



House of Commons
CANADA

Standing Committee on National Defence

NDDN



NUMBER 034



1st SESSION



39th PARLIAMENT

EVIDENCE

Thursday, February 8, 2007

—
Chair

Mr. Rick Casson

Also available on the Parliament of Canada Web Site at the following address:

<http://www.parl.gc.ca>

Standing Committee on National Defence

Thursday, February 8, 2007

• (0905)

[English]

The Chair (Mr. Rick Casson (Lethbridge, CPC)): I call the meeting to order.

This morning we're continuing our study on the procurement process, including the tendering process and the establishment of capability requirements.

Today we're very pleased to have with us Mr. Dan Ross, ADM, materiel; General Ward, chief of force development; and General Hincke, chief of programs.

Gentlemen, the usual process is that you are given an opportunity to present your comments and then we go into questions.

We have two hours, so we have lots of time. I understand, General Ward, that you'll be first. Then we'll have General Hincke; we'll finish up with Mr. Ross.

Gentlemen, the floor is yours. We look forward to your comments.

MGen M.J. Ward (Chief of Force Development, Department of National Defence): Thank you, Mr. Chairman.

[Translation]

Good morning, ladies and gentlemen. I am MGen Mike Ward, Chief of Force Development. My role, on behalf of the Deputy Minister and the Chief of the Defence Staff, is to harmonize, synchronize and integrate the Force Development activities of the Navy, the Army and the Air Force, as well as the duties carried out by DND's Assistant Deputy Ministers.

[English]

Force development is that function that continuously conceives and redesigns the military so that it is better geared to fight the next war than the last one. It includes analysis of government policy on defence and the security environment, as well as we can predict it, out into the future. It uses that analysis to identify possible future scenarios within which we would apply military force or use military skills in things like humanitarian interventions. In those scenarios, we test our forces and our equipment to determine what changes might need to be made as we replace or modernize them at key stages in their lives.

Ultimately we combine the results to create a long-term plan that sets priorities for development over time. This defines the equipment requirements that guide what we procure, and we work closely with other government departments and our allies to share knowledge and

experience so that we have confidence in our results and the recommendations that we forward.

In conjunction with each of the services and the associated deputy ministers, I focus on the developmental capabilities. Those capabilities will permit the Canadian Forces to provide Canada with effective and relevant military power. These include command and control systems and special operations forces at the national level, as well as major core capabilities such as ships, fighting vehicles, and aircraft in each of the services.

When we conduct force development, we speak in terms of capabilities. While our purpose today is to help educate about defence procurement, it's important to see the output of the procurement process as enabling an element of the force to be capable of doing a job or completing a mission.

The capability must be balanced, and therefore capabilities are made up of a combination of highly skilled and well-trained personnel, modern equipment, and the readiness to complete a mission, as you've seen recently during your visit to the task force in Afghanistan.

To further explain, a main battle tank is not, in and of itself, a capability. Only when it's married up with a trained crew and is prepared for a mission does it become part of our arsenal. A patrol frigate tied up to a dock is also not, in itself, a capability. Her Majesty's Canadian Ship *Ottawa*, however, now completing a six-month tour of operations in the Arabian Gulf with her full crew and six months of training and preparation, constitutes a complete military capability that's ready to complete a variety of missions.

• (0910)

[Translation]

The key to success as regards force development is the establishment of a long-term plan that considers the following: the security context Canada is dealing with and in which we need to develop our forces; the methods we use to employ our forces where they are needed to counter threats to Canada, either at home or overseas; the main requirements, with respect to our forces and materiel, that must be met to ensure that they are relevant and decisive; and, the financial circumstances under which the plan becomes cost-effective, justifiable and achievable.

Success in force development and strategic planning enables clarification of development options and capability acquisition.

[English]

I'm specifically responsible to work very closely with the associate deputy minister for policy and provide him with the military advice he requires in order to create the long-term defence capability plan that lays out how we will manage our military over a 20-year timeframe. Managing means how we invest in, modernize, recapitalize, or ultimately replace in service those capabilities, ships, aircraft, and fighting systems that serve or no longer serve our needs.

The plan is key to ensuring that we maintain a high level of operational effectiveness while at the same time efficiently managing our people and our fleets of equipment. I work hand in glove with the chief of programs to ensure that the defence plan can be resourced and afforded, and with the assistant deputy minister for materiel to make sure those capability requirements can be acquired in a timeframe that ensures a high level of operational effectiveness for our forces.

I welcome any questions you may have about the force development process.

Merci beaucoup.

The Chair: Thank you.

Sir.

MGen J.D.A. Hincke (Chief of Programs, Department of National Defence): Good morning. My duties on behalf of the vice-chief are primarily threefold. I manage the defence services program, oversee performance management and government reporting for DND, and coordinate issues with respect to strategic capabilities and resources between DND and other international security partners like NATO and NORAD.

[Translation]

The Defence Services Program comprises all the activities and projects approved by the Department which are deemed to be critical for the delivery of affordable and effective services to the government of Canada and Canadian citizens. I am responsible for allocating the resources needed to meet the Department's objectives. That could include staff, capital or financial assets.

As regards the Defence Services Program, my organization asks itself the following: "What is the best way to meet a resource need?", and "Can we afford it?"; it then provides the answers. To that end, I have a staff responsible for analyzing every aspect of a project proposal, including how urgent the operational requirement is, any capability gaps, financial constraints, turnaround times, contractual obligations, and so forth. My staff helps me set priorities for the Defence Services Program and coordinate approvals at both the departmental and Treasury Board levels as regards spending authority.

In managing the Defence Services Program, I also receive horizontal support and decision-making advice—in other words, within the Department, at my level—from the Program Management Board, which I supervise on behalf of the Vice-Chief of the Defence Staff and which is part of the third level of the Department's approved governance structure. The Board uses a planning horizon of one to four years and looks primarily at resource allocation and management in the course of the fiscal year, as well as any

corresponding financial repercussions. The Board also recommends changes to the Program in subsequent fiscal years and submits them to the Vice-Chief of the Defence Staff and the Deputy Minister for approval.

• (0915)

[English]

My division is also responsible for internal performance management framework across the department. As part of this mandate, we assist in the development and implementation of the departmental governance process in order to respond to internally and externally mandated reports, like the reports on plans and priorities, etc.

As part of this we collect data department-wide on a huge variety of issues ranging from operational performance, to capital planning, to workforce numbers. This data is incorporated into reports we produce, such as the departmental performance report, the report on plans and priorities, the management accountability framework, and the program activity architecture with the Treasury Board.

The responsibility for managing, coordinating, and advising on strategic-level capabilities and resource issues of a security nature related to NATO, Partnership for Peace, NORAD, and other government departments and NGOs, also falls under my mandate as the chief of programs. Generally, we facilitate relations between DND and these organizations by responding to and influencing real issues, programs, and resource demands within the department.

On procurement, I am obviously part of a much larger whole. I work in close consultation with both the chief of force development for demands and the assistant deputy minister of materiel to effectively and efficiently meet the department's mandate to give our troops the tools they need to assure success.

I will be pleased to answer any questions you may have.

The Chair: Thank you.

Mr. Ross.

Mr. Dan Ross (Assistant Deputy Minister (Materiel), Department of National Defence): Thank you, Mr. Chairman.

Good morning. It's a pleasure to be here to brief you and take your questions on defence procurement, a subject for which I am largely accountable in the Department of National Defence.

[Translation]

I have been the Assistant Deputy Minister, Materiel, for almost two years now. For the previous 30 years, I was an officer in the Canadian Forces.

[English]

I finished my career as Commander of Land Forces Western Area, followed by three years as deputy foreign policy adviser to the Prime Minister, from 1999 to 2002, and then I moved to the public service, as an assistant deputy minister in the Department of Public Works, where I was involved in contracting real property and IT services to the government departments.

I came back to DND in early 2004 as ADM of information management, and then for almost for the past two years as ADM of materiel.

I have seen first-hand the success our soldiers are achieving in Afghanistan, as I know you have recently. It has not been without significant sacrifice, but there is progress being made there, and there can be no doubt that Afghanistan is on the right track.

It reinforces to me the need to ensure that the Canadian Forces have the equipment they need to do the very, very demanding task that we ask them to do. They need that equipment in a timely manner. They can't wait, as they have in the past, on average, 15 years for a process to deliver. We are implementing a number of initiatives aimed at changing that process, and I want to take this opportunity to touch on three of those today.

First of all, we're moving to a performance-based, best-value competitive process where industry is provided broad, high-level, mandatory performance criteria and invited to propose their solutions; second, ensuring that we have a single point of accountability within performance-based procurement, where a single prime contractor is responsible not only for the provision of the equipment but for the long-term effective operation of that equipment; and third, wherever possible, procuring proven off-the-shelf equipment as opposed to somewhat riskier and lengthier developmental technologies.

All of these initiatives seek to improve the existing procurement system, but it doesn't circumvent the rules and processes that are in place by Treasury Board and Parliament. The departmental and interdepartmental approvals and oversight processes remain exactly the same. The basic tenets of fairness, openness, and transparency have not changed and continue to be the cornerstone of our procurement practice.

[Translation]

In the past, the procurement process at National Defence was a lengthy and extremely complex one. A number of organizations were involved.

● (0920)

[English]

To a significant degree, however, the delays and complexities have been self-inflicted wounds by DND on itself. We have spent years producing lengthy, detailed, complex technical specifications in the tens of thousands of pages, often with hundreds of mandatory requirements that entailed responses that were equally lengthy and complex.

