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Chair

Mr. Stephen Fuhr

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● (0845)

[*English*]

The Chair (Mr. Stephen Fuhr (Kelowna—Lake Country, Lib.)): Good morning. I'd like to welcome everybody to the defence committee.

This morning we have Kevin J. Scheid, General Manager, NATO Communications and Information Agency; retired General Raymond Henault, Former Chief of Defence Staff; and retired Lieutenant-General Charles Bouchard, Former NATO Commander of Operation Unified Protector.

Gentlemen, thank you for coming.

I'll yield the floor to Mr. Henault for the first opening remarks.

General (Retired) Raymond Henault (Former Chairman, NATO Military Committee (2005-2008), and former Chief of Defence Staff of Canada (2001-2005), Royal Canadian Air Force (1968-2008), As an Individual): Good morning, distinguished members of the standing committee and ladies and gentlemen. *Bonjour.*

I've already been introduced by the chair. Thank you very much for that.

I've also been engaged at the industry level, I might add, for about 10 years now, ever since my retirement. I've brought that to this sector as well. I also had the great privilege last year of being one of the four members of the minister's advisory panel for the defence policy review that was published in June of last year.

I'm very pleased this morning, obviously, to be here with you. Thank you very much for the invitation to speak about NATO.

[*Translation*]

Mr. Chair, I will mostly be speaking in English. You have already been sent a translation. Afterward, I will be glad to answer your questions in the language of your choice.

[*English*]

My service to NATO is long standing. As I think most of you know, it included the command of a helicopter squadron in Germany in the late 1980s, one that Charlie also commanded; and direct oversight of the Canadian contributions to NATO as the Deputy Chief of Defence Staff, and then later on as the Chief of Defence Staff from 2001 to 2005. I served as the Chair of the NATO Military Committee, the highest military position in the alliance, from 2005 to 2008. That's a position for which a serving chief of defence is elected by his peers.

My responsibilities as the chairman, by the way, were to represent all the NATO chiefs of defence at NATO headquarters; to provide consensus-based military advice to the North Atlantic Council; and to translate political guidance, through the military committee, into military orders for NATO forces and partners.

[*Translation*]

As a number of you know, I was the Chief of the Defence Staff when the September 11, 2001 attacks took place. These attacks occurred only a few months after I had taken command. Obviously, they significantly defined my priorities and my actions as chief of the defence staff during the four years that followed.

[*English*]

My follow-on service at NATO headquarters as Chair of the Military Committee was also marked heavily by the follow-on to Afghanistan—ISAF, as it's commonly called—and was underscored early in my term by the alliance's transition to the combat phase of Afghanistan, with which I know you're very familiar. I therefore had the privilege of participating first-hand in NATO activities at many levels during and after the Cold War, and during the post-9/11 era, when NATO engaged heavily in out-of-area operations.

The evolution of NATO's regional mission with a more global reach has been challenging for the alliance, as I think we're all aware. It has severely tested NATO's centre of gravity, which has always been, from my perspective, solidarity, in both political and military terms.

Committee members here will be very aware of NATO's and Canada's dedicated involvement in the Balkans in the 1990s, including the Kosovo air campaign in which I played a prominent part in terms of public portrayal of what was going on. Many of you will also be aware that the mission in Kosovo represented the first and only time that NATO engaged in combat operations without a UN Security Council resolution, under the umbrella of international humanitarian law. By the way, that mission continues to this day after now 18 years in Kosovo with some 4,000 troops.

It should also be remembered that NATO's response to the terrorist attacks of 9/11, after which article 5 was invoked for the first time in the history of the alliance, resulted in the deployment of NATO airborne warning and control aircraft to the U.S. in the immediate aftermath of the attacks. That response also resulted in the commitment of maritime assets to the Mediterranean for the counterterrorist mission there, which lasted until 2016 and has now transitioned to a maritime security operation. Still, longevity was what counted there.

The International Security Assistance Force, or ISAF, is a mission that's firmly embedded in all of our minds as Canadians with strong Canadian involvement alongside all of our NATO members and, of course, at a very heavy price. I would add for you that NATO recently announced that they would be adding 3,000 more trainers to that mission, which will take it up again to about a total of 16,000 troops, which is still a significant commitment for NATO in that country.

More recently, Russia's reaction to the European missile defence shield, its annexation of Crimea, the destabilization of the Ukraine, and threats to the eastern flank have created some significant tensions for the alliance. Again, Canada has admirably stepped up to the plate on all of these with appropriate air, naval, and land contributions to the enhanced forward presence in eastern and central Europe, and in the Baltics in particular. Not the least is the leadership and contribution of forces to the multinational battle group in Latvia, which has been very successful so far.

● (0850)

I should note for you that the decision by Canada to lead that multinational battle group in Latvia was very important from a credibility perspective for Canada. It re-established much of their credibility, lost as a result of a number of things, but not least the withdrawal from the NATO airborne warning and control mission in Geilenkirchen, which Canada, as I know you're aware, has re-engaged COD in, at least in part, from a funding perspective; its withdrawal from the air and ground surveillance project; and also Canada's withdrawal from Afghanistan.

[*Translation*]

The majority of the foreign officials we met during our time in Brussels expressed their gratitude to us. The public consultations held with the Alliance were very productive. All the foreign officials we talked with about NATO and Afghanistan were very happy that Canada had renewed its commitment to NATO.

[*English*]

These actions by Canada, especially the leadership actions that we took in Latvia, were a very strong message for NATO.

There are lots of pressures, as you're well aware. Operations like the one in Libya, which is a while back now, but in which Charlie was the commander; the ongoing expansion of Chinese military capability, which has caused issues for many in the Asia-Pacific region; everything that we see in Iraq, Syria, and other parts of the Middle East; a divided European Union, although I would add that relations between NATO and the European Union are much better now than they were during my time in NATO and are improving steadily; the North Korean threat; the pressures of climate change, which are often forgotten; mass migration; and expanding terrorism have certainly put the alliance to a severe test in the last little while.

Through it all, the member states, including Canada, have been going through, as all of that's been happening, a very significant process of transformation. All have adapted to varying degrees to this changing security environment.

From my perspective as a former military practitioner, and as someone who maintains awareness of defence and security because of my current job in industry, I certainly remain a staunch supporter of NATO as a regional and political-military organization and, for me, a guardian of the rule of law and democracy, of course.

[*Translation*]

I also firmly believe in NATO's consensus-based decision-making process, despite the problems associated with it, especially in the North Atlantic Council and in the military committee. The decisions taken greatly boost NATO's credibility, especially during operations.

[*English*]

It's a tough way to make decisions, I can assure you, but it's a very important one. It provides not only the credibility that's required but also the commitment and the conviction by nations to continue the missions, especially when they get more difficult.

All of this has sustained NATO quite successfully in its political-military consensus, if you like, having won the Cold War without a shot, so to speak. It really has adapted and been transforming continuously. It was transforming when I was there, and it continues to transform in this day and age.

There are some who don't agree, by the way. I know that some are not of the view that NATO is as useful as it used to be. From my perspective, though, NATO is very important from a number of perspectives, not the least of which, from my point of view, is the establishment and maintenance of the transatlantic link, which to me is one of the guiding strengths of NATO.

With that as a backdrop, I just quickly want to say a few things about how NATO has transformed in the last little while, in light of a NATO that maintains a clear focus, though, on its three primary missions: collective defence and deterrence, crisis management, and co-operative security through strategic partnerships.

