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Chair

The Honourable Kevin Sorenson

Standing Committee on Public Accounts

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• (1530)

[English]

The Chair (Hon. Kevin Sorenson (Battle River—Crowfoot, CPC)): Good afternoon, colleagues.

This is meeting number 122 of the Standing Committee on Public Accounts for Monday, December 3, 2018. We're here today in consideration of report 3, "Canada's Fighter Force—National Defence", of the 2018 fall reports of the Auditor General of Canada.

I would just remind the committee, and those in our audience today, that we are televised, so I would encourage all of you to put your phones on silent or vibrate, so there are fewer distractions.

We're honoured to have with us, from the Office of the Auditor General, Mr. Jerome Berthelette, assistant auditor general of Canada and Ms. Casey Thomas, principal. From the Department of National Defence, we're pleased to have the deputy minister, Ms. Jody Thomas, as well as Patrick Finn, assistant deputy minister, materiel, and Lieutenant-General A. D. Meinzinger, commander, Royal Canadian Air Force.

We thank you for your attendance here today. We look forward to your testimony. We will now turn the time over to Mr. Berthelette.

[Translation]

Mr. Jerome Berthelette (Assistant Auditor General, Office of the Auditor General): Mr. Chair, thank you for this opportunity to present the results of our report on Canada's fighter force. Joining me at the table is Ms. Casey Thomas, the principal responsible for the audit.

Our audit focused on whether National Defence managed risks to Canada's fighter force so that it could meet Canada's commitments to NORAD and NATO until a replacement fleet is operational.

[English]

In 2016, the Government of Canada directed National Defence to have enough fighter aircraft available every day to meet the highest NORAD alert level and Canada's NATO commitment at the same time. This meant that National Defence had to increase the number of fighter aircraft available for operations by 23%. This new requirement came at a time when the Royal Canadian Air Force faced a growing shortage of trained and experienced pilots and technicians. Even before the new operational requirement, the fighter force did not have enough experienced technicians and pilots.

According to National Defence, as of April 2018, 22% of technician positions in CF-18 squadrons were vacant or were filled by technicians who were not yet fully qualified to do maintenance. Furthermore, National Defence identified that it had only 64% of the trained CF-18 pilots it needed to meet the government's new requirement.

[Translation]

While there was a plan to increase the number of technicians, we found that there was no plan to increase the number of CF-18 pilots. Pilots have been leaving the fighter force faster than new ones could be trained. As a result, given the shortage of pilots and the limits of its training system, National Defence will not be able to meet the new operational requirement for many years.

Even though National Defence's analysis showed that it needed additional technicians and pilots, the government focused on increasing the number of aircraft as the solution to meet the new requirement. It first planned to buy 18 new Super Hornets. However, because of a trade dispute, the government decided not to pursue this purchase.

The government is now planning to buy used fighter jets from Australia as an interim solution to bridge the gap to 2032, which is the current target date for completing transition to a replacement fleet. However, even if National Defence can address its personnel shortage, the Australian jets are the same age and have the same operational limitations as Canada's current fleet of CF-18s.

Furthermore, we found that the combat capability of the CF-18 has not been kept up to date. This is in part due to the advancing technology of modern fighter aircraft and a lack of investment to upgrade the CF-18's combat systems. Without these improvements, the CF-18 will be increasingly less effective while deployed on NORAD and NATO operations. In our opinion, flying the CF-18 until 2032 without a plan to upgrade combat capability, will result in less important roles for the fighter force. It will also pose a risk to Canada's ability to contribute to NORAD and NATO operations.

[English]

National Defence expects to spend almost \$3 billion to extend the life of its current fleet and to buy, operate and maintain the interim aircraft. However, without a plan to deal with its biggest obstacles—a shortage of experienced pilots and the CF-18s declining combat capability—these spending decisions will not be enough to meet Canada's commitments. Until National Defence knows how and when it will solve pilot shortages and get better combat capability, more aircraft won't solve its problems.

National Defence has agreed with our two recommendations and has developed an action plan.