We have in the past refused a 90% solution of a proven off-the-shelf product, engaging instead in expensive and time-consuming

development, customization, and Canadianization. These processes have been long and costly, both to the government and industry, and obviously to taxpayers. The result has often been that all bidders were non-compliant and the entire process was unsuccessful, causing months and in some cases years of delay at significant and unnecessary expense to both taxpayers and industry. The focus has been on the process itself rather than on the results needed, which are safe and operationally effective equipment in the hands of our troops in a reasonable timeframe, and 15 years is not a reasonable timeframe. Those things had to change.

In terms of performance-based best value, we don't need to tell industry, a Sikorsky or a Lockheed Martin, how to build a helicopter. They know how to build aircraft. What we need to tell them is what capability we need to provide to our soldiers, in broad, high-level performance terms, and let them come to us with their solutions, if they have a solution. That's what we've done with strategic airlift, tactical airlift, and the medium to heavy helicopter projects. For each project, we provided industry with the high-level performance requirements and invited them to propose solutions, and we evaluated those solutions against the high-level performance needs of the troops.

Each process was fair to all the vendors, it was open to anyone who had a solution, and it was transparent to taxpayers. Each process had the same level of departmental and government approvals, including cabinet. The new process has the potential to deliver equipment years sooner than it has in the past. We are looking at now focusing our major procurements on the concept of that performance-based, best-value process.

I want to elaborate further in two ways. We look at this in two versions: one being off the shelf and the other one being design-built. Let me talk about off the shelf for a second. The preference, if possible, is to seek proven off-the-shelf solutions when acquiring equipment, whenever possible. In most cases, an existing capability that provides a 90% solution is the most prudent and effective way to proceed. In some cases, such as the replacement of our aging Hercules tactical air fleet—and we have grounded, permanently unflyable, four out of our 32, and others will follow shortly—the urgency of the requirement dictates that waiting for developmental technology to come into full production is not an option.

What is perhaps more important is that acquiring an existing, proven technology greatly reduces the risk associated with the acquisition. We know what the operational performance is. We've seen it, it's evaluated, and it's proven. There is much more cost certainty in the acquisition price, which we know. We have seen that with our allies and we know what industry pays. The delivery dates can be defined with precision, and the in-service costs are demonstrable and predictable.

Projects that seek these proven off-the-shelf solutions state mandatory high-level requirements in operational performance terms—terms such as protection, mobility, range, and often include things like key safety, certification, and delivery parameters.

These are publicly advertised to industry, inviting them to propose responses and often provide their product for us to evaluate against the mandatory criteria. We insist on, if at all possible, firing the guns, flying the aircraft, and conducting destructive testing on vehicles so that we know they will survive IEDs and to confirm that they meet the operational requirements of the forces before we buy them.

For example, test driving a shiny new red Camaro ensures that it performs to your expectations—I don't think they make them anymore. It does bring more certainty to the process.

[*Translation*]

If only one company is able to meet our requirements, we can save a considerable amount of time by negotiating directly with it.

• (0925)

[*English*]

Cost risk is minimal, and our negotiating position remains strong, as we have solid information on actual market prices and the maintenance cost data from our allies.

[*Translation*]

If a number of companies meet our requirements, we issue a call for tenders, and the bid assessment process takes its course.

[*English*]

There are occasions when design-build projects must be employed, for example, for new classes of ships and certain combat vehicles. The joint support ship project is an example of a design-build procurement process.

We recognize that there is greater risk in a design-build process, but it can be mitigated by having the prime contractor be responsible not only for the acquisition portion or the production portion but also for long-term in-service support for that equipment.

Build quality delivers lower maintenance and through-life costs. By weighting the in-service support price in their bid higher than the acquisition price, we are motivating the builder and rewarding the builder who has invested in quality and knows the equipment will be cheaper to maintain. I'll use the example of engines in a ship. If we motivate the bidder to put top-quality engines in a ship, he will bid a much lower in-service support cost, knowing he doesn't have to fix them every day, and the long-term cost of ownership of that ship over the life of it will be lower for the department.

So the message is simple: build in quality, performance, and reliability, and there's an advantage to the bidder. The total cost of ownership is lower to the taxpayer, and therefore the best value, and soldiers have better and more reliable equipment.

[*Translation*]

In closing, I would just like to take a few moments to clarify a popular misconception with respect to some of the major acquisitions we recently made. I want you to know that not one of those processes involved single sourcing. In each case, it was a competitive process.

[*English*]

Sole-source contracting is primarily used by DND, with our colleagues in Public Works and Government Services, for urgent operational requirements on operations, such as the M777 Light-weight Howitzer, which you may have seen in Afghanistan or heard about in Afghanistan, where it has been enormously important for the protection of our troops, or in cases where the service or item required is governed by proprietary intellectual property rights. For example, I need to buy spare parts for LAVs from General Dynamics, which makes the spare parts and owns the intellectual property for LAVs.

It's important to note that in every situation we aim for competition. However, for certain capabilities, there may be only one solution available, and that is a reality we can't change. As I said before, if there's only one company able to meet the requirements, significant time can be saved by negotiating with them directly. If there are multiple companies that can meet the requirements, then, as I said, a formal request for proposal is issued and a normal evaluation process ensues.

In all cases, it's a best value for the crown process. Allegations that negotiating with a single supplier produces higher acquisition costs is not true. We have a very good idea of the market prices for off-the-shelf equipment, like a C-17 or a Chinook helicopter, and would not enter into that contract if the value for the Crown were not there.

[*Translation*]

In summary, the steps taken by my organization, along with my colleagues at Public Works, and by the Department of National Defence, represent pragmatic, effective solutions that will result in a streamlined defence procurement process.

[English]

There is no need to massively overhaul the system, nor is there any requirement to create new agencies or organizations. I would point out that the contracting support from Public Works and the team led by Mr. Williston is totally integrated with the Department of National Defence's procurement team already and has been for many years.

Within DND and within the existing system, implementing a performance-based best-value procurement model has already paid dividends. Seven months after the statement of operational requirement was approved, we were in contract for strategic airlift. The process was fair, open, and transparent, and the Canadian Forces will receive their first aircraft this summer, just one year after the government announced its attempt to proceed.

I should add as an aside that this procurement was due in no small part to the dedication and professionalism of the civilians and military members in my organization, as well as Public Works and Government Services, Industry Canada, and the Treasury Board Secretariat.

A lot of challenges remain, but they are not insurmountable. We are working hard with our colleagues across government on resolving the ITAR issue with our American counterparts. Retention and rebuilding of a professional project management capacity is also one of my major priorities. A more efficient and streamlined process is already yielding benefits.

[Translation]

Thank you for your kind attention.

We are now available to answer your questions.

● (0930)

[English]

The Chair: Thank you very much, gentlemen.

Just before we get into our first round of seven minutes, I would like to remind the committee or suggest to the committee that we are going to need 10 minutes at the end of our session to deal with some committee business. We will stop this at 10:50 to try to deal with that.

Mr. Coderre, you are first.

[Translation]

Hon. Denis Coderre (Bourassa, Lib.): Thank you, Mr. Chairman.

It is an honour to be in the presence of so many generals. We definitely feel very safe.

I am particularly pleased that you are with us today, gentlemen. Indeed, as the saying goes,

[English]

the devil is in the details

[Translation]

Although we may talk about major principles and concepts, I have always believed that requirements cannot really be determined on the

basis of criteria. I think you really have to focus on the ultimate goal—in other words, what you're really trying to achieve—rather than on platforms.

As you know, we do not support the purchase of C-17s. But, what really concerns me is the enormous power you have. I am not questioning the integrity or transparency of the process, but the fact remains that you have the power to change the criteria as you go along—either the delivery date or the payload capacity available to transport the equipment. In that context, we could talk about strategic airlift capability. That must be taken into consideration.

General Ross, to begin with, I would like to talk about the C-17s and then the ITAR or International Traffic in Arms Regulation. You have produced a paper in which you make certain recommendations. I think it's important that we discuss this.

[English]

First of all, the Minister of Defence has talked much about transparency and openness. For the sake of transparency, can you confirm that the air force payload requirement for strategic airlift was 40,000 pounds until very recently?

The Chair: Mr. Ross.

Mr. Dan Ross: Yes, thank you.

Hon. Denis Coderre: Could you keep your answer short so we can ask...?

Mr. Dan Ross: Yes, thank you.

I was involved and was aware of those discussions. The statement of requirements had not been finalized at the point when we had discussions about what the payload requirement was. Colonel Burt—the director of air requirements—and his staff had been thinking in terms of their old Airbus A310 aircraft, which was effectively our only strategic airlifter. They put materiel in the cargo bay of the A310 Airbus, which had a capacity, I believe, of about 19,000 pounds. It had been in their minds that they needed a capability for strategic lift that was no worse than what they already had in their A310.

In the review of those requirements, the question was asked whether or not that is truly a strategic airlifter that can take armoured vehicles trans-Atlantic or trans-Pacific to operational missions. The air staff re-evaluated it prior to the SOR being completed and signed off by the vice-chief, and they felt their minimum requirement really was to be able to haul two completely up-armoured LAV IIIs trans-Atlantic to Europe, refuel, and go to a mission somewhere overseas.

This is a personal view, but I think they had been trying to do that sort of job with the Hercules for many years. They were using a Hercules as a strategic airlifter, but a Hercules would carry one vehicle, with some difficulty, trans-Atlantic. That's why it went from 19,000 pounds to 39,000 pounds, which corresponds to two armoured vehicles.