The Wales summit was a bit of a watershed and was done in a period of much uncertainty, but it was an important time in which the recognition of terrorism and what it does, and the problems of mass migration, which were very prominent at that point in time, were very important. These are complex challenges. They continue to challenge the collective capabilities of NATO, and NATO has really responded as it should have.

To address those problems, and especially that security environment that was evolving, NATO's partners and allies laid out a plan to create the readiness action plan. That was a very important plan, in my view, an extension of the NATO response force, which was a great initiative but one that took a lot of time to put in place.

● (0855)

This readiness action plan comprises both assurance and adaptation measures, which really do increase the readiness and responsiveness of the alliance. Assurance is a number of things. It's a broad range of land, sea, and air exercises, which we see continuously. Adaptation is the longer-term changes that you would expect, including, amongst others, the NATO response force, the readiness action plan that I talked about, the very high-readiness joint task force, and enhanced standing naval forces.

Having spoken to the commander of the navy just a few days ago as well, I know that the navy component remains very active, as does the air component of Canada's forces.

More recently, and as a result of the 2016 summit, there has been a renewed emphasis on defence, deterrence, and projecting stability, which will be key components of the upcoming summit in July of this coming year. NATO has clearly delivered on the defence and deterrence commitment through the enhanced forward presence that we're aware of in the Baltics.

[*Translation*]

As previously mentioned, Canada's leadership in Latvia is absolutely crucial, and was very well received once again.

[*English*]

In addition—again, these are not very visible but are important to note—allies have established a forward presence in the Black Sea region over the last while, with increased numbers of forces, as well as exercises and training under multinational division southeast, which is located in Romania. This headquarters achieved operational capability just last year, in June 2017.

Because of other challenges and threats in NATO's southern region, allies have also established a component called "framework for the south", which enhances situational awareness and also co-operative efforts on the southern flank. That is very important because of what's happening in Iraq, Syria, and elsewhere. This is created through a hub, which is located in Naples, that reached operational capability in September 2017. All of it is very important for that complete maintenance, if you like, of the deterrence and defence posture, complemented by such other things as nuclear, cyber, and civil preparedness capabilities.

Finally, with respect to projecting stability—again, this in keeping with the agreements at the Warsaw summit in 2016—NATO has put equal emphasis on the projection of stability, and that will form an important component of the upcoming summit.

Without giving you too many examples, this projecting stability is very important, and demands a lot of troops, of course. Those are encompassed in the operations in Afghanistan, Operation Resolute Support; the Balkans, which I mentioned; capacity-building in Iraq; training, which is coming up; the fight against terrorism; and the co-operation with some 40 partners worldwide. A large component of what I did during my time there was establishing, maintaining, and nurturing these relationships, not only with the members but also with the partner nations.

In this environment, NATO is certainly very aware, as well, of fighting terrorism and what that means, and is very focused on fighting it but also on ensuring that NATO member nations particularly are capable of doing it themselves. Canada, in my view, has very capably demonstrated its concurrence with this whole NATO approach that I've just described, through the commitments it has made to defence through "Strong, Secure, Engaged", the new defence policy published last year.

In conclusion, I remain firmly of the view that NATO is a premier contributor to peace, security, and stability across the very wide spectrum of threats and challenges that we know of. The solidarity amongst what is now 29 member nations—it was 26 when I was there—is embedded within this political military machinery that governs that decision-making process, the consensus process that I talked about. It has achieved significant interoperability with its partners worldwide, and it has enjoyed success for nearly seven decades and counting, marking it again in my view as the most successful alliance in history.

There are a number of things that are also ongoing in terms of dialogue, and I don't want to get into too much of that given time. Certainly the NATO-Russia Council remains an important one. That NATO-Russia Council, despite all of the pressures that are currently experienced with Russia, has met six times in the last two years, three times in 2017. That dialogue, which NATO is very committed to maintaining, is one that's going to remain very important, especially with the missile defence capability that's now embedded in the European sector.

● (0900)

We as a founding nation, of course, have a commitment, in my view, and a responsibility to maintain the success that NATO has known and has maintained over its lifespan. To me, maintaining the strength of our transatlantic link with the alliance is all important through the effective and meaningful contributions that we continue to make through capability, people, and funding.

I've had the privilege of serving the alliance at the highest level of its military command structure. As you can tell, I remain one of its strongest and most loyal supporters. I speak about it quite often. I look forward to the outcome of the Brussels summit, which I hope will set them on an increasingly positive path.

With that, thank you very much.

The Chair: Thank you, General Henault.

General Bouchard.

[*Translation*]

Lieutenant-General (Retired) Charles Bouchard (Former NATO Commander of Operation Unified Protector, As an Individual) : Mr. Chair, ladies and gentlemen, I will be speaking to you in the language of Shakespeare, but I will be able to answer your questions in the language of Molière, if you wish.

[*English*]

You all know who I am, in some ways. I've had the distinct honour to serve my country in the Canadian Forces for over 37 years. I retired from uniformed service in 2012. I have since continued my engagement in defence and security matters through support to the Canadian Forces as a senior mentor. My commitment to the security and defence of Canada continues today, as I am currently employed as chief executive, Lockheed Martin Canada.

It's a pleasure to be here today to address this important matter. In 2001 I wrote a paper in staff college essentially concluding that the alliance was bound for failure unless major changes were to take place. Events of 9/11, my assignment to NATO Joint Force Command Naples, Italy, and my subsequent appointment as theatre commander for Operation Unified Protector drastically changed the face of NATO and my attitude towards it. I witnessed the awakening of a vibrant alliance, albeit a slow one. Today I believe that NATO remains relevant and is a cornerstone of Canada's defence and security policy.

My relationship with NATO goes back to 1977 when as a young lieutenant I was flying tactical helicopters on Reforger in Germany. A few years after General Henault, I too commanded 444 squadron. In fact I was the last commanding officer, and took the squadron back to Canada on completion of my tour. On the morning of 9/11, I was on duty as deputy commander of the U.S. NORAD region. In an article 5 response, as the general mentioned, we saw NATO AWACS come to North America to help defend the United States. As a U.S. general commented to me at the time, we saw the blood flowing backwards. I also served as commander of the Canadian NORAD region and deputy commander of NORAD, and I witnessed then a resurgence of Russian bomber activities on the northern slopes of North America.

My colleague General Henault spoke to you about the strategic imperatives of NATO. I'll focus my comments at the theatre level, where strategy meets operations and delivers the application of controlled force.

I am content to see NATO forces being engaged on multiple fronts on land, at sea, and in the air. The general mentioned them, so I will not, but they all serve as a sterling example of the many versatile capabilities of the alliance. We need to remain engaged lest we will yield our democratic freedom to nefarious entities.

To be clear, the threat remains present. In light of Russia's hostile activities, I offer to you that we are in a second Cold War. My concern, however, is that there may be only one side spending money on it. NATO has suffered a long period of reduced funding, and we are seeing some of the results today. In Canada, we have a willing Canadian Armed Forces that suffers from a lack of appropriate funding and a resulting reduction in capabilities due to a lack of modernization.

Actions from China, North Korea, and Iran are other clear indicators that a threat to our society exists through either direct actions, indirect attacks, or even the mere potential to act.

Actions of despotic governments and their criminal acts against their own people must also be taken into consideration. Such have created mass migrations of refugees. Today there are over 66 million displaced persons. Military casualties are decreasing but civilian casualties are increasing. Frequent small-scale attacks on harmless civilians are easier to hide, yet create as much harm as any conventional combat action. We have a responsibility to protect those who cannot defend themselves and to create an environment in which diplomacy and self-government may take root. R2P is hard to avoid, but it must be approached in a holistic manner.