This concludes my opening remarks. We would be pleased to answer any questions the committee may have.

• (1535)

Thank you.

The Chair: Thank you very much, Mr. Berthelette.

We'll now turn to Ms. Thomas, please, for her say.

Ms. Jody Thomas (Deputy Minister, Department of National Defence): Good afternoon. Thank you, Mr. Chair, and members of the committee.

I am pleased to be here before you today to discuss the Auditor General's findings on Canada's fighter force.

The Canadian Armed Forces' fighter capability is critical to defending Canadian sovereignty, enabling continental security and contributing to international peace and stability.

[Translation]

We take these obligations very seriously.

I want to thank Mr. Ferguson and his team for their insights and their recommendations.

And I thank you for the time you are dedicating to this matter.

I will keep my remarks to the point so that we can answer as many of your questions as possible.

[English]

The Auditor General has articulated important concerns about the combat capability of the CF-18s and the availability of experienced personnel to fly and maintain them.

Before I speak to how we are addressing these challenges, I would like to clarify one point. The 2032 timeline is being reported quite extensively, but to be clear, the Royal Canadian Air Force will receive the new jets between 2025 and 2032. The first advanced fighter will arrive in 2025 and the number of mission-ready aircraft will increase quickly to address our NORAD and NATO commitments. In fact, we expect to achieve initial operating capability by 2026 with nine advanced fighters ready to fulfill the NORAD mission.

We are committed to keeping the procurement process for the advanced fighter fleet on time and on budget. By 2032, we will have the right quantity and quality of aircraft needed for the Royal

Canadian Air Force to meet our NORAD and NATO obligations for years to come.

This also means that while we will continue to fly the CF-18s until 2032, we will not be flying all of the CF-18s until 2032. We will only fly as many as we need to support the transition to the advanced fighter fleet. We recognize that there will be challenges as we prepare for this transition. We are working very hard to implement the Auditor General's recommendations, which will help us mitigate these challenges.

We are managing the life of the CF-18s with the purchase of 18 interim fighters from Australia to meet our retirement date of 2032. We are furthering recruitment, training and retention initiatives to make sure the RCAF has the right people with the right experience to fly and maintain the aircraft. Each of these activities is vital. It should be noted that they are happening concurrently.

We have to simultaneously support the interim fleet now, and prepare for the advanced fleet of the future. We have plans in place to upgrade the CF-18s to continue to meet regulatory requirements, so that the Canadian Armed Forces can continue to operate seamlessly with our allies, both at home and abroad.

We expect to start implementing these upgrades into the CF-18 fleet as early as 2020. As per the Auditor General's recommendation, the Royal Canadian Air Force is assessing additional options that will allow us to quickly enhance the combat capability of the CF-18s that will fly until 2032.

[Translation]

We expect this analysis to be done by spring 2019.

The purchase of 18 interim fighters, and spare parts, will spread the number of flying hours across more aircraft to extend their lifespan and increase operational flexibility.

To provide an effective fighter capability, we must have enough experienced pilots and maintenance technicians to fly and maintain the fleet.

[English]

The Canadian Armed Forces is always working to improve and refine its recruiting strategies. We are exploring a variety of innovative new methods to allow the Canadian Armed Forces to attract new personnel with the skills and aptitudes we need. We continue to recruit maintenance technicians and pilots. We are making sure that the training and experience they receive will prepare them to fly and maintain the advanced fighters in 2025.

We must also retain our experienced personnel to fly and maintain the the CF-18 fleet between now and then. This has been a significant challenge in select areas in recent years. We're putting significant effort into improving our retention strategies.

In addition to CAF initiatives such as “Seamless Canada” and the CAF retention strategy, the Royal Canadian Air Force has introduced several initiatives to improve retention and more are in development.

At their core, these retention initiatives are about improving life for air force personnel and their families at the squadron and unit levels. They are intended to address some of the main reasons why pilots and technicians are leaving the air force. As an example, the family sponsor program is helping families settle into new postings more easily. Sponsor families become an immediate support network for new arrivals to the squadron and help them connect to the larger community both on and off the base.

