'd just like to remind the committee again that we don't expect officials from the department or from the Canadian Armed Forces to comment on policy issues that might jeopardize their relationship with the minister. I believe if you look at page 1068 in chapter 20 of O'Brien and Bosc that is clearly laid out, and I suggest that you provide that type of direction to our witnesses.

I can't control what Ms. Murray wants to ask, but maybe she'd want to talk about why they went into a decade of darkness under the Liberals and saw GDP spending fall well under 1% and how they completely rusted out our entire navy, never mind the rest of the Canadian Armed Forces.

The Chair: Thank you.

Yes, Ms. Murray.

Ms. Joyce Murray: On a point of order, Mr. Chair, I would like to point out that other members.... Mr. Norlock, for example, was asking the witnesses to make comments based on his questions about delivery of planes, of ground transportation, so I'm confident that my questions are about the naval program.

Thank you.

The Chair: Thank you.

I'm sure the witness is aware of the limitations on where he can go with his response, and I would invite him to follow that path.

VAdm Mark Norman: Ms. Murray, the good news, I guess, is that I can speak to three of your four questions.

Your first question is an issue of policy. Why the information requested by the Parliamentary Budget Officer was not provided is not in my purview to speak to.

Ms. Joyce Murray: Okay, thank you.

Mr. James Bezan: Out of order.

VAdm Mark Norman: As it relates to your questions around schedules, capabilities, capability trade-offs on the AOPS and CSC programs in particular, and then your follow-on question about the AOR gap, on the AOR gap I can't give you any more of an answer than I gave to Mr. Bezan. We're looking at a range of options. Some of them are more feasible than others. The advice to government has not yet been finalized, and I'm not really in a place to speak with any confidence as to what option may or may not be considered. We have a range of options, from basically scheduling as best we can to trying to work out a deal with our allies that can provide some short-term relief, up to and including the possibility of some commercial options that may be able to give us longer and more predictable access to a capability.

As it relates to the questions around the AOPS schedule, as I indicated, steel will be cut on ship one next summer or early fall on what are pre-production modules. Those modules would then be used to test the production systems of what is essentially an entirely new shipyard.

Ms. Joyce Murray: Are we still on track for the 2018 to 2025 delivery schedule?

VAdm Mark Norman: That ship one will take roughly two years to build, so we're in the ballpark. Then the following ships, two through six, will go every 18 months. The pace will accelerate as they go through it, which is entirely consistent with modern shipbuilding practice. The first ones take a little longer.

What is important to note is that from a capability perspective, the first one and the last one will be identical. We have—

Ms. Joyce Murray: Thank you. I want to make sure that we have time for the surface combatant question as well.

The Chair: That's time, Ms. Murray.

I'd like to thank both of you, Chief Petty Officer and Admiral, for your time with us this afternoon.

I would just advise committee members before we adjourn that the minister will be attending next Tuesday's meeting to discuss the supplementary estimates. Officials will follow as well.

This meeting is adjourned.