These threats will exist for the next decades, and therefore, when addressing our needs and capabilities, we must build an armed force that can keep our country secure for the next 40 years and beyond. Our force composition, posturing, and equipping must be tailored to these long-term requirements that transcend the mandate of any single government.

I, with many others, fully support the new defence policy of a strong, secure, and engaged Canada. I congratulate the government on the new policy and can only ask that the commitment to seeing it through remains, regardless of the political party in power. We have heard such plans before, and I would hope that we will learn from the past and we will see its evolution unabated.

From a commander's perspective, the mission I was assigned in Libya was an out-of-theatre R2P operation. We were given the task of taking all necessary action to protect the population. This was not a regime change, as some have mentioned. In fact, my wish was to see Gadhafi in front of the International Court of Justice to bring closure to this sad period in the lives of Libyans. This was a true R2P mission conducted by NATO.

● (0905)

Glaringly missing from the directions provided was the absence of a clear end state. This must be the second question answered before forces are committed. Lacking such, we ended up stating our own understanding of the end state, which was subsequently approved by the North Atlantic Council. It's important for me to say that the political end state is essential to any military commander.

I view my selection as commander for the mission as the result of a long career in the military, but also—and really, what's important to me—I was known to the chairman of the joint chiefs of staff, SACEUR, and the commander of Joint Force Command Naples. I believe that a Canadian in command was politically acceptable to the alliance, and, having served in the U.S. for many years, the country as well. My point here is that when we have Canadians in NORAD, they help in the bigger picture as well, because it enables us to put people in leadership roles and positions.

This mission, as with all military operations today, extended beyond the purely military realm. We adopted the comprehensive approach of "PMESII"—political, military, economic, social, information, and infrastructure—as the analytical start to assess the operational environment. This is an important point I wish to make, because conflict resolution today requires a full-spectrum approach, not just a military response.

Three major lessons were reinforced to me and my team. This is a matter of relationships, and one should not be exchanging business cards on the first day of the conflict. In fact, this is a job that must be taking place today.

I know that this committee is doing that in its travel. Congratulations, sir, and your team.

Doctrine and procedures are for the guidance of the wise and the blind obedience of the fools. We must remain flexible, and cannot adapt the next conflict based on the last one. We are the ones who must adapt.

Agility of the mind is something that does not come easily sometimes with 32 nations, especially in large alliances such as NATO.

I'll take the next few minutes to cover some more specific lessons learned. I hope they apply as much today as they did in 2011.

The first is readiness. It took NATO 12 months to begin combat operations in the Balkans. We had three weeks to get ready and assume command of the mission. A crisis today and the decision to act will not take months. We will only have a few weeks at best, or more people will die. We must have the right force structure and readiness that will allow fast and decisive engagements. We must have readily deployable, interoperable Canadian Armed Forces.

Next is intelligence. Situational awareness is the key. "Need to know" is a thing of the past. Today there is a pressing need to share. During the mission, I was part of Two Eyes, Canada and the U.S.; Five Eyes, Canada, the U.S., U.K., New Zealand, and Australia; and of course the various NATO classifications. This created conditions where not all members of the team had access to information. I took the deliberate decision to extend the passage of information to every member country that flew combat missions. I could not accept losing a single member of the force because we did not share information, thus potentially affecting my own centre of gravity, which was the alliance cohesion. This also created resentment from some of the countries that were part of it, because they felt they were not given the full picture. Acknowledging the existing agreements in effect, we must retain the flexibility to share, and not be encumbered by policies.

Next is boots on the ground. We conducted the mission without NATO forces on the ground. This was imposed by the United Nations Security Council resolution not to have occupying forces deployed in theatre. This artificial limitation, made for valid political reasons at the time, forced us to adapt in a way that had not been done before. We should be mindful of imposing such restriction on any commander in any future mission. On the other hand, I believe we showed that a mission could be accomplished using air and maritime power projection, without any casualties to our own forces. Further, force disengagement took seconds.

With regard to weapon systems, interoperability is essential. We must maximize the potential of future force structures and composition. The more we have in common with other NATO forces, the more effective we will be. Further, conflicts are now taking place among the population. We must therefore have the right small-yield weapons that will minimize collateral damage. Even a tactical mistake will take on strategic implications in a few hours, placing an entire mission at risk.

Next is cultural awareness. We can no longer impose our own standards on those we are trying to help. We conducted operations during Christian Lent and Ramadan. We adapted accordingly. I would have considered it a failure if we'd had to have a hearts and mind campaign during the mission. This was ours to lose from the start, and it influenced the way we conducted operations. A diverse force, be it gender, religious, or political diversity, must be the new norm.

● (0910)

In terms of information operations, the use of all means to achieve the objectives must include non-kinetic activities. Social media has become a critical element in the commander's arsenal. The risk is that it will extend beyond the geographical area of operations, and we must be prepared for that. A server in China or a server in Russia could have to be dealt with outside the geographical location that political entities may have given us a task. I believe greater efforts must be placed on understanding this concept, this problem, and on facing it, because strategic communication activities are truly important.

I'm running out of time, so let me conclude. Much has been written on whether the intervention in Libya was successful. On this I quote NATO, that the UN mandate was carried out to the letter and the mission was terminated on 31 October 2011 after having fulfilled its objectives. I was confident that I had the support of the Government of Canada and that of the leadership of NATO and its partner countries. The challenge, however, was that while the military portion was completed, much more was needed and is still going to be needed in the future. Social, political, constitutional, legal, academic reforms, amongst many others, were never followed through.

This is an important discussion that must take place today, before the next engagement. We must have a plan after the military has done its job. This was clearly lacking. I will offer to you that we have not learned from Bosnia, Kosovo, Iraq, Afghanistan, and Libya. It was good work from the military, but how about this comprehensive approach. Wherever we send our sons and daughters in the future, we will need to have a plan for the next phase of the campaign or accept that our effort may be for naught.

NATO provides the world with a political, diplomatic, and military capability that has no equal, and we must safeguard it. It brings international legitimacy to conflicts, and it tells the world that we will not stand idly while innocent civilians suffer or our national sovereignty and freedom are at risk. NATO is stronger today, but it must continue to evolve. I believe that Canada must continue its quest to retain, and indeed increase, its contribution and lead the change.

My time is running out, sir. Much more can and should be said, and I'm pleased to see that you are having these discussions today. I pledge to you my support in this endeavour. I congratulate you on your work and your commitment to NATO. It's a journey, not a destination.

[*Translation*]

Thank you very much.

[*English*]

The Chair: Thank you very much, General Bouchard.

Listening to you reminded me of working for you at the air division, which I very much enjoyed, incidentally.

LGen (Ret'd) Charles Bouchard: [*Inaudible—Editor*]

The Chair: I was usually looking at you from the back. When your glasses went up, we knew something was coming.

Voices: Oh, oh!

LGen (Ret'd) Charles Bouchard: You remember that.

The Chair: I do.

Mr. Scheid.

Mr. Kevin J. Scheid (General Manager, NATO Communications and Information Agency, As an Individual): Thank you very much, Mr. Chairman and members of the committee, for the invitation to speak today and to give you some information on NATO and the NATO Communications and Information Agency, for which I'm general manager.