Lieutenant Meinzinger would be happy to expand on this initiative and the others his team are developing.

● (1540)

These initiatives reflect our commitment to our people, and part of that commitment is making sure they have the tools and training to do the job we ask of them.

To close, I want to state one thing quite clearly. The only enduring solution that will allow us to simultaneously meet all of our commitments involves both the procurement of 88 advanced fighters, and having enough pilots and technicians to get them mission-ready.

This process is under way and progressing well, but it will take time. The next major milestone will be the release of a finalized request for proposals to qualified suppliers in the spring of 2019. While we continue to develop the future fighter fleet, we are acting on the Auditor General's recommendations to upgrade the CF-18s, and increase the number of skilled and experienced technicians and pilots in the federal force.

I look forward to discussing this more in depth with you, and I welcome any questions you have at this time.

The Chair: Thank you very much, Ms. Thomas.

We will now move to our first round of questioning. It's a seven-minute round.

Ms. Mendès.

Mrs. Alexandra Mendès (Brossard—Saint-Lambert, Lib.): Thank you very much, Mr. Chair, and thank you all for being here today.

Mr. Berthelette, I would like to start by stating on the record that as far as I understood the report—maybe Ms. Thomas will be able to elaborate on this—the question of a capability gap, which has been subject to so much questioning, is not an invention of the Liberal government. It was a capability gap in terms of the obligations we have to NORAD and NATO, if we are to provide the maximum and the best of our capability to meet our obligations. Am I correct?

Ms. Casey Thomas (Principal, Office of the Auditor General): The requirements changed in 2016. Prior to 2016, National Defence was risk managing its commitments between NORAD and NATO.

Mrs. Alexandra Mendès: I understand that. It was risk managing. It wasn't necessarily meeting the highest alerts or the highest requests. Am I correct?

Ms. Casey Thomas: Correct. When the commitments changed in 2016, there was a new requirement to meet the highest level of NORAD and NATO commitments at the same time. That was the change that came into place.

Mrs. Alexandra Mendès: Did this justify the idea that we needed more aircraft and different kinds of aircraft? Is that how the department justified it?

Ms. Casey Thomas: The work we did demonstrated that we needed more technicians and pilots. That was the work that National Defence had prepared, and that's what we found.

Mrs. Alexandra Mendès: Is that for the current fleet?

Ms. Casey Thomas: For the CF-18 fleet...?

Mrs. Alexandra Mendès: Yes, exactly. It's for the current fleet, but not for the new fighters.

Ms. Casey Thomas: We didn't look at the requirements in terms of technicians and pilots for the new fighters.

Mrs. Alexandra Mendès: That hasn't been part of [*Technical difficulty—Editor*] strictly for the CF-18 that you have done your audit. Is that correct?

Ms. Casey Thomas: We were looking at whether or not National Defence could meet its current commitments to NORAD and NATO until a replacement fleet comes into place.

Mrs. Alexandra Mendès: Madam Deputy Minister, it has been a constant through the audit that the department is facing this obvious shortage of pilots, technicians and mechanics capable of meeting these higher expectations from the force.

What plans do you have to meet those requirements, because that is quite worrisome? You don't train a pilot in six months. We would like to hear a little more detail of what exactly your plans are to fulfill this very obvious and urgent requirement.

Ms. Jody Thomas: I'm going to ask the commander of the air force to elaborate on specific plans. I would like to frame the answer by talking about the worldwide shortage of pilots. There is a demographic change going on, and there is a demand for pilots in the public sector, in armed forces and in the private sector around the world, and we are experiencing a shortage of pilots.

Since 2016, when this demographic change really began to take effect, we have lost more pilots than normal. There is always a normal attrition to industry and to other things, but there has been a significant change in that attrition over the last two years.

We are doing a number of things as a result of “Strong, Secure, Engaged” to improve life for families in order to make it easier to stay in the forces. We ask a lot of our families. We ask a lot of our military members. Our retention strategies include a number of things for families to make life on the base better, better incentives to move, better remuneration, and then, in addition, there are recruitment and retention strategies for the air force itself, which I will ask General Meinzinger to respond to.