● (0935)

Hon. Denis Coderre: So two LAV IIIs are—

Mr. Dan Ross: Exactly, sir.

Hon. Denis Coderre: My problem is this, then.

The Chief of Defence Staff identified before this committee the armoured recovery vehicle presently in Kandahar as an example of the capability requirement for the C-17. However, it appears from the DND documents that this vehicle is 87,800 pounds. Furthermore, the Badger armoured engineering vehicle is 92,200 pounds and the Leopard tank is 93,696 pounds. That's pretty big.

It is obvious, therefore, that from that ACAN, that's still a requirement of only 86,000 pounds. DND has no perceived need to transport these heavy vehicles in any urgent manner, so what drove the 86,000-pound requirement? Do you believe it was simply to get rid of the competition so that it eliminated the A400M?

Mr. Dan Ross: The weight you've referred to is in pounds. What was stated in our SOR was 39,000 kilograms, or 39 metric tonnes. All SORs are in metric.

Hon. Denis Coderre: I'm from the old generation.

Mr. Dan Ross: The C-17 will transport an Abrams tank, which is 70 metric tonnes, trans-Atlantic. That's what the U.S. Army designed the C-17 for. The C-17 will carry anything we own, not just two LAV III's.

Hon. Denis Coderre: So you didn't want to get rid of the competition?

Mr. Dan Ross: We posted our requirements to the market and we received several proposals. Unfortunately, the others were Russian aircraft that were not certified in North America, and we cannot fly our troops on uncertified aircraft.

Hon. Denis Coderre: As I told you before, it's not a sprint, it's a marathon, so we'll have another occasion to talk about it.

You had a document, sir, about procurement of defence goods under ITAR. We know that on the C-17 it is a direct commercial sale, right? You didn't have an MOU or an FMS, which is a foreign military sale, right? So now you're saying that, regarding dual national restrictions, you issued a code red and said it's an unmanageable problem.

My problem is this—and I agree with you, by the way, totally. If we're talking about dual national restrictions, we're not just talking about the fact that people who work in the industry work and have dual citizenship. The Department of State is talking about 25 countries, including Asians, Chinese, Lebanese, etc. That's a total disgrace in terms of our own sovereignty, and we're abdicating our Charter of Rights. But that's the government's problem, and I hope they'll do something about it.

But the problem goes further than that. We're also saying it will have an impact on our own DND employees. Can you confirm that? It means that our own personnel from DND from those 25 countries who have dual citizenship won't be able to work on or have access to this equipment. That's pretty scary.

Why don't we have a deal? Why didn't we go to the Department of State or the Department of Defense or even the President of the United States? That's what an MOU is all about.

The Chair: A short response, Mr. Ross.

Mr. Dan Ross: Yes, those restrictions do apply to DND employees who are dual nationals. An enormous amount of work is being done by the government, by us, with Foreign Affairs and

with the State Department, to resolve this. Significant progress is being made, and we hope the government will be able to announce some improvements in the near future.

The Chair: Thank you, Mr. Ross.

Monsieur Bachand for seven minutes.

[Translation]

Mr. Claude Bachand (Saint-Jean, BQ): Thank you, Mr. Chairman.

I'd like to welcome our guests.

Mr. Ross, did you mention in your presentation that Defence Department staff have been working hand in hand with Public Works for a number of years now?

• (0940)

Mr. Dan Ross: Yes, exactly.

Mr. Claude Bachand: And who decides that a capability is urgently needed? Is it someone sitting at the table?

Mr. Dan Ross: Normally, the CDS and the Deputy Minister discuss those issues.

[English]

The Chair: We're not getting the translation here.

Okay, here we go.

Mr. Dan Ross: It is the Chief of the Defence Staff, General Hincke, General Ward, the deputy minister, and the commanders on the ground who state that there is an urgency—for example, I can no longer fix wings on things, they're not safe to fly, and it's affecting the ability to deliver critical capability. I provide an advisory role.

[Translation]

Mr. Claude Bachand: And once it has been determined that it is an urgent requirement, who decides whether there will be an advance contract award notice or a letter of intent? Is it someone sitting at the table?

[English]

Mr. Dan Ross: It's decided in discussions with Industry Canada and Public Works about what's available on the market. If there is no doubt that a number of solutions are on the market, that is not a consideration, and there is a formal *appel d'offres*, or RFP. If there is doubt that a requirement can be met by only one firm, we may consider at that point an SOIQ, a statement of interest and qualification, to confirm or not whether we should deal with a single firm or go to a full RFP process. That of course is much longer, and in many cases will add several years to the process.

So it's a joint discussion, and it also often includes the Treasury Board Secretariat.

[Translation]

Mr. Claude Bachand: If I understood you correctly, the Departments of Defence, Public Works and Industry, as well as the Treasury Board, become involved in the process very early on. These are not separate steps—in other words, the Defence Department takes specific actions, then another department, and so on. Everyone works together.

Who decides to request a national security exemption?

[English]

Mr. Dan Ross: It is National Defence's call whether or not to request a national security exemption under the agreement on internal trade. The assistant deputy minister at Public Works will review that, receive legal advice, and either approve it or not approve it.

[Translation]

Mr. Claude Bachand: Who sets the delivery date?

[English]

Mr. Dan Ross: That is a military consideration in terms of the urgency, such as whether it's needed for operations or needed to replace a capability—i.e., our Hercules, which are rapidly dying. It's largely General Ward and General Hincke, with the vice-chief and the CDS.

A voice: And the services as well.

Mr. Dan Ross: Yes, and the services.

The three environmental chiefs contribute to that discussion.

[Translation]

Mr. Claude Bachand: You referred earlier to a 15-year contract for maritime helicopters. The entire process was redone. Would you say that in that case, political intervention caused the contract to be delayed?

[English]

Mr. Dan Ross: I think that preceded my tour of responsibility in this area. I can't really comment on that.

[Translation]

Mr. Claude Bachand: If there is an emergency and the minister himself believes the situation is urgent, can he intervene in the process?

[English]

Mr. Dan Ross: The minister is responsible for defence capability, ensuring the forces have the right equipment at the right time, and he discusses these projects and these programs with the Chief of the Defence Staff and the deputy minister. It is not an arbitrary process, where that's that and there's no discussion. Whether the minister was Liberal, or Conservative in our case, he has to have a comfort level with those performance requirements and the time and parameters discussed.

[Translation]

Mr. Claude Bachand: Can you tell me whether, in the case of the C-17s, the Minister of National Defence demanded that the process be fast-tracked? He did not necessarily demand it of you, I suppose, but I believe the Minister is able to say to Generals Hillier, Hincke

and Ward that he wants that aircraft as quickly as possible. I consider that to be political intervention.

Is this common practice? Can it happen? Is it possible for it to happen?

● (0945)

[English]

Mr. Dan Ross: *C'est possible.* In this case, the process would have been the same. We would have gone out to industry, as we did, and invited anyone who had a solution, and we had proposals from Boeing, we had proposals from Russian transport companies. We confirmed that we only had one that was a certified aircraft in production and we went to them to negotiate a contract.

This strategic air process wasn't driven by a specific delivery date. I didn't approach it that way. I didn't need to.

[Translation]

Mr. Claude Bachand: So, it is possible for the Minister of National Defence to say that he wants C-17s. In so doing, he will ask the various departments involved to prepare a contract accordingly, as well as the delivery dates. Once that process is in motion, the chain of command follows the instructions issued by the Minister of National Defence. That is possible.

Is that what happened with the C-17s?

Mr. Dan Ross: No.

Mr. Claude Bachand: That did not happen?

Mr. Dan Ross: No, not in that case.

Mr. Claude Bachand: But could it happen?

Mr. Dan Ross: Anything can happen.

Mr. Claude Bachand: Anything can happen?

Mr. Dan Ross: Yes.

Mr. Claude Bachand: Including that?

[English]

Mr. Dan Ross: In my experience, I don't see ministers intervening in that way. They normally rely on the CDS's advice and advice from their senior officials. So it clearly wasn't the case here with the C-17s. The government indicated that they were prepared to provide the resources. We were trying to meet strategic airlift demands, and the process evolved as a best-value, performance-driven process.

The Chair: Thank you, Mr. Ross. Thank you, Mr. Bachand.

Ms. Black.

Ms. Dawn Black (New Westminster—Coquitlam, NDP): Thank you for coming today and making your presentations. The minister was here on Tuesday and I asked questions then about the national security exemption. The government invoked it, and because of that exemption the agreement is exempt from the agreement on internal trade.

When the minister was here on Tuesday, he told me that DND was not involved in that process, and I found this kind of puzzling. He also told me he wasn't the minister responsible.

Mr. Dan Ross: The Minister of Public Works is the minister responsible.

Ms. Dawn Black: Okay, but it seems to me it just makes common sense that the Department of National Defence would put forward the request that there be a national security exemption, not the Department of Public Works.

So my question is the same question I asked on Tuesday really. What was the process in determining that this contract should be let under a national security exemption? What was the rationale for that? And is the minister correct in saying that DND was not really the initiator of that process? What is the qualification? What are the standards? What is the qualification for determining a national security exemption?

Mr. Dan Ross: First of all, the process is one where the assistant deputy minister of materiel at National Defence has to request it. I would send a formal letter to my counterparts in Public Works, who, as I mentioned to Monsieur Bachand, do a legal review of that. There is an evaluation of that, and they have the authority to approve or not approve it. So they will write me back.