It's an honour to be with you this morning. I came to Ottawa for the first time in 1983, as a graduate student from the University of Texas. It was a small grant from your government to study the Auto Pact, which of course was a predecessor of NAFTA. I've had a warm affinity for Canada ever since and been up here several times. It was fortunate that my travel from Brussels happened at the same time as this committee hearing, so I'm happy to be here.

My name is Kevin Scheid. I'm an American originally from Pennsylvania, but I've been living in Alexandria, Virginia, for the past 30 years. I recently retired from the American civil service, where I worked for 10 years at the White House Office of Management and Budget, 10 years in the U.S. intelligence community, and about 10 years at the Department of Defense. I took the position of general manager of the NATO Communications and Information Agency on July 1, 2017. I live in Brussels, Belgium, now.

I'm joined this morning by the Chairman of my agency oversight board, my supervisory board, Mr. Guy Charron of Canada. He's part of your Department of National Defence. I'm also joined by U.S. Army Colonel Joyce LuGrain, who heads up my Executive Management Office, and Ms. Virginie Viscardy, who represents my office in North America and will be making more visits to Ottawa as well as Washington. She works out of Norfolk, where we have NATO's Allied Command Transformation.

As you know, NATO is composed of a political headquarters in Brussels and has two military commands: one for operations in Mons, Belgium, at SHAPE, and the other for transformation in Norfolk, Virginia. There are two agencies. One's for support and procurement, and the other is for communications and information infrastructure and other technology capabilities. I'm the general manager for the latter.

Together, NATO as an organization, as a bureaucracy, has about 17,000 civilians and military staff and operates with a budget of about two billion euros annually. We strive to support the nations who protect over a billion citizens, from Ankara to Honolulu.

NATO Communications and Information Agency was established after a significant reform effort in 2012 that saw the consolidation of five NATO agencies and offices in order to realize some funding savings and manpower reductions, and to increase effectiveness. My agency provides support to both the political and military leadership of NATO. Our responsibilities are deeply rooted in the North Atlantic Treaty, which is 69 years old as of next week, and focuses on consultation of the 29 NATO members, which is article 4—we provide the communications to allow that consultation to take place at a political level—as well as collective defence, article 5. We support NATO troops in the field, particularly in Afghanistan, where I have about 200 staff and contractors.

Our history goes back to 1955, with the establishment in The Hague, Netherlands, of the SHAPE Air Defence Technical Centre, a centre that I'm certain has provided support to these two gentlemen when they were in combat and leading various parts of NATO. Today we work to ensure that missile attacks are thwarted, that military aircraft fly safely in European and North American airspace, that NATO troops have the secure and readily available communications they need to conduct operations, as well as to make sure that the Secretary General has a secure cellphone to use.

NCIA does not receive an annual appropriation but is funded through revenues we earn by delivering services and executing technical programs of work for the commands and NATO headquarters, or work directly with the nations. During this fiscal year, NCIA projects an operating revenue of about 250 million euros, and will contract out with NATO national industries about 630 million euros for goods and services. These range from communications networks in Afghanistan, as I mentioned, networks across Europe, cybersecurity capabilities, software-intensive programs such as air command and control, and “C2” for missile defence.

● (0915)

NCIA has a workforce of about 3,000 employees; roughly 1,500 civilians, 1,000 military, and 500 contractors. We have three campuses—Brussels, The Hague, and Mons. We're also expanding into a new training facility that the nations have invested in. It's common-funded, so Canada participates in this. It's a training facility in Oeiras, Portugal.

NCIA employs 61 Canadians, 51 civilian and 10 military. The latest estimate from this morning is that there are 435 Canadians throughout the 17,000 NATO employees, so Canada is well represented, and well represented in NCIA. I think we have the largest percentage of Canadians of any of the organizations. They mostly work in The Hague and in Mons in the technical areas. Their responsibilities range from executing highly technical engineering and software programs, such as the maritime program that Canada just won as a contract; NATO-wide defence planning projects; in the defence planning program we have a Canadian leading that effort; and project and program management and oversight.

Canadians are major contributors to NCIA, to NATO, and represent Canada very well with their quiet dedication, professionalism, and grit. And I mean that seriously. Some served in Afghanistan with us, and they pull their weight.

Today NCIA's priority is the digital transformation of the NATO enterprise. NATO nations, including Canada, have made large investments in a new NATO headquarters, which represents a significant improvement in NATO's IT capabilities. The new headquarters essentially is a network surrounded by glass and steel, and it includes modern data centres, sophisticated cybersecurity, and thousands of desk-top and mobile user devices.

As the Secretary General recently stated, the new HQ is a modern building for a modern alliance. It goes to what these gentlemen spoke to, that we need to modernize the capabilities of NATO and make sure that we're doing the best we can to facilitate the nations' engagement when they need to deploy. NCIA is very proud of our central role in the new headquarters transformation.

Similarly, we're transforming the digital infrastructure of the NATO commands through a project we call—cleverly, I'll say—“IT modernization”. We're deploying modern infrastructure with multiple redundant data centres and moving NATO towards the cloud, thereby centralizing services and support for the commands in order to reduce our cybersecurity vulnerabilities as well as improve effectiveness. All these efforts are protected by about 200 staff, who are monitoring and protecting NATO's networks on a 24-7 basis, whether in Europe, Afghanistan, or North America, as well as on NATO-deployed ships and aircraft.

These efforts as well as others represent what I like to call NATO's digital endeavour, the digital transformation of the NATO enterprise, so that we can support the member nations of the alliance better and become more effective and efficient. This will not happen immediately but is something that is going to occur over the next several years.

A critical aspect of what I do as a general manager is engage with the industries of the NATO member nations, the industries who actually deliver those capabilities. Last evening, and even this morning just before arriving here, I met with several leaders of the Canadian defence industry to learn more about their experience in working with NATO. This engagement follows from NCIA's industry conference held here in Ottawa last year, which attracted more than 700 participants from Europe and North America. This was the agency's most successful of these engagements to date, and the first one to be held in North America. Our next industry conference, NITEC'18, will be held in Berlin on May 22-24.

Last December I was very proud to award the largest NATO contract ever to a Canadian company, MDA. The project is Triton, and it supports our maritime operations. Your permanent representative to the North Atlantic Council, Ambassador Kerry Buck, participated in the signing ceremony at the NATO headquarters just before the Christmas holiday. In fact, I met with MDA leadership this morning just to get my own personal assurances, eye to eye, that things were on track and the program was moving forward.

● (0920)

Triton, which is the project that they won, will replace the operational-level functionality of the current maritime command and control information system, or MCCIS, and other operational support functions. Once Triton reaches its full operational capability, it will become the main platform for conducting all military maritime operations throughout the alliance. Nations and commands will be able to share their maritime information in a live environment, mutually benefiting from the shared data, so that Triton may live up to its name, “messenger of the sea”.

In conclusion, from my perspective as somebody who works in the trenches of the NATO bureaucracy, Canada is an essential part of NATO. It always has been; it always should be. NATO benefits, I believe, from the outstanding military and civilian talent that you send to operations as well as to Brussels. The alliance also benefits from your direct support through activities such as air policing. The alliance would not be as capable of deterring threats from NATO's east flank, or southern flank, which these gentlemen have discussed, without Canada's steadfast participation.

Thank you again for this opportunity to speak and to brag a little bit about my agency.

I'd be glad to take questions.

● (0925)

The Chair: Thank you very much for your remarks.

This is just a heads-up, although the committee members may have seen this on their phones, that we're anticipating bells at around 10:05 a.m. We'll deal with that when it happens.