● (1545)

Lieutenant-General A. D. Meinzinger (Commander, Royal Canadian Air Force, Department of National Defence): Thanks, ma'am.

If I may, just to reinforce the comment with respect to the macroeconomic reality, before I get to some of our initiatives, the most recent labour force report out of Canada, in March, indicated the demand for additional pilots at 7,300, just in Canada alone. If we look at the global estimates, we see commercial travel doubling over the next two years. There's a fairly significant macroeconomic pressure at play, and we acknowledge that, and it puts more urgency behind some of the work we wish to do.

There are many angles. To answer your question, we are tackling this in multiple ways. I look at the great work that's under way under General Chuck Lamarre, the chief of military personnel. As the deputy minister has indicated, there's a whole host of personnel issues under "Strong, Secure, Engaged". Seamless Canada is a bespoke initiative under way currently, which really gets at supporting our families. As we move families from province to province, often they have to be exposed to atypical and dissimilar transitions, where they may have to get their vehicles reinspected even though they had their vehicle inspected six months previously, or spousal occupations are not accredited in provinces. There's a huge effort to try to normalize the expectations and the transition requirements from province to province, so I have a lot of hope in that.

As we look at the reasons why people leave the Canadian Armed Forces, it very much drives our thinking as to what we need to do. Certainly the feedback from those who are releasing is that it's a question of family, challenges for their family. There's a dimension of ops tempo, work-life balance, predictability of geographical location, and then typically fifth or sixth are comments about financial remuneration.

What are we doing about it? There's a number of prongs of attack. Certainly we're looking at the reserve force. Fighter pilots who have left, and who undoubtedly will continue to leave, are given a customized reserve service offer, meaning we will offer them the ability to continue to work with us on a window of two to five to 10 days per month, to encourage them to stay and continue to contribute to our mission. We will support that through temporary duty travel and the like.

I look at our family sponsorship program that the deputy mentioned, which we've just rolled out officially this year. Essentially what that means, for example, is that for a family moving from New Brunswick to Cold Lake, say, if that particular family has a child that might have a particular ailment, through the MFRCs, we're linking that family with perhaps a family in situ that might be helpful, might have a similar challenge, and can connect and support that family as they transition.

Additionally, we have a strong focus on the fighter force in terms of force generation—that is, the training we provide to our pilots on a yearly basis. Through 1 Canadian Air Division headquarters in Winnipeg, we've put a premium on force generation being priority one. What that means is that any given day, the fighter force flying around this country is making maximum benefit of every single hour they're flying. We're doing perhaps fewer air shows, fewer CF-18 demos, but we're really focused on that knowledge transfer that has to happen in that cockpit or between the two pilots, perhaps, who are in that formation.

The Chair: Thank you very much, General Meinzing, for that.

We'll now move to Ms. Alleslev, please, for seven minutes. Welcome to the committee.

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

Thank you very much for a really important and critical report. I think you've highlighted quite clearly that we have to focus, first and foremost, on why we have an air force, why we have a fighter force, and that's to deliver fighter capability.

In the eighties we bought 138 aircraft, and that was to fulfill NORAD, NATO and defence of Canada missions. Now we have 76, and we're talking about buying 18 additional ones that are older than even the ones we own. We also have incredible knowledge and data about our maintenance capability. We're one of the best in the world in terms of our understanding of aircraft maintainability and reliability of the CF-18. We've seen from the Auditor General report and from our excellent data that the maintenance hours are rapidly increasing. You've presented to us that we're going to be able to maintain that capability because we're going to divide those flying hours over these increased significantly older aircraft, so the maintenance hours are going up rapidly, ensuring the aircraft are not available, yet we're going to deliver capability until the forecasted replacement in 2025. I'm wondering if you can tell us how exactly that will happen.

● (1550)

Ms. Jody Thomas: Thank you for the question.