The criterion is normally the ability to ensure that the in-service support of a key piece of equipment is done in Canada with sufficient guarantees that a Canadian firm with access to a reserve of spare parts can ensure the operation of that equipment in a time of emergency when perhaps another country would have different priorities. This is so we'd have assured support and availability of that key equipment. And that's the main criterion that we use. That's the main time we'd consider a national security exception to the agreement on internal trade.

Ms. Dawn Black: I'm more puzzled. Part of the maintenance is going to go to the U.S. Air Force. Is that right?

Mr. Dan Ross: Yes, but it is only the part that is in the Boeing global support system. The vast majority of the maintenance on the C-17s will be done in Trenton by military personnel in the squadron and at the wing. For the spare parts we will require Boeing to have skilled technicians, spare parts, and a reserve of spare parts available to us in Canada to ensure that if the United States Air Force had a priority, it would not impact our ability to keep our aircraft serviceable.

The service support part for C-17s is only what we call third-line depot-level inspection and repair, through which we will access their global support chain for C-17s. It was absolutely unaffordable to bring that piece to Canada for four aircraft.

• (0950)

Ms. Dawn Black: If the U.S. Air Force is looking for service on their C-17s and we're looking for that particular kind of servicing at the same time in the U.S., who do you think is going to get priority?

Mr. Dan Ross: We will work that out with the United States Air Force.

Ms. Dawn Black: Good luck.

Mr. Dan Ross: That type of servicing is the periodic inspection type of service that would go on, say, once every six months, and so

on. You can schedule that with the Boeing global support system, and it can be done in Australia, Germany, the United States—anywhere they have one of those facilities.

Ms. Dawn Black: Having this national security exemption is what nullifies the whole agreement on internal trade, and it seems to me that decision was made after the CF-18—

Mr. Dan Ross: We didn't actually have the agreement until after the project.

Ms. Dawn Black: I realize that, but that was the political genesis of the agreement on internal trade, certainly.

The response to another question I asked the minister also puzzled me. It was on the whole issue of the contract on the C-17s. I asked about the contractual terms of the contract and the obligations under the contract. As you've heard or are no doubt aware, the Liberals have said they would cancel this contract if they became government. What would the result be if we were to cancel this contract? What are our contractual obligations under the contracts right now?

Mr. Dan Ross: Public Works is the contracting authority. My understanding is that all our contracts have termination terms and conditions in them—the language is “termination for convenience”—so you can always terminate a contract. There are costs for terminating a contract; they are largely for compensating the company for any expenses or work we have asked them to do.

Ms. Dawn Black: That's what I'm asking you. What would those costs be?

Mr. Dan Ross: At this point, they wouldn't be major; if you go another year from now, they would be fairly significant.

Ms. Dawn Black: What does “fairly significant” mean?

Mr. Dan Ross: It would probably be hundreds of millions of dollars.

Ms. Dawn Black: When will the C-17s be operationally ready? The announcement talked about delivery in the summer, and I'm wondering about the training for the pilots and the crews. If we get them this summer, will they be ready right away? Will the crews be ready right away?

Mr. Dan Ross: The crews are being trained now. The crew is very small. It's a crew of only four people. I had a conversation with the commander of 1 Canadian Air Division fairly recently, and they will be ready to fly their plane in the summer. That will effectively be the initial operating capability.

Ms. Dawn Black: You talked a lot about the procurement process, and I want to ask you a quick question.

Mr. Dan Ross: Good. I'd like a question about that, actually.

Ms. Dawn Black: What holds it up? You talked about 15 years, but what really holds it up? Is it the bureaucracy, or is it that governments sometimes can't make up their minds? Is it that there are so many players involved, so many different departments? When I asked the minister who had the final accountability, he couldn't answer that question.

I'd like your quick opinion on that.

Mr. Dan Ross: I've been involved in this business since 1982. When I first came to National Defence Headquarters as a major, I was the manager of the army's equipment program.

My view would be that over the past 25 years we have had some internal self-inflicted wounds, as I mentioned, but there has often been uncertainty by governments about how much they wanted to fund in national defence, and uncertainty in the department about whether it was affordable or whether we would get policy approval. That uncertainty itself has consumed a lot of time.

When we say 15 years and it takes 9 years to get to the policy approval stage, that wasn't all in DND. Let's be honest, it wasn't all in DND, but the part that was in DND.... When we embark on a three-year process to write a technical specification, that doesn't help. Frankly, I can't tell Sikorsky how to design a better helicopter.

• (0955)

The Chair: Thank you, Ms. Black.

Ms. Gallant.

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

Through you to the witnesses, the committee is doing a study on procurement for the second time in as many years, because this time people are unhappy with the companies that won the contracts or with the companies that didn't win the contracts. Allegations of political interference make for great media coverage, and in this case the charges have been unfounded.

Thirteen years ago, political interference did result in the cancellation of the EH 101 military helicopter contract, costing \$500 million of scarce taxpayer dollars, only to have the same government purchase a commercial, off-the-shelf version of the same helicopter with none of the industrial spinoff benefits to the Canadian economy that the EH 101 would have provided.

The Cormorant has been experiencing some cracked rotor problems, I understand, because the commercial version is not the militarized, heavy-duty version built to withstand the demands put on aircraft in an operational military role.

How will the process we've implemented of non-interference in military procurement enhance the safety of the women and men who use this equipment?

Mr. Dan Ross: I need to correct you, because the MHP project was the one cancelled by the government. The aircraft you're referring to is the rotary ring search and rescue, which is a completely different project.

Mrs. Cheryl Gallant: I'm talking about two different ones.

Mr. Dan Ross: Yes, exactly.

The S-92, which is being built by Sikorsky for our maritime patrol aircraft, was a commercial aircraft, and we've only modified the tail, and so on. So we have a fairly high degree of confidence that it was a proven aircraft.

I think it's difficult to say that the government had any real significant role in the difficulty we've had with the Cormorant. It was early in the production of that aircraft, the EH 101. The Royal Navy had bought some. But again, that's fairly typical of developmental aircraft programs, where it takes, in many cases, about a decade to work out the bugs.

We're working hard with AgustaWestland, and in fact we—our engineers—have found the solution, we believe, to the half-hub rotor issue and have solved that for AgustaWestland.

I think it highlights the issue of risk when you get into a very complex piece of military equipment very early in its developmental process and its initial production. There's a lot of risk there, and the Cormorant is a prime example.

We also don't have a single point of accountability with the Cormorant, and we didn't purchase the right type of intellectual property with the Cormorant. As Mr. Rowe, the president of I.M.P. in Halifax, will tell you, as I say, it takes about 10 years to work out those bugs.

Mrs. Cheryl Gallant: Okay. Let's go to the fixed-wing search and rescue procurement that I understand is currently in the works. It hasn't been finalized.

What has been brought to our attention is that there was an SOR version two in April 2005 and then an SOR version four in July 2006. Because we're trying to understand the procurement process, how is it that one jumps from one set of requirements to the next? I think in this case one of the examples was the 6-foot 11-inch cockpit height. So what is it that takes place in between one version and the next version?

Mr. Dan Ross: It's the challenge function, led by General Ward and his people.

MGen M.J. Ward: We submit each of these statements of requirements to numerous levels of scrutiny, and at each progressive level the people who initially draw that statement of requirement up have to be able to reinforce or to at least withstand that challenge. At a number of these stages we've actually asked them to go back to study some things again in order to provide better analysis or better science and technology support to those specific requirements that they specify.

So in one particular instance—and I'm not sure which of the SORs it was—they went back and undertook some significant operations research analysis to understand what all the height, weight, and width requirements would be in the aircraft so that they could perform roles for which we had confidence search and rescue would require.

Until it gets to the very last stage where they ask for effective project approval, any of these things could change to make sure we're getting exactly the right specification in there.

• (1000)

MGen J.D.A. Hincke: For example, in the challenge function, there are a set of assumptions at the front of any SOR, saying that these are the assumptions we use: we're going to have this many crew in an aircraft, we're going to have it based here, these are the response times, and so on. These can also be posed as questions, because they all have value and cost impacts.

So the response time may be made shorter by a basing option that has more distribution across Canada. But that might cost more. So you have to do those kinds of trade-off analyses to find out which set of solutions and which capabilities give you the best value. You have to make sure you're asking for the right things in the high-level SOR, which we're talking about now. This will be scrutinized by my people and, from a capability perspective, by General Ward's folks. Those go into the SOR evolution as these things go forward.

So I think we could probably go back and see that any of the approved SORs were not the first or second versions. There are numerous iterations as the challenge function takes place in the department, from the perspective of cost, affordability, of how many people are involved and how much money it will cost, and of what will be the life-cycle ownership costs of that capability over its 20 years.

There are also various permutations and combinations of all of those things that then get assessed by the military sponsors of that capability. We look at it as well, and a decision is taken departmentally that we're good to go.

We also work with various other folks—I work with a Treasury Board analyst as well—and they have challenge functions and questions, since they're looking at and questioning us regarding whether this is the best value for the government.

Mrs. Cheryl Gallant: So then there's documentation to back up why the SORs were changed, and it's not a matter of engineering a contract, so that just one company qualifies.

Mr. Dan Ross: [*Inaudible—Editor*]...and it was extremely...I wouldn't say acrimonious, but they were tough discussions and contentious issues. The key issue has always been, what is the minimum level of service to Canadians in search and rescue?