I guess I am asking that we be disciplined with our time, please, so everyone gets an opportunity for our guests. If you see this piece of paper, it indicates that you should wrap it up in 30 seconds or less, so you can have a graceful dismount, I can go on to the next member, and everyone has a chance.

We'll go for the first seven minutes of questions.

Mr. Robillard, you have the floor.

[*Translation*]

Mr. Yves Robillard (Marc-Aurèle-Fortin, Lib.): Thank you, Mr. Chair.

Gentlemen, welcome to the Standing Committee on National Defence, and thank you particularly for participating in our work.

My first question is for Lieutenant-General Charles Bouchard.

As a former NATO commander of Operation Unified Protector in Libya, can you talk about Canada's contribution to NATO's training and capacity building activities in the Middle East and North Africa?

LGen (Ret'd) Charles Bouchard: Thank you, Mr. Robillard, for your question.

Canada, without a doubt, had an important role during this mission, and here are some examples. As deputy commander of the Allied Joint Force Command in Naples, it was my responsibility to train the NATO Response Force for one year. That is why, in December 2010, I was named commander of both the force and the group. There were a lot of Canadians on the ground team, not only in our force, but also in the training committee that trained us in Norway.

Furthermore, during the mission, Canada also deployed a very powerful air force with F-18 fighter aircraft, tanker aircraft, as well as transport aircraft. This was also the first time we used Aurora crews on the ground for reconnaissance. This force is now being used in northern Syria and in Iraq.

The navy was there as well. There was the *Fredericton* and another ship whose name I can't quite remember. It was the first time since 1952 that a navy, a naval vessel, found itself under enemy fire.

I can say that Canadians were very well represented. We had, in Canada, in my own headquarters, people in senior command positions and a number of other positions, such as the chief of communications, held by Colonel Roland Lavoie, who was named spokesperson of Operation Unified Protector at the end of the mission. We have left our mark, sir.

I hope that I answered your question.

Mr. Yves Robillard: Do you believe that Canada should increase its contribution in these types of operations?

LGen (Ret'd) Charles Bouchard: Canada should be there for these operations. It's important both to protect people and for our overall safety. I firmly believe this. I also believe that Canada should remain a NATO member. I also believe that, to maintain our leadership position, we must continue to support the NATO forces.

Mr. Yves Robillard: In your opinion, should Canada participate in NATO's expanded training mission in Iraq? If so, what should be Canada's contribution?

LGen (Ret'd) Charles Bouchard: Sir, I am in no position to answer that question. When this was planned, I was a member of the NATO forces. However, as a NATO deputy commander, I was also responsible for the training mission in Iraq, which was very strong and well worth it. One of the Canadians was deployed to train non-commissioned officers. Personally, I was part of the forces. With that said, there's nothing more I can say on this issue.

Mr. Yves Robillard: Thank you. My next question is for General Henault.

As the former chairman of the NATO military committee and as Canada's former chief of the defence staff, can you tell me how important, for both Canada and NATO, was the Canadian government's recent decision to join the NATO Airborne Warning and Control System program, the AWACS?

In your experience, how should Canada contribute to NATO in the years to come, and why?

● (0930)

Gen (Ret'd) Raymond Henault: Thank you for your question, Mr. Robillard.

In fact, I know the AWACS operations well, and I know what they mean for the Alliance. I flew on AWACS aircraft when I was chairman of the military committee. Canadians' contribution to the air force during their decades of participation was very important, specifically with regard to their capabilities.

General Bouchard has a very good knowledge of the Canadian capabilities in direct operations such as those in Libya. For continuous operations such as the AWACS, Canada's contribution with regard to operational techniques and capabilities was critical. They had a vision for the structures of both the manned airborne systems and the drones, the unmanned aerial vehicles.

In my opinion, Canada's withdrawal from the AWACS was hard for NATO to accept due to our contribution at the time. As General Bouchard mentioned, the deputy commander of the force was on-site. We were therefore not only responsible for providing the monitoring and air observation capabilities, but also the force's leadership.

I hope that Canada's announced renewed commitment to NATO, at least for the financial aspect, will become more than that in the long term. As I mentioned in my presentation, this renewed participation will result in a new-found credibility for Canada.

As for the protection of the North American continent by NORAD, I believe that our people in command are extremely experienced. Their expertise is of critical importance to NATO, whether for operations in Europe, Iraq or Libya, specifically for monitoring purposes. In my opinion, this is an important, even critical, issue for Canada.

Mr. Yves Robillard: Thank you very much.

I'll let my colleagues speak now.

[*English*]

The Chair: Mrs. Gallant.

Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC): Thank you, Mr. Chair, and through you to our witnesses.

My first questions are for you, General Bouchard. As you know, Canada is in the process of acquiring some hand-me-down F-18s. We already know that they are interoperable with NATO. With respect to the time it's going to take to make the Australian F-18s operational, as opposed to buying something new, do you see the delay impacting the ability to fulfill our requirements with NATO?

LGen (Ret'd) Charles Bouchard: Madam Gallant, I am under non-disclosure directions, as we are in the middle of a competition right now. I have signed those non-disclosure agreements. It would be inappropriate for me to comment on this at this time.

I hope you understand my reluctance to add any more to this point at this time.

The Chair: Completely.

LGen (Ret'd) Charles Bouchard: Thank you, sir.

Mrs. Cheryl Gallant: Okay.

Then would you be able to compare and contrast the command structure within NATO, having been commander, and tell us how it differs from a command structure with a non-NATO-led command of a UN mission?

LGen (Ret'd) Charles Bouchard: Each commander will add his own touch. NATO brings a set of procedures and policies and trained individuals, with whom you've been working before, for a while, working together, whereas a UN mission may bring a non-NATO partner who you may not have worked with before. To me, I will always lean toward NATO, because we speak not the same language but a similar language, and we share procedures and processes that we've trained together to do, whether individually in our own home nation or as a group as an active member of the NATO standing force. Therefore, I will always lean toward that.

That does not mean the UN is not a good thing. I'm saying that NATO members have probably worked together before, whereas a UN mission would bring new partners that may not necessarily have worked with us before, and will require the commander and his team to adapt. Again, as I stated in my comments, it's for us to adapt to the situation.

● (0935)

Mrs. Cheryl Gallant: Okay. Thank you.

Mr. Scheid, there has been quite a bit of controversy in the news lately with respect to the sharing of personal information on social media. You mentioned how important it is to use all types of available intelligence. They talk about the political weaponization of social media, but to what extent would we be using that militarily?

Mr. Kevin J. Scheid: That's not something my agency actually gets involved in. If there's open-source material, and open-source collection of information that comes through a variety of media outlets, that's usually considered by the....

Mrs. Cheryl Gallant: Thank you.

How will the Internet of things impact our security from a NATO standpoint, or from a security standpoint altogether?

Mr. Kevin J. Scheid: The Internet of things is providing capabilities that are far beyond what NATO is struggling with right now. We're working with our basic infrastructure. You've heard about cost reductions and so forth. We're building and modernizing our infrastructure for communications. We're not taking the steps, as the commercial sector is, with the Internet of things, but in all instances, NATO information is secure. Whether it's at rest or moving, we provide the cybersecurity and we provide the encryption to ensure that it's protected.

Mrs. Cheryl Gallant: Thank you.

General Bouchard, could you tell us a bit about the actors on the ground in Libya when you were commander?

LGen (Ret'd) Charles Bouchard: In terms of the actors on the ground, there were NATO forces on the ground.