You point out that our aircraft are aging. There is absolutely no doubt, which is why our focus is on keeping the air force operational until the future fighter capability project is complete. It's a project where we've met every milestone. The draft RFP is on the market, so we are now working towards future fighter capability.

What our goal is in purchasing the additional fighters from Australia is to spread the number of hours out over more airframes, as you rightly point out. They do require more maintenance—there's absolutely no doubt—but we're also investing in their regulatory capability and we're finishing the analysis for their combat capability.

Ms. Leona Alleslev: At this point, we don't have the evidence yet to show how the distribution over a greater number of airframes will allow us to achieve our NORAD and NATO operational commitments until the end of 2025, which is when we start to get the new fighters. We don't get all of them until 2032, yet the Auditor General's report clearly says that the estimated life expectancy, which was originally 2002, which was extended to 2008, which was extended to 2012, which was extended to....

We have extended the estimated life expectancy of the F-18 for almost 25 years, this auditor's report says that it won't make it past 2025 yet we're going to take them to 2032. Why should the Canadian public have confidence in those numbers?

Ms. Jody Thomas: I will ask the auditor to speak to what they've said. I don't think they've said that these planes cannot fly past 2020 or 2025—

Ms. Leona Alleslev: The air force said that beyond 2025 there were concerns about achieving capability.

Ms. Jody Thomas: We'll certainly ask the commander of the air force to speak to the safety and the capability of those planes.

I assure you that the money being put into those airframes will keep them safe and operable. We would not otherwise put the money in. We certainly are not in the business of putting our pilots at risk, but I will ask General—

Ms. Leona Alleslev: Fair enough, but if I could, it's money that we need to ensure we deliver on a capability, so I think the real question here when we're looking at taxpayers' money is this one. Is this good money after bad, when we're looking at almost the equivalent of a horse and buggy in an era of cars, yet we're saying that we're going to attract pilots and we're going to continue to operate horses and buggies and deliver on a car mission?

Ms. Jody Thomas: The goal of the interim fighter capability project and the investment we're making not only in new aircraft—the Australian planes—but in our own fleet is to ensure they are operable and highly operable and functional until the future fighter program comes into effect. The future fighter program is moving as quickly as is possible. As I've said, we've met every milestone for it. Our focus is the future fighter.

Ms. Leona Alleslev: Could I ask you about that?

The Chair: Through the chair...

Ms. Leona Alleslev: Yes, of course, Chair.

If we could look at it, is it a reasonable expectation that it will take us another 10 or 15 years to procure aircraft? I know that other countries are able to procure replacement aircraft more quickly than that.

Ms. Jody Thomas: General Meinzinger and Pat Finn can speak to you about the current fleet, and certainly Pat can speak to you about the timeline for the project.

LGen A. D. Meinzinger: I will try to be brief. I wanted to get at a portion of your question with respect to maintenance. Unquestionably, hand over heart, we have the best maintenance personnel in the world. I think I would make that point to any particular crowd. One of the most important—

•(1555)

Ms. Leona Alleslev: We don't have enough, though.

LGen A. D. Meinzinger: Yes. One of the—

Ms. Leona Alleslev: When we're 22% short and the maintenance hours are increasing exponentially because in many respects it is beyond its estimated life expectancy, we are asking something that may be more than we can actually achieve to maintain capability. I think that's the question I'm looking for, General.

LGen A. D. Meinzinger: The maintenance renewal plan approved in 2017 is going to be transformational in terms of our maintenance capacity within the fighter squadrons. Currently that particular contract has yielded almost 50 seasoned contractors, who

are largely retired technicians who have dozens of years of experience. Those teams are now working in 3 Wing and 4 Wing—

Ms. Leona Alleslev: If they are retired technicians, General, why are they not still serving?

LGen A. D. Meinzinger: Some of them, I believe, have retired due to age and others due perhaps to medical reasons.

Ms. Leona Alleslev: Okay, so in that regard, are we not looking at furthering the demographic problem so that we don't actually have the maintenance capability over the long term to get us to 2032?