The air force's push-back was, you have to identify what that minimal level of service is. Where we are now in our draft documents is the same level of search and rescue service to Canadians, or better—but no worse. We cannot require a capability to do that immediate assistance role to Canadians and give them worse service that affects speed, range, endurance, the sensors on the aircraft, and so on.

The Chair: Thank you, Mr. Ross.

That concludes the opening round. Now we go into the five-minute round.

We go to Mr. Martin and then to Mr. Blaney.

Hon. Keith Martin (Esquimalt—Juan de Fuca, Lib.): Thank you very much.

Mr. Ross, General Ward, and, General Hincke, thank you very much for being here, and thank you for your work in the service of the members of the Canadian Forces and our country.

You have a very difficult job to do, and having just touched its surface, we certainly had an appreciation of how complex it is. I don't envy you because you probably have a lot of sleepless nights.

First, on procurement, I'm going to ask four questions, and you may not be able to answer them all today, but if you could provide us with the answers, that would be appreciated.

Sitting with your colleagues in Public Works, the Treasury Board, and industry, you must say to yourself, there's a better way of doing this. So looking at the big picture and how we can streamline the whole procurement process—and saying, in an ideal world, we could have this changed from here to here—if you've thought of some kind of a model like that, particularly looking at the Swiss and Australian models, and learning from best practices around the world in your experience, could you please provide us with this kind of model, which we could add to our final report? That would be very helpful for us in trying to look at ways where we could really cut to the chase to make sure you're able to do the job in as quick and effective a fashion as I know you're trying to. So I'll leave that.

My three real questions are as follows. First, regarding the replacement for the fixed-wing SAR, it's come to my attention that the statement of operational requirement for the minimum flight speed has been raised to 140 knots.

In my province of B.C., where contour search and rescue is very important, I understand that the best way to do visual SAR is between 70 and 120 knots. So could you please tell us why that minimum SOR has been raised to 140 knots, which I think really compromises the security of our SAR techs and the functioning ability of the plane to do the job, particularly for contour searches?

The second question is, when we were looking at tactical versus strategic airlift, we came to the conclusion that purchasing tactical airlift, while renting the Globemasters from the United States, would save the taxpayer \$400 million. Why didn't we buy the replacement for the Hercs and lease the Globemasters from the U.S., which would have enabled us to have those C-17s here? The Americans liked it, and it was responsible for the taxpayer. Why did we not take that course of action?

Lastly, do the ITAR restrictions apply to both DND employees and industry?

Thank you.

•(1005)

Mr. Dan Ross: I'll take a cut at that list first, Dr. Martin, and perhaps my colleagues will add a couple of comments.

Number one is what could we do to improve the overall process jointly with our colleagues across government. I talked about some things that we think are on our watch and we're going to do. I know this is perhaps a politically linked response, but consistent defence policy and long-term consistent funding, not guarantees but assurances from government, would be one. Secondly, clarity on what is the primary objective here. Is the primary objective the right equipment at the right time for our troops, or is it other objectives? Is it IRBs? Is it jobs? Is it development of certain industries in this country? I'm not sure those things are clear, and that would be a question I would leave with you people, who are closer to those issues than I am.

I don't know the answer on SAR fixed-wing minimum speed. Do you know, John?

MGen J.D.A. Hincke: I do not know the answer on the fixed-wing minimum speed. It would really be an issue the chief of the air staff or the air force would be able to answer in terms of safety issues with regard to exiting the aircraft, I'm assuming. There are probably issues related to best speed for visual search and best speeds for SAR techs jumping out of aircraft. I'm not an expert. The air force would probably have to take that one on.

Hon. Keith Martin: Maybe you could get back to us on that, General Hincke, because it's a matter of safety, and it's really relating to the fact that visual search and rescue, from what I understand, is between 70 and 120 knots over contour, over mountains, in my province, which is really important.

MGen J.D.A. Hincke: That's really an operational kind of technique. I think the air force would be best positioned, and we'll see what we can do.

Mr. Dan Ross: We can provide a written response.

Hon. Keith Martin: If you could, that would be really appreciated. Thank you.

Mr. Dan Ross: The third one is leasing Globemasters and then waiting for our Hercules, if I understand the question.

I wasn't actually aware that we could lease Globemasters, and the United States didn't offer that when we put out our proposal. Waiting for Hercules is very challenging because of the rate at which they are dying. We really do need to be at contract as soon as possible for a replacement to our Hercules.

The leasing option is challenging as well because it truly isn't a permanent solution to long-haul strategic airlift, which effectively in that business is jet aircraft that can carry at least two armoured vehicles trans-Atlantic or several hops over the Pacific, or something. I think the minister and the chief articulated on Tuesday some great advantages to owning a small and highly valuable component that is strategic.

I know our air staff has done a lot of analysis, and they feel the optimal balance is that small piece of about four, with about 17 tactical air lifters. It actually does give you the capability, if you have a surge, to use our strategic lines of communications agreement with the United States Air Force to access their capacity or to actually have to go out to the market and lease a little bit more. I'm hoping that NATO will buy a small number of C-17s, and we'll have a relationship with them, so that I actually never have to pay for the lease of any contracted strategic airlift. I can provide them a little bit of capacity when they need it and they can provide a little bit of capacity to us.

•(1010)

The Chair: There was one question that was asked about ITAR, if it applied to DND personnel and industry.

Mr. Dan Ross: It applies to both.

The Chair: Okay. Thank you.

Mr. Blaney, five minutes.

[*Translation*]

Mr. Steven Blaney (Lévis—Bellechasse, CPC): Thank you, Mr. Chairman.

Good morning, gentlemen, and welcome to the Standing Committee on National Defence.

I travelled aboard a tactical airlifter, a Hercules, with my colleagues, Mr. Bachand and Mr. McGuire. At the time, we were told that the aircraft had reached the end of its useful life and that, in fact, it had run out of time and now needed to be replaced.

C-17s are strategic airlifters—in other words, transcontinental aircraft. You have demonstrated a need to procure this equipment. So, I'm always surprised to hear my colleagues opposite say they have not supported the purchase of these aircraft since 1993. Is the idea to ensure that our Canadian Forces remain on the ground? We used to have 793 aircraft but we now have no more than 290, that are between 30 and 60 per cent serviceable. That is pretty—

Hon. Denis Coderre: I have a point of order.

[*English*]

The Chair: Mr. Blaney, in just a second. We have a point of order.

[*Translation*]

Mr. Steven Blaney: That was just a comment.

Thank you, Mr. Chairman.

[*English*]

The Chair: Just a second. We have a point of order.

[*Translation*]

Hon. Denis Coderre: The Standing Orders do make provision for points of order.

[*English*]

For the record, we've done a plan of \$13 billion. We were not saying we were against buying planes, because that's been accepted.

He asked about C-17s. We're on the record; that's not the goal.

The Chair: Thank you for that intervention, but I don't believe it is a point of order.

Go ahead.

[*Translation*]

Mr. Steven Blaney: Thank you, Mr. Chairman.

So, that brings me to my first question. In terms of strategic airlifters, we are talking about C-17s that can take loads of 39,000 kilos and transport two light armoured vehicles. Correct?

Mr. Dan Ross: Yes.

Mr. Steven Blaney: So, are they able to transport all the equipment the Canadian Forces would need in theatre?

A voice: No.

Mr. Dan Ross: I believe that some of the equipment was very large.

[*English*]

I think there are some engineer water purifiers that are very specific and won't go in a C-17. There are very few pieces left.

[*Translation*]

Mr. Steven Blaney: I understand.

In this specific case, perhaps you could ship it over.

Mr. Dan Ross: Yes.

Mr. Steven Blaney: I believe you have clearly explained that National Defence's role is basically to establish a performance requirement—in other words, military and operational requirements. That is essentially National Defence's role.

After that, Industry Canada and Public Works and Government Services Canada, or PWGSC, take care of the tendering process and everything else. Is that correct?

Mr. Dan Ross: Yes.

Mr. Steven Blaney: I would be interested in having you comment on an observation that was made, and I quote:

[*English*]

The occasion arises so seldom in column-writing to say something good about a government that I should waste no time congratulating the federal government for its decision to step away from a hornet's nest of regional rivalries...

[*Translation*]

Those words were written by someone who teaches economics at McGill University. As I understand it, there have always been conflicts between military requirements and the need to let regional contracts.

I would like to hear your views on that. What is National Defence's position in that regard? Are they compatible? If so, which one takes precedence?

[*English*]

Mr. Dan Ross: We worked hard with our colleagues in Industry Canada on these programs, and I think very cooperatively. They don't interfere at all. They understand the high level of performance requirements of the Canadian Forces and are very supportive, and I work closely with my fellow ADMs; we meet every month on a Friday morning and review how we are collectively moving these programs forward.

It is an important opportunity to bring in economic industrial opportunities for Canadian firms, to transfer that technology and those skills to Canada, and to sustain jobs and economic growth for Canadians. It is not, and does not have to be, at odds with providing good effective equipment to the Canadian Forces.

[*Translation*]

Mr. Steven Blaney: They are compatible. Fine.

You talked about uncertainty. You said that in the past, the procurement process has been costly and fraught with delays.

Can you explain the new process? How will we avoid losses of \$500 million, as we were discussing earlier? That is a significant amount of money. Could you give us your take on this and explain how you believe the new process will avoid financial losses with no return on investment for taxpayers?

•(1015)

[*English*]

Mr. Dan Ross: Perhaps I could give an example.

The army has a requirement for certain direct-fire weapons, and there are only several of these built in the world. The intellectual property of how they're built is very closely guarded by these countries. I can't write a specification that tells this company how to build that specific weapons system.