Mrs. Cheryl Gallant: I know.

LGen (Ret'd) Charles Bouchard: Therefore, the actors were Gadhafi, the regime forces, and/or the rebel forces. Under directions from the North Atlantic Council, I had no access to discussions with them.

If I may add a point here, Madam Gallant, how do we reach them through social media? We dropped nine million leaflets on a country that had six million people. I would like to have been able to reach every one of their cellphones and reach them directly.

Mrs. Cheryl Gallant: I'm more interested in how you dealt with the Tuareg on the ground. Could you tell me what you learned about them by the participation on the ground?

LGen (Ret'd) Charles Bouchard: Absolutely. The Tuareg in the Berber region on the west side of the country had, and still have, a close relationship with the Emir of Qatar. Part of the alliance that we had also included Qatar. When dealing with that, I could reach out to Qatar and get some information, and some discussions could take place through the advice of my Qatari adviser for the mission.

Again, you find connectivity where you can, and in this case with the Tuareg in the Berber area it was through Qatar and Jordanian intelligence services.

Mrs. Cheryl Gallant: Is that my time, Mr. Chair?

The Chair: You have a minute left.

Mrs. Cheryl Gallant: Okay.

Let's go back to the Internet of things. The NATO Parliamentary Association has been seized with this, and for over a decade we tried to overcome that inertia in NATO to even be homing in on cybersecurity. It seems we're having the same sort of push with the Internet of things. We're always caught behind.

What, if anything, can you recommend to us as parliamentarians to push NATO forth to be taking more of a leading-edge approach on this very important security threat?

LGen (Ret'd) Charles Bouchard: With your permission, Madam Gallant, I will pass this to General Henault for comments.

Gen (Ret'd) Raymond Henault: I was just researching something here.

Could you repeat the basic part of the question?

The Chair: That's going to exhaust the time, unfortunately.

I will go to MP Garrison.

● (0940)

Mr. Randall Garrison (Esquimalt—Saanich—Sooke, NDP): Thank you, Mr. Chair.

I want to start by thanking both generals for their service to Canada, and all three of you for your service to NATO.

I want to focus on one of the points that General Henault raised. It was about NATO's recognition of the necessity to put equal emphasis on projecting stability, defence, and deterrence. Certainly, one of the interesting things in Canada right now is that we've had all-party support for projecting stability.

My concerns that I've been asking about here in committee are on the defence and deterrence part of this, which have received less attention. In particular, the U.S. nuclear posture review, which was on February 2, talked a lot about low-yield nuclear weapons or tactical nuclear weapons—which, I always want to point out to people, are slightly larger than weapons dropped on Hiroshima—and basically seemed to abandon the no-first-use doctrine pretty explicitly in saying that nuclear weapons might be used to respond to conventional disadvantages or attacks.

What is NATO's role here in trying to either adapt to or combat this lowering of the threshold for the use of nuclear weapons, and would Canada have a particular role in that?

Gen (Ret'd) Raymond Henault: Canada will have a role to play in terms of North Atlantic Council decision-making, because it is consensus-based decision-making. For that very reason, we'll at least be involved in the discussions of deterrence and the postures. The deterrence, of course, is not just conventional. It is also nuclear. Of course, now we're even into cyber-deterrence as well, as Mr. Scheid has already mentioned quite extensively.

To me, the Russian threat would not change NATO's position. NATO would not adopt a different deterrence posture, in my view. The NATO nuclear deterrent, by the way, has reduced significantly since the end of the Cold War. However, we have seen—it's something in open-source information in the recent past—where the Russians have talked about the development of missiles like the Iskander missile, for example, which is a nuclear-tipped short-range kind of missile. That sort of thing is obviously of concern to NATO and all of its members.

Will it change anything? I don't think so. I certainly don't have any insights as to whether or not NATO is discussing that in any form, other than the normal summit formats, and the normal North Atlantic Council regimes, whether they're at ministerial or head of state levels. To me, the thing that's maintained NATO's credibility over time has been its consistency, especially with its deterrent posture, and recognizing that change has required some changes in that posture overall but hasn't changed its overall intent. So I don't see anything massively changing in the short term.

Mr. Randall Garrison: Is there now a gap between NATO's deterrence policy and the United States deterrence policy with the issuing of this new posture review in the United States?

Gen (Ret'd) Raymond Henault: I think the U.S. is still in consonance with the INF treaty. To me, NATO and the U.S. are pretty much in lockstep, I would offer. The U.S., obviously, has the largest nuclear arsenal, if you want to talk about a deterrent arsenal, along with the U.K. and France.

So I don't think so. That would be my assessment.

Mr. Randall Garrison: General Bouchard, do you have any comments?

LGen (Ret'd) Charles Bouchard: I wouldn't have anything more than what the general has said.

Mr. Randall Garrison: Mr. Scheid, when it comes to the summit that's coming up in Brussels, do you have any information on the agenda? NATO has set equal emphasis on projecting stability at the summit, and things that have happened at the previous summits seem to have been emphasizing the projecting stability part, and a little less on the deterrence and defence part. Do you have any foreknowledge of the agenda and whether those things will be equally considered?

Mr. Kevin J. Scheid: You're trying to get me in trouble here, aren't you?

Mr. Randall Garrison: Yes.

Voices: Oh, oh!

Mr. Kevin J. Scheid: I'm a NATO bureaucrat, so I have to be careful about my words—as opposed to citizens who have formerly served.

I don't have any particular insight into the NATO summit agenda. I know that, among other high-priority items, there will be a discussion of the NATO command structure adaptation and the way the command structure is changing and evolving. There's been a great deal of discussion about adapting the command structure to the threats that are perceived in the east and south.

They're talking about adding additional staff to the command structure, as well as some new capabilities, particularly in the cyber area. Cyberspace has been declared a domain of combat. There will be a discussion about a cyber operations centre being established at SHAPE to help coordinate what the member states do in terms of responding to any large cybersecurity attacks or threats.

● (0945)

Gen (Ret'd) Raymond Henault: I could add to that, if you'd like, only because I have the agenda in front of me.

Voices: Oh, oh!

Mr. Kevin J. Scheid: You have the agenda. You can share it; I can't.

Gen (Ret'd) Raymond Henault: I have the major lines, anyway.

What Mr. Scheid has already passed you is quite accurate, by the way.

There are five key themes for this upcoming summit. One of them will be defence and deterrence, and enhancing that even beyond what it is now. We've discussed that a bit, so there's no surprise there.

The projection of stability is of course going to be the second theme, and a very important one, focused on terrorism particularly.

The third, which in my view is also a very important one, is the strengthening of co-operation with the European Union, with mobility and capacity-building for partners and things of that nature. I can tell you that during my term in NATO, our relationship with the European Union was a stressed one, only because we had the problems of Turkey's non-acceptance into the European Union and difficulties with Cyprus. Getting any decisions made was very difficult. To me, the strengthening of co-operation, especially in the cyber dimension and also in force projections, and the sharing of information will be absolutely crucial.

The last thing I'll say is that the command structure will again be renewed. I can tell you a little about that if we have some time later on.

Burden sharing will be the fifth theme that will be discussed at the summit. That's the one, of course, that Canada is very familiar with, in terms of the 2% requirement and also the 20% of defence spending, which by the way will be very much surpassed as a result of the new defence policy, once all the projects are undertaken.

It's a very positive outlook, from my perspective, for the summit.

The Chair: Thank you.

MP Gerretsen.

Mr. Mark Gerretsen (Kingston and the Islands, Lib.): Thanks, Mr. Chair.