We have run processes that have gone on for several years, trying to design and write these enormous specifications, and it cost a lot of money. It cost the several firms that bid millions of dollars. Then these firms missed the mandatory in the hundreds—not by one mandatory, but in the hundreds. That entire process—years and millions of dollars—was wasted.

I said to my staff to state what range that thing should shoot, whether it had to be transportable by two soldiers, whether it had to be on a tripod, whether it could be fired in an enclosed area—in other words, your key performance requirements. I told them to invite the two companies to bring their weapons and we would fire them and have real soldiers shoot them.

[*Translation*]

Mr. Steven Blaney: It's a loss, not only for the government, but for those industries that waste their time preparing bids.

Mr. Dan Ross: Yes.

Mr. Steven Blaney: Thank you.

[*English*]

The Chair: Mr. Blaney, we're out of time.

Moving on, we go over to Mr. Bouchard now for five minutes, then to the government, and then to Mr. Cannis.

[*Translation*]

Mr. Robert Bouchard (Chicoutimi—Le Fjord, BQ): Thank you, Mr. Chairman.

Deputy Minister, Generals, welcome.

As I listened to you speak, it became clear to me that procurement is a critical activity for the Department of National Defence.

My first question relates to the procurement process. You talked about the whole process as basically being complex and costly, adding that it results in long delays. The new procurement process is efficient, effective, streamlined and quicker.

Could you give us some examples of procurement turnaround times? For example, under the old system, it seems the process would take five years for one type of equipment and two years for another. I even heard the Minister say, when he appeared before the Committee, that it took 15 years. Under the new system, how much time will you be saving compared to the old one?

[*English*]

Mr. Dan Ross: Yes, I will try. Let me give you a very old example that actually ended in a performance-based process.

In the 1980s, we were trying to buy a low-level air defence system for our forces in Germany. Our engineers had tried to write a specification on how to build an air defence system of missiles, guns, command and control, and communications—with no success.

There were many firms in the world that delivered air defence missiles, guns, and so on.

In 1985, a new project manager said, let's just ask industry to propose how they would defend a brigade in Germany. We went out for the first time ever—and I was a very young major, posted for the first time to international defence headquarters—and stated the

operational requirement: to shoot down how many aircraft in how many minutes, day and night, in the German brigade area.

We received 13 comprehensive proposals from industry. They evaluated those primarily on their operational effectiveness, on their industrial regional benefits, on price, and on in-service support. The operational effect was weighted higher than anything else.

That entire process, from the point when we left the technical base and the stage when we'd tried to design it ourselves, which had gone on for about eight years, to the performance-based one, happened in two years, and we had deliveries a year after that.

In my view, that system is still today one of the best in the world. We have maintenance problems now after 20 years, but it does work.

We didn't do it again after the low-level defence in the intervening 20 years. We are doing it now for tactical airlift.

We did it with Nyala to buy the armoured vehicles for Afghanistan, for example. We went out and said, these are our high-level requirements; we do need them urgently.

So the delivery schedule was a key performance requirement. In fact, we only had one company, the South African company, that had any in production. There was just nothing else in production.

We delivered 75 Nyala in one year, and we saved our soldiers' lives.

There are lots of examples. There is one good old example, and I think there are lots of good new examples coming.

● (1020)

[*Translation*]

Mr. Robert Bouchard: Thank you.

In your opening statement, you did not refer to the “Canada First” initiative. But I have a document in front of me that talks about the “Canada First” defence strategy. In fact, that is the process we are currently reviewing.

What kind of weight do you give to Canadian suppliers in your studies and analyses? Do they figure prominently?

[*English*]

MGen M.J. Ward: Perhaps I could correct a misperception. The “Canada first” defence strategy actually talks more about Canada's defence and security needs than it does about industry requirements.

Certainly we see in the discussion of the policy base the requirement to look for opportunities that enable Canadians to benefit.

So part of the rationale that supports capabilities, which we would see modernizing and replacing in coming years, would offer opportunities for Canadian companies to bid. It's not that we're directing it that way. It's really just a combination of understanding that we do have a defence and security partnership with our industries, where we see advantages to keeping that at home.

The Chair: Thank you.

Thank you, Mr. Bouchard.

I'm going to move over to Mr. Calkins now. I know he is just burning to ask a question about the Nyalas. Hopefully he'll pursue that.

Mr. Blaine Calkins (Wetaskiwin, CPC): My thunder has been stolen a bit already.

Voices: Oh, oh!

Mr. Blaine Calkins: Nothing creates efficiency like necessity. I know that in the early part of the Canadian Forces deployment in Afghanistan there were some issues regarding the troops using the Iltis jeep. We had a few incidents that were unfortunate. I don't want to belabour those, but all of a sudden it seemed like out of nowhere the Canadian Forces could acquire the Nyala vehicle and deploy it in relatively short order, which was contrary to the discussions of the day that military procurement took 15 years. Frankly, I found this a little interesting.

I go back to your testimony, Mr. Ross. There was a lot of focus on the process and not on the result, and it seems like we're having processes just for the sake of having processes. Could you please elaborate a bit more on how quickly we could turn around that Nyala purchase and get it in theatre?

I'd like to know, was the capability plan already there? Were the definitional requirements already there, and was it simply a matter of departmental approval? Or did we have to go back and reassess the capabilities and needs? Could you just elaborate on what the differences might have been?

MGen M.J. Ward: What I'd like to help clarify is that in fact it wasn't just the Iltis to the Nyala. We also went through an intermediate round with the Mercedes-Benz G wagon.

For some years, the army had identified as one of its requirements the ability to increase the soldier's survivability, increase the protection for the vehicles that our troops had been using in a succession of operations.

We first got the Nyala in Kosovo, when I was in command there, and that was because the mine threat was very high. Certainly current operations have much more significant directed threats against troops in softer vehicles.

We did not have the ability to replace the Iltis quickly enough, as we met the first operational requirement in Afghanistan. When we lost our first two soldiers in the IED strike in 2002, we took a very quick look at how we could up-armour the G wagon, which was

coming into service, and we thought that would be sufficient for the time being.

We then began to find, certainly as a result of the IED strike on January 15, 2006, that the G wagon was not sufficient for the types of threats we were facing, and we had been looking at the Nyala as a longer-term solution.

So we already had significant experience with the Nyala in a previous operation in Kosovo. We realized it was in the spectrum of the type of protection that we would need for this particular generation of adversaries.

• (1025)

Mr. Blaine Calkins: I'd like you to expand further on something else here.

At what point during a procurement process do the Canadian Forces decide that we're going to start training our personnel to be ready, should we receive the equipment? Is it done after departmental approval and the funding has been allocated? Do we take the chance and start working with our allies or the supplier? Do we bring in prototypes or versions of the vehicle we're looking at to start training people up for the equipment we're thinking of? How does that happen?

Mr. Dan Ross: It really can't start until the procurement process has determined a winner.

For example, there are six major bidders on our heavy armoured vehicle for Afghanistan, and that request for proposal is on the street. I can't go and have our maintainers start training on one of those six trucks. We'll have to see the results of the evaluation, which will be done in March.

When that has been announced, we can start dealing with it, both on the terms and conditions of the contract. And because it's so urgent for Afghanistan, in the next rotation to Afghanistan, maintainers and drivers would probably be deployed at that point to start training for it. For example, if it's a 'J' model Hercules, and there was no other compliant respondent to the SOIQ process, we are now in discussions with Lockheed Martin on C-130Js. The air force has deployed exchange officers and loadmasters to the United States Air Force to work on C-130Js. Mind you, we already have exchange officers who fly C-130Js, so we have a link for it already, because we have exchange officers in air forces around the world.

But normally you have to have selected the winning solution, in whatever appropriate process, before you can start that.

The Chair: Thanks very much, Mr. Calkins.

We move over to Mr. Cannis and then back to Ms. Gallant.

Mr. John Cannis (Scarborough Centre, Lib.): Thank you, Mr. Chair.

Mr. Ross, General Ward, and General Hincke, thank you for coming before the committee and sharing your experience, your knowledge, and your suggestions.

I would like to pick up on what my colleague, Mr. Coderre, asked about ITAR earlier.

As you said, Mr. Ross, there are negotiations unfolding as we speak with respect to ITAR. Could you briefly elaborate? Is that strictly with respect to DND, or are there negotiations that would help alleviate other industries? Just briefly give us whatever you can.

Mr. Dan Ross: Yes. Obviously it is still not approved by government, nor by the State Department. We are working with the Department of Foreign Affairs on the whole broader requirement.

From a defence point of view, it is critical that our key in-service support companies have that dual national issue resolved. Most specifically to me, I need my project management offices to access that key data, because I can't write a specification to put in the contract. So there are ITAR issues there with our dual nationals.

We are focusing on DND's requirements internally. Our next layer out with in-service support service providers is really critical to us. And the Department of Foreign Affairs is looking at the dimension of how.

If we come to a set of criteria that is acceptable to the State Department, how can that be applied to industries who want to participate in arms trade with the United States? My sense is that if we come to a set of criteria, I probably will be able to do that faster within my own military and civilian staff. If we reach this agreement, eventually industry will have to reach those same standards as well. I believe it is achievable, and I believe we are making progress.

Mr. John Cannis: I'm sure we'll be following that closely in the future.

I believe, Mr. Ross, that you mentioned earlier—and I know General Hillier also confirmed this the other day before committee—that the process to put specs together really is a two- or three-year period. I believe—and correct me if I'm wrong—the spec writing commenced post-2005 budget and that indeed these funds are available. Now they've increased a little because the needs have changed or increased. Am I correct in assuming that?