I'm going to pick up on where you left off there. I noted that the NATO Communications and Information website says that some three-billion euros' worth of business opportunities are planned between November 2016 and 2019 in cyber, air, and missile defence, as well as advanced software. This fundamentally includes refreshing NATO'S ICT infrastructure, satellite communications, and so on.

Can you elaborate on the contributions made by Canada towards these three-billion euros' worth of business opportunities?

Mr. Kevin J. Scheid: Absolutely. This is over a period of time. I think it's five years that we're looking at. These are major investments in satellite communications, about one and a half billion of that, which is a large piece of that. We're making common-funded investments into missile defence, and there's a large investment in refreshing and expanding our missile defence—

Mr. Mark Gerretsen: My question was more about what opportunities Canada has.

Mr. Kevin J. Scheid: Well, Canada's contribution to NATO is 6.6%...a contribution of those common-funded programs, and the field is open for Canada to compete on these contracts. In fact, that's one of the reasons I've engaged with the industry today.

Mr. Mark Gerretsen: Do you know if any Canadian companies have been awarded contracts in these areas?

Mr. Kevin J. Scheid: The largest award was for Trident, as I mentioned. That's a sophisticated, software-intensive maritime command and control system. It's about $15 million Canadian, which is a substantial contract.

Mr. Mark Gerretsen: Thank you.

Mr. Henault, in your comments you said that you should note for us that the decision by Canada to lead a multinational battle group in Latvia served to re-establish some of the credibility lost by Canada in recent years. What credibility was lost, and how was that lost?

● (0950)

Gen (Ret'd) Raymond Henault: As I think everyone is aware, Canada withdrew from Afghanistan in particular. Although it wasn't the only nation to withdraw, it did withdraw most, if not all, of its forces ultimately. The withdrawal from the AWACS program, the withdrawal from air-ground surveillance at about the same time—

Mr. Mark Gerretsen: How did it affect our credibility? You said it was “lost”. I'm just curious.

Gen (Ret'd) Raymond Henault: It was diminished. Our influence, perhaps more correctly, was diminished as a result of it.

I was asked about it on more than one occasion when I visited NATO, and I used to be able to get to NATO about every six months or so. It was a question asked not only by NATO practitioners in the headquarters itself but also by some of the representatives of other nations: was Canada stepping back from its commitment to NATO as a founding member? There was obviously no impression that Canada was withdrawing from NATO, but it was certainly stepping back on what they viewed as its commitments and programs that it had been very forcefully responsible for, or at least supportive of, and so it made it more difficult.

Certainly, during my time there, when I was the chairman of the military committee, Canada was heavily involved in NATO. It was one of the prime contributors to Afghanistan. The air contributions, naval contributions, and land force contributions were of the highest order. The credibility and the influence that could be brought to bear by the Canadian military representative and by Canada in a number of fora, not least of all at the ministerial and head-of-state level, was significant.

Mr. Mark Gerretsen: Is it safe to say that in your position, withdrawing from AWACS, for example, was the wrong decision to make at the time?

Gen (Ret'd) Raymond Henault: That's a decision the Government of Canada makes for its own reasons. But from my perspective, from a contribution point of view, it was certainly a diminishing of our operational contribution to NATO that I certainly would have liked to see remain in place.

Mr. Mark Gerretsen: More recently, Russia's reaction to the European missile defence shield, its annexation of Crimea, the destabilization of the Ukraine, and threats to the eastern flank have created some significant tensions for the alliance.

You also said that more recently, Russia’s reaction to the European missile defence shield, its annexation from Crimea, the resulting destabilization of Ukraine, and threats to NATO’s eastern flank have created significant tensions for the alliance. Can you briefly tell us what those tensions are and what Canada's role should be in relieving those tensions?

Gen (Ret'd) Raymond Henault: Canada is already doing a lot to help relieve that by the projection of forces. If we want to talk about projecting stability, Canada is doing that not only in the Baltics but also in Ukraine and through the training programs it contributes to in other areas, the air support that it provides through air policing, and so on. It's helping to reduce the overall tensions that a lot of this brings.

Certainly, the annexation of Crimea was something that no one would have expected, quite frankly, and it has created tensions in a way that is different from the way it would if it were creating tensions for a member of NATO. But we have to remember that Ukraine is a member of the membership action plan as declared at the Bucharest summit in 2008, as I recall. That was my last year. It was declared, by the way, that both Ukraine and Georgia would eventually become members of NATO. That hasn't happened, obviously, for a variety of reasons, changes in government and things of that nature. But the tensions are there, because it's already been very much involved in contributing to Afghanistan and all of the things that we've seen from a Ukrainian point of view, their desire to become a member of NATO and so on, so—

Mr. Mark Gerretsen: I'm going to have to just jump in there. I'm sorry, but I have only about a minute left.

Mr. Bouchard, you said in your opening comments that NATO is the “cornerstone” of Canadian defence policy. What do you mean by that?

LGen (Ret'd) Charles Bouchard: When we look at defending this country, we look at having a force that's strong at home and in North America. But really the true defence of this country is also about not waiting until it gets to our border. It's forward defence, as far forward as possible. NATO offers us this vehicle to do that through an international force that not only acts on article 5, but also —

Mr. Mark Gerretsen: Do you mean that we rely on NATO quite a bit?

LGen (Ret'd) Charles Bouchard: No, I think it's a team effort. It's to know that we work together.

Mr. Mark Gerretsen: Would you say the United States or the United Kingdom would say that NATO is a cornerstone of their defence policy?

LGen (Ret'd) Charles Bouchard: It's difficult for me to talk on behalf of another country as they see it, but I can tell you from my experience that the U.K. would certainly say so, yes, and the United States would say so as well. It's part of this insurance policy that comes with having 28 partners.

● (0955)

Mr. Mark Gerretsen: So it's an important partnership.

Thank you.

The Chair: Thank you.

MP Alleslev, go ahead. We're now at five-minute questions.

Ms. Leona Alleslev (Aurora—Oak Ridges—Richmond Hill, Lib.): Thank you very much.

Thank you, of course, Kevin, for travelling so far. I would like to leverage some of the conversation we had with my colleague around procurement and NCIA. Part of the strength of the alliance, of course, is the integration of 29 countries, not just governments or militaries but also our industrial base, because we really do not have any ability to project power or capability without our industrial base. Therefore, part of the committee's responsibility is to ensure that we are supporting Canadian defence industries to be able to put their best foot forward and be successful in this regard.

I have certainly heard that there's a sense that we're returning to “fortress Europe” and that it's Europe for Europeans, and the European industrial base is, perhaps, not as open and welcoming, shutting out Canadian companies. I understand that 6.6% is Canada's contribution to the common funding. I know that our receipt of contracts has not been commensurate with that proportion. Of course I know that's not how it works, because it is an open and competitive process. However, perhaps we could be doing more. We have great Canadian companies, certainly, in the command and control and information space.

My question to you is this. What can Canada do to enhance its potential for industry success, and what are the top three barriers to that success that you're hearing from Canadian industry?

Then I would like to have that same question answered, if I could, by both of the other colleagues, because of course you've seen it from both sides and have a very good perspective to contribute on this topic.

Mr. Kevin J. Scheid: Thank you very much. It's a great question.