•(1030)

Mr. Dan Ross: I'm not sure what spec writing you are referring to.

Mr. John Cannis: Oh, I shouldn't say spec writing; it's the requirement to upgrade, improve, purchase new equipment, etc., which commenced about two and a half years ago.

Mr. Dan Ross: It would be fair to say that the requirements process has been ongoing for many years for Hercules and other projects.

Mr. John Cannis: But we did have the ability budget-wise to...

I see General Hincke nodding his head and I see General Ward nodding his head, so I assume the response is yes.

Mr. Dan Ross: That's right.

Mr. John Cannis: Thank you for saying that. I want to go back, for the sake of transparency.

I want to thank you personally, Mr. Ross, for your candid responses. This is not a political issue. As General Hincke, General Ward, and you, as a former military man...this is an issue of making sure the right equipment is available. Were there obstacles in the past in how procurement was brought forth? As you said earlier, of course there were. Now, we're changing.

General Hillier was also kind enough...and I appreciate your candid response. You were asked a question by a member of the committee earlier and you rebutted very honestly in saying no, that is not the case.

If you recall, the start of a review on procurement—and I want to state this for the record, Mr. Chair, because what we are trying to do here is very important—really commenced post-2005 budget.

The previous Liberal government was more than receptive. So the statement made earlier, that there is some suspicion, some investigation, etc., I think we have to take totally off the record. That being the case, the moneys that first came forward in the 2005 budget have now very much appreciated, and they have also increased under this new government. So what would be the case? What we really want to do, as my colleague Mr. Martin said, looking at other models and how we make it more effective, more efficient, and streamlined, nobody here wants to question.

I want to just close by asking this question. You mentioned the Department of Public Works and CDS. Yesterday, the response from the minister—and we don't want to waste the minister's time—was to ask Public Works, ask Industry. Really, it is the Department of Public Works.

Would you just say yes or no, because the buzzer is going?

Mr. Dan Ross: It's a team. We do everything very closely together, working with our colleagues in industry and in the secretariat as well. It is not just that they look after the contracting and we look after the parts of the process. They clearly are the contracting authority for the Government of Canada. They are, but it is a team every day.

The Chair: Thank you very much. We'll go to Ms. Gallant and then over to Mr. McGuire to finish the second round.

Mrs. Cheryl Gallant: Thank you, Mr. Chair, and, through you, the witnesses.

Are there any policies in place on the part of the military to dispel the appearance that contracts can be made for any other reason than that the product was best suited for the military's requirement? Is there no way that an individual can influence the procurement process so much that that individual would get the product from the company that he or she wanted?

Mr. Dan Ross: You mean as a personal preference?

Mrs. Cheryl Gallant: Correct.

Mr. Dan Ross: That would be pretty tough.

Mrs. Cheryl Gallant: Are there policies in place?

Mr. Dan Ross: Certainly, yes.

Mrs. Cheryl Gallant: Who sets those policies? DND or Parliament?

• (1035)

Mr. Dan Ross: If it's largely a requirement, if someone wants to fly a particular plane, the vice-chief runs that process with General Hincke and General Ward. As we discussed with the challenge function, it would be very unlikely that an individual would have an easy ride achieving that objective unless they could absolutely defend why, in operational performance terms, that was appropriate.

Even at that point, though, there still has to be an open competitive process in which we would invite industry to offer what they felt they could provide. So the chances of an individual actually taking that from beginning to end are fairly low.

A voice: Certainly contracting officers watch out for that sort of thing.

Mr. Dan Ross: Yes. I challenge that every day. When I see someone writing things to buy that thing.... I will be very honest. I had a challenge with the army recently on their overspecifying of trucks. I said, "Come back to me and tell me what you want it to do. Don't tell me how many mirrors and how big the mirror has to be."

Mrs. Cheryl Gallant: Off the shelf doesn't really mean off the shelf. It is not an entirely accurate phrase. Our aircraft and choppers, for example, are not a true clone of that of another country.

Would you explain why it is necessary to Canadianize some of our aircraft?

Mr. Dan Ross: Often it is the communications equipment, for which, in some cases, Transport Canada safety regulations may be different from European or American ones. In some cases we may want a multi-mission aircraft so that we can do search and rescue with it and put a winch in a door, which the U.S. army wouldn't do.

My colleagues and I look very carefully at that degree of customization and Canadianization. I know we have some meetings next week at which we are going to have a hard look at some of those questions.

Mrs. Cheryl Gallant: So we are not Canadianizing purely for the reason of getting regional benefits out of it. It is not just a matter of putting an order in the production line. There is still more fitting to be done. So anything really that can be done to minimize the procurement time, such as acquiring so-called off the shelf, does put our soldiers in a better position, a safer position.

Mr. Dan Ross: Absolutely, and you have to be very vigilant to the degree of what you'd call customization, because if that has never been done before, that company passes on a non-recurring engineering design cost to you. If you haven't accommodated that in your policy approval and your submission to cabinet, you have funding issues. So you really have to be very rigorous in keeping the scope creep from occurring, because it drives up costs and it drives delivery schedule and time.

MGen J.D.A. Hincke: The other reason we want to be very careful about any kind of unique capabilities that we would decide on is that there are operational issues. Operational commanders will come, or regulations or compliance will come, and say, "We need to do it this way." We want to minimize that, because you want as common a system as you can have for life cycle and for training.

We would prefer that training issues across the Canadian Forces require the same kind of training and that there not be specific kinds of platforms, so common training could take place. We want common maintenance if we can or common equipment. So as much as possible you try to force that into the final...but sometimes there are unique things that we need to do, and they are operationally driven, by and large.

Mrs. Cheryl Gallant: Thank you.

The Chair: Mr. McGuire, go ahead, please, for five minutes.

Hon. Joe McGuire (Egmont, Lib.): Thank you, Mr. Chair.

We have been concentrating on the equipment required in our overseas operations, and rightly so. Our soldiers are in the field and so on, but the government has announced a major domestic initiative in the north to exercise our sovereignty in that area.

I am just wondering what procurements are required for that initiative. The minister has made some commitments to Goose Bay and other areas that he has in mind for exercising that sovereignty. What kind of equipment—ships, planes, ports, whatever—is going to be required, and how far along is that process? Has it got to the Public Works level? Exactly where is the planning for our northern initiative?

MGen M.J. Ward: In response to government direction, we've been in the process of developing a "Canada first" defence strategy, which really characterizes the defence policy initiatives that are key to the government's desires. In keeping with that, in the capability development realm, we've been following up with analysis of specific scenarios, including the Arctic, that allow us to understand what types of roles the Canadian Forces can provide in that region, and also against the types of gaps or deficiencies we may have in, for instance, the ability to survey our Arctic, to know what's going on up there, to potentially to respond or to maintain more presence.

So we're going through a number of analyses to look at what our options might be, and that's tied up in the defence strategy that's going through the cabinet process at this time. The government will have us look at a number of initiatives to see how we can do a better job in that particular part of our domestic land space, air space, and approaches.

Hon. Joe McGuire: Are there any first steps being implemented on the Goose Bay commitment, in Bagotville, and so on, on the initial announcement the minister was making on Goose, and the role Goose was going to play in the north? Is there anything imminent there as far as the equipment purchases or instructions to Public Works to proceed with some equipment purchases?

• (1040)

MGen M.J. Ward: We really can't say because of what's in the plan, but there really hasn't been specific action taken on the Goose Bay initiative.

Hon. Joe McGuire: So the whole northern initiative, the arctic initiative, is at a very elementary stage?

MGen M.J. Ward: Part of it is at the highest levels of government in terms of specifying a lead department to review an arctic strategy. The Privy Council Office certainly has a keen interest in making sure there's a balance of effort and an understanding of who the lead department would be. INAC has been determined to be the lead department.

Hon. Joe McGuire: They're still trying to identify the department that will lead the initiative? Is that it?

MGen M.J. Ward: No, my understanding is that INAC has been determined to be the lead department for the development of the strategy, but several government departments also have roles to play in that. Foreign Affairs certainly has a significant role to play, as it affects our offshore or issues beyond our territorial boundary. So it will take some time I think for each of the government departments to get together and discuss those issues. We'll be having discussions in coming weeks with INAC officials just to make sure we each know what each other is doing with regard to the Arctic. So it's at a fairly preliminary stage.

The Chair: That finishes our second round.

One comment. When we were in Afghanistan, we talked about airplanes and Nyalas and ships and the big ticket items, but boots and vests and everyday items are pretty important too. One thing that was brought to our attention was gloves. I understand that somebody had been injured through a flash and burned their hands. I think it was very quickly that the rest of the folks who were exposed to that were able to get the protective equipment needed. So for things like that, is there a special process for combat-related requirements?

Mr. Dan Ross: I have been to Afghanistan and I've talked to many of those soldiers face to face and spent many sleepless nights over the past year making sure we had the right stuff there for our troops there.

We review those things every two weeks from top to bottom; it gets the top priority from my army engineering equipment staff. We have to be careful because sometimes soldiers take their own kit and they may get injured because they don't have the flash protection gloves we've already issued them. Soldiers may not be happy with load-carrying vests and they'll buy their own because they want them configurable, but they can't find any that are configurable on the civilian market. So we work very, very hard on finding really, really good kits. I think our personal kit is among the best in the world, but the soldiers have to use it.

The Chair: I appreciate that comment.