Let me say that 6.6% is a substantial investment by any NATO nation into common-funded programs. I've talked with industry in the past 48 hours about these issues. What's holding them back? I'd say one of the top barriers is the geography and time zones. That affects the American industries as well. Two, it takes a long time to figure out the NATO procurement processes. It's a bureaucratic process that takes time. To understand that, you have to get involved in it; you have to work it through. To do that, you have to spend money and invest in actually being present in Brussels at committee meetings and to talk with your delegation.

Maybe a third area is just that it takes investment, more investment than companies, particularly small and medium-sized companies, have to make in an international competition. What can Canada do to enhance its competitive balance? One, you have an extremely effective ambassador, Kerry Buck. I spoke with her just before my trip about engaging with industry, and she's already been doing that and encouraged me to talk with industry while I was here, which I'm doing. You also want to make sure that you have a national technical expert engaged.

Ms. Leona Alleslev: Do we have one now at NCIA, or did we perhaps have one who's no longer there?

Mr. Kevin J. Scheid: I believe there's one there on a part-time basis. I don't have the exact details on that. It's important to have somebody on the ground who can help translate NATO capabilities and needs into an industrial discussion. That doesn't necessarily need to be someone from the Department of National Defence. It could be someone from your trade and industry ministries as well.

I'll leave it at that.

Ms. Leona Alleslev: Thank you.

Gentlemen?

Gen (Ret'd) Raymond Henault: I can add a few comments.

You've hit on something that's been an issue for a long time, certainly in my time in NATO. Both in my time here as the chief, but particularly when I was there in Brussels, it was clear that Canadian companies were probably not getting as much work as they probably could, and in terms of the contributions or the amounts of money that are invested in NATO and the return on investment, it's certainly not as high as some of the European nations. So I would agree with that.

I would say that Canada has lots to offer. It has great capability, but as Kevin has already said, I think one of the key ways that Canada can get that much more exposure is by being present. The companies that have been successful in Europe, especially in the NATO fora, have been those companies that are visible, that have established themselves on the ground in Brussels, or in Europe in particular, that have been visible from that perspective, and that have participated in committees. That's the one that I really wanted to hit on, because there is the NATO Industrial Advisory Group and things of that nature, where Canada can be visible. It already has contributed to many of the committees in NATO, not least the cyber committees and developing a vision for that.

That's how Canada can get that much more exposure and hopefully more business in NATO.

● (1000)

Ms. Leona Alleslev: Did we run out of time?

The Chair: Yes. You're over time.

MP Yurdiga.

Mr. David Yurdiga (Fort McMurray—Cold Lake, CPC): Thank you, Mr. Chair.

I'd like to welcome our special guests here today.

We hear a lot about Russia, the invasion of Ukraine and all the shenanigans they are playing with fake news and cyber-attacks, but we hear very little about North Korea and Iran. I'm concerned about North Korea. They're always testing their ballistic missiles.

Are we spending any time looking at the what-if scenario, if North Korea does do something we do not want them to do? Can you just comment on a general basis?

Gen (Ret'd) Raymond Henault: Perhaps I can just say a couple of words.

I would say that you're correct. I mean, there is an issue with countries that have a capability, or at least a perceived capability, like North Korea, or Iran for that matter. The very reason the NATO missile defence shield was established, was recommended or at least offered by the U.S. and now established with the onshore capability, Aegis capability, in Romania, as I recall, was to protect against a rogue missile launch, whether it was from Iran or from North Korea. So there is a recognition of the threat, and there have been at least steps taken to try to counter that, if required.

I don't know what the internal workings of NATO are at the moment, or what the internal threat analyses are, but certainly that has to be part of their consideration on a daily basis as well.

Kevin would probably know better. Charlie may also have a view on that.

LGen (Ret'd) Charles Bouchard: When I look at North Korea, in answer to your question, does one look at it as a threat to North America or is it a threat to Europe? I'll focus on North America.

This is where NORAD steps in. NORAD has a mission of identifying any attack, and one of the tasks I had, and our current deputy commander out there has, is the integrated tactical warning and attack assessment. Within seconds anywhere on earth, somebody can pick up the launch of a missile, and within a certain period of time it must be assessed as to whether it's an attack or not. That's the first part of it. That's the attack part of it.

The second part of it, of course, is the ballistic missile defence for North America, which is in the hands of the U.S., and that's being dealt with. Of course, there is always the third portion of it, which is what retaliation would the U.S. take, which is strictly a sovereign decision by the United States.

I hope I have provided a little bit of an answer to this.

Mr. Kevin J. Scheid: Just to follow up on that, I think of the threat as less of a direct attack from North Korea into Europe as it is North Korea selling technologies, selling capabilities, to actors in the region that might pose a threat.

One of the things we do in missile defence is make sure we can defend Europe from any direction and have the command and control in order to manage those systems that are present. Actually, having intelligence from the NATO nations to help inform that missile defence capability is something we struggle with, and I would open up to Canada as you can help us through your intelligence capabilities.

Mr. David Yurdiga: Thank you very much.

Do all NATO countries contribute to NATO's ballistic defence system? How does Canada's contribution compare with other countries'?

Mr. Kevin J. Scheid: The contributions are common-funded capabilities for ballistic missile defence. In the program that NCIA is responsible for, the command and control, that's common-funded, to which Canada would contribute 6.6%. There are U.S. assets in Europe. There are radar systems and so forth that are contributed by the nations.

Gen (Ret'd) Raymond Henault: I would only add that Canada joined the consensus on missile defence for European nations. That was very clear, and it was very clearly specified that Canada agreed to that because of the sensitivities of North America, of course. I know that it signed up to missile defence for European nations.

In terms of the common funding, I would agree with Kevin. It's all part of the common funding formula, so that would be how Canada would contribute, and not the least through command and control systems.

● (1005)

Mr. David Yurdiga: Thank you.

Canada's doing its part, and I'm very proud of our men and women in uniform. From your perspective, why isn't Canada contributing to our own ballistic missile defence? Obviously, we are depending on Americans, who will have to decide whether they're going to do something or not. Shouldn't Canada take a more active role on the part of funding some of this missile defence for our own nation?

The Chair: I'm going to have to hold it there. We're out of time.

MP Fisher.

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

Thank you, gentlemen, for being here. I appreciate it.

Kevin, you said that 61 Canadians work for NCIA. I'm interested in how as a country we're engaged with NCIA. Can you give me some specific examples of how Canada engages with NCIA?

Mr. Kevin J. Scheid: From the 29 nations, we hire based on competitive, merit-based international competitions for positions. We welcome civilian employees from all nations. We also have about a thousand military positions. Canada contributes to those military positions, and it has fulfilled its requirements, its commitments, for military positions.

Canada also engages with NCIA at the industrial level, where we have competitions on contracts. As I mentioned, we held our industry conference here in Ottawa last year, and it was one of the best, if not the best, conferences the agency has had. It attracted Canadian business. We were able to educate, talk to, and bring Canadian business into the process, and to inform people about the process, of competing.

The Chair: I'll have to stop you for a second.

That definitely is a vote bell. The one previous to that was opening the House. In order for us to continue for perhaps another 10 minutes, I need unanimous consent from the committee. Otherwise, I'll have to move to adjournment.

We have one member who is not okay with that.

Mr. Mark Gerretsen: He's not going to get a question in the 10 minutes. That's why he's not happy with it.

The Chair: To summarize what's happening right now, there is no unanimous consent to proceed, so we're going to have to wrap it up and head over to the House for votes.

Gentlemen, thank you very much for coming. Your comments will help us form a report to the Government of Canada with some very critical recommendations. I appreciate your time here today.

Thank you very much.

We are adjourned.