We'll start with the third round, and we have a little over five minutes. Mr. Coderre, and then Mr. Blaney.

[*Translation*]

Hon. Denis Coderre: Thank you very much.

First of all, who is Col Burt's boss?

Mr. Dan Ross: The Chief of the Air Staff.

• (1045)

Hon. Denis Coderre: Through Access to Information, Mike Blanchfield and Alec Castonguay were able to publish a number of articles relating to a series of documents on the topic of air resource requirements. I must admit I am concerned.

If I talked about the capability going from 43,000 pounds to 86,000 pounds, it's because it is clear in my own mind that, if the idea was to let a single source contract and the political powers that be wanted to ensure that single source would be Boeing, all they had to do was amend the requirements with respect to the delivery date and the payload capacity. These articles quote Col Burt as saying that an official call for tenders was required. In any case, from the very beginning, it was clear that it was between Airbus and Boeing—in other words, between the A400M and the C-17. As you know, the A400M is a smaller aircraft than C-17, but it was still suggested.

There were discussions with the Prime Minister's Office, particularly with respect to the delivery date. The Prime Minister's Office wanted to handle this file on its own. According to the article by Alec Castonguay, Col Burt said that, if the government wanted to give special preference to one particular aircraft, it could do so by changing the delivery date criterion. In his own words, "As discussed, the delivery schedules would probably be the real key in terms of discrimination." Alec Castonguay went on to say this:

Indeed, on May 31, in a document intended to beef up the presentation to be made to Cabinet by Minister Gordon O'Connor, the payload capacity requirement had not changed, and remained at 43,000 pounds. Thus both types of aircraft could still qualify.

However, on June 29, when the announcement was made, that requirement was completely different. The payload capacity requirement under the contract had effectively doubled, from 43,000 pounds to 85,890 pounds.

Mr. Chairman, as I said earlier, it depends on what generation you're from. I haven't yet adjusted to kilograms. So, I was talking in terms of pounds.

The Department of National Defence has always wanted that type of competition to exist. The real question is whether the criteria were amended to make sure that only Boeing would be able to secure the contract. Can you tell me what happened between May 31 and June 29 for the process to change from one of competition between the suppliers of two different aircraft to the current situation? I think we could have held on to our bargaining power and used it to see what the other one was prepared to offer, particularly since, in the case of the C-17, this is the first time in the history of the Department of National Defence that on-site support service depends on a foreign company. We don't even have intellectual property rights. So, what happened in the course of that month for the requirements to change? Mr. O'Connor was prepared to go to Cabinet with the basic criteria. There is a note that says: "Office of the Prime Minister". Did the Prime Minister's Office ask you to amend the criteria?

Mr. Dan Ross: I wasn't aware that the Prime Minister's Office was involved in any way.

[English]

I was never aware of any conflict of interest.

[Translation]

Hon. Denis Coderre: These are e-mails from Col Burt.

[English]

Mr. Dan Ross: Perhaps, but I think as we discussed earlier, there was that challenge function going on prior to the SOR being finalized. I think Colonel Burt's e-mail is referring not to Airbus A400M but to Airbus A319, our passenger Airbus that we tried to use for strategic airlift in the past. But I think that's part of the normal challenge function of whether we have the requirement right. What is a strategic airlifter? Is a strategic airlifter carrying one thing over the Atlantic, or is it a—

[Translation]

Hon. Denis Coderre: Mr. Ross, you are responsible for Materiel. Your job is to act as a link between the public, the other departments and the requirements of the people working at National Defence, is it not? You should be aware, because, in a sense, you are our watchdog. You talk to all your people. What happened in the course of that month? Why would you not be aware of this? These are

professional journalists and they have quoted people. They get their information through Access to Information. We're talking about an exchange of e-mails. We're not talking about things that occurred in the years prior to that. There is only a few days' difference. Can Gen Ward or someone else answer my question?

[English]

Mr. Dan Ross: General Ward wasn't in the job at that time. I was aware of some of the requirements discussions that had taken place, but I have to say, sir, it was part of the normal debate on whether we had our requirements right.

I don't recall any discussion about whether they were Airbus A400s or Boeing C-17s.

Hon. Denis Coderre: I'm just interested in bids. I don't care about the companies.

Mr. Dan Ross: It was about, "Do you really need to carry what type of equipment across the Atlantic Ocean, refuel once, and go into Africa or Afghanistan?"

The Chair: Just a short comment, please. I know it's difficult, but we're out of time.

MGen J.D.A. Hincke: My only comment is not about these circumstances, but in the force development, force planning, how do you get what you think you need? There's a tension that goes back and forth.

As you are developing requirements and looking at the best ways to answer those, what's the new idea cut-off date in your definition of the requirement? You need to get on with the business of going out, doing procurement, and working the process, but you also don't want to be tied too much to that. When a new idea, deficiency, or something is identified, your process needs to be flexible enough to accommodate what might be new learned things.

We're doing that right now with IEDs and the standards we are looking at around army vehicles. We're learning new things about what the enemy is doing to us, and we have to be flexible enough to adapt. So that may require us to go back to look at SORs, or whatever. We're professionals and we look at these things all the time.

I'm not talking about this in particular because I don't know the circumstances, but philosophically, that sort of stuff goes on all the time.

• (1050)

The Chair: Very good. Thank you.

Mr. Blaney.

[Translation]

Mr. Steven Blaney: Yes, certainly.

So, whether it's in pounds or kilos, Mr. Chairman, it is quite clear that means half as many trips across the Atlantic, and therefore, half as many greenhouse gas emissions.

We have talked a lot about aircraft this morning, but we haven't talked about what the shipbuilding industry needs. We do know, however, that the Joint Support Ship Project is currently underway.

We have seen that there are procurement cycles. There were no acquisitions for 13 years. This obviously disrupts the industry, which suffers structural problems, and particularly the shipbuilding industry, where there are medium- and long-term projects.

Can you tell me whether, as part of your strategy, you are considering spreading your procurements over time? You made it clear that the need for equipment trumps regional spinoffs. In the case of the shipbuilding industry, there is obviously a certain amount of flexibility.

Do you expect to spread your requirements over time, so as to spread out production and avoid peak periods, which ultimately result in a lack of production?

I would be interested in hearing your comments on that.

[*English*]

Mr. Dan Ross: There is a long-standing shipbuilding policy in the country, where major navy, coast guard, and fisheries vessels are built in Canadian ports. You're absolutely right that the feast or famine thing has been extremely difficult for the maritime industries. That is a concern for Industry Canada, and they have discussed it with us.

We would be delighted to have a long-term continuous build for our ships, but you need to have guaranteed long-term funding to continuously build major ships in a reasonable manner. That has always been the challenge. Can you afford it?

You also have to admit that at the 20-year point you will sell your frigates and won't rebuild them or upgrade them, which we have always done. The Germans, the Dutch, and the Americans do not rebuild or upgrade their frigates, for example. They keep them for 20 years, sell them, and build new ships. We have never done that in this country. It's expensive, high-risk, and often doesn't give you the length of service you really need.

[*Translation*]

Mr. Steven Blaney: You say retrofits are not always operationally effective. Is that right?

Mr. Dan Ross: They are complex. The question of technology and integration—

Mr. Steven Blaney: But you do agree that in terms of both the Canadian Forces and industry, it would be advisable for a committee such as our own to be able to recommend to government that there be medium- and long-term planning of maritime requirements, and that a policy be adopted along those lines.

Mr. Dan Ross: We would have to discuss that with the other departments—for example, Fisheries and Oceans.

Mr. Steven Blaney: And particularly with Industry, right?

Mr. Dan Ross: Yes.

Mr. Steven Blaney: Thank you very much.

[*English*]

The Chair: Thank you.

We need some time to deal with some committee business, Mr. Coderre. I apologize for that.

Gentlemen, is there anything you'd like to add? If I had to cut you off and you feel you need to elaborate more on something, please supply it to the committee in written form.

Are there any final comments?

Mr. Dan Ross: I have nothing. I'm probably in deep trouble already, after all I've said.

Some hon. members: Oh, oh!

Mr. Dan Ross: We appreciate your interest here. I think we've had a very useful exchange on these really important matters.

The Chair: I feel the same, and I think it was very useful. You're very frank and very knowledgeable. We're just getting into this. After the minister and the CDS, this is our first.... So if it continues like this, it's very encouraging.

[*Translation*]

Hon. Denis Coderre: I want to thank our guests for being with us and commend them for their candour.

[*English*]

The Chair: We'll just suspend for one minute while the witnesses leave, and then we'll carry on.

[*Proceedings continue in camera*]

Published under the authority of the Speaker of the House of Commons

Publié en conformité de l'autorité du Président de la Chambre des communes

**Also available on the Parliament of Canada Web Site at the following address:
Aussi disponible sur le site Web du Parlement du Canada à l'adresse suivante :
<http://www.parl.gc.ca>**

The Speaker of the House hereby grants permission to reproduce this document, in whole or in part, for use in schools and for other purposes such as private study, research, criticism, review or newspaper summary. Any commercial or other use or reproduction of this publication requires the express prior written authorization of the Speaker of the House of Commons.

Le Président de la Chambre des communes accorde, par la présente, l'autorisation de reproduire la totalité ou une partie de ce document à des fins éducatives et à des fins d'étude privée, de recherche, de critique, de compte rendu ou en vue d'en préparer un résumé de journal. Toute reproduction de ce document à des fins commerciales ou autres nécessite l'obtention au préalable d'une autorisation écrite du Président.