LGen A. D. Meinzinger: No. I think that in this program what we're seeing is about 2,200 hours of mentorship happening per month per squadron. On the feedback I've had, certainly in being in Romania quite recently and speaking to the technicians who are delivering on that NATO mission with our F-18s, the feedback was extremely positive. A lot of these individuals are able to discern the snag or the maintenance problem just by quickly assessing the challenge, whereas it perhaps would have taken a little longer with the current technicians we have.

I think we're going to see some improvements in that regard as a consequence of this very important maintenance renewal contract.

The Chair: Thank you very much.

We'll now go to Mr. Christopherson, please.

The first round is seven minutes.

Mr. David Christopherson (Hamilton Centre, NDP): Thank you, Chair.

Thank you all for being here again. Once more around the mulberry bush, eh, Deputy?

I want to open my remarks by going in a little different direction from what I normally do, to the extent that usually... I would say that 95% of what we do deals with exactly what we deal with at every meeting, which is the administration of the policies the government sets. The politics of the issue get dealt with in the House of Commons, and we hold you, Deputy, and your staff accountable for the dollars you've been given to implement the policies that the political folks have said will be the priority policies.

I've been around here a long time. I was around before we had the legal basis for an accounting officer. We brought that in for a very good reason. It was to separate the responsibilities between the minister and the deputy, because it can sometimes be a blurry line. I'm prefacing all this, Deputy, by asking you to be very clear, if you would, in your answers, at least to me, in terms of what your responsibilities were, what your decisions were and where that line is.

In the past, it was expected that if you wanted to be a deputy, and stay a deputy, your first priority was to protect the minister. We now have legislation that says your first priority is to be accountable. If your responsibility of accountability ends, and it's a political one at that point, then you have to leave that there and not be defending the politics of the day. I'll be watching very closely on that, Deputy. Trust me, it's in your interest. If we start sliding into just blind loyalty and defending, I'm going to be very upset—really.

I have to say that for the first time in this Parliament—not some others, but only for a total of maybe three or four times that I can think of, in 15 years and five Parliaments—where we need to go speaks to the politics of the issue and the politics of the policies that were given, as opposed to what the department did and didn't do.

I say that this way. I've looked at this thing. I read this very carefully. I was the defence critic for a number of years. I understand this a little bit. I don't pretend that I'm any kind of expert. It's pretty clear that no matter how many edicts from on high the government may make, if there are not enough pilots and technicians, we're not going to keep the planes in the air that we need to meet the commitment. Pretty much, that's what this report is.

I want to point out, Chair, with your indulgence, that the audit objective.... You all know that often I like to start right at the beginning of what this is about.

The objective of this audit was to determine whether National Defence managed risks related to Canada's fighter fleet to meet government commitments to NORAD and NATO until an operational replacement fleet is in place. The conclusion was "that National Defence has not done enough to manage risks related to Canada's fighter aircraft fleet so that it can meet commitments". Also, in paragraph 3.52, "National Defence has not done enough, in part because of factors outside its control."

I have so much sympathy for that when I read this.

I get the politics. As I understand it, there was a shift from NORAD being the priority, to making sure that a high alert at NORAD and all of our NATO commitments could be made. I get the politics of that. With the President of the United States going on and on about NATO, and the responsibility of the minister to make sure Canada is seen to be a team player—I get all of that. That's to be dealt with in the House of Commons. To turn around then and buy these planes, leave the impression that this is going to solve our problem and pretty much hang out the department to dry, as I see it, is not acceptable.

There is a part of this in my second round where I'm going to hold the department to account on a bit of their estimates and some planning they did, where I have some questions. Overall, I have to say this is very serious.

I've been around. I know there are procurement problems. We've gone around that many times, Deputy. I've done that with other deputies, too. That's not the issue here. I look at this, and I am saying to myself that the politicians of the day—and I was a provincial minister, so again, I do understand that relationship—made a proclamation that we will now be able to do this with NATO, we'll do this with NORAD, we're going to buy these planes and, there you go, we've solved our national defence problem.

● (1600)

No. Because of the reason they've outlined in this audit. We don't have enough technicians and there are not enough pilots. If you don't answer those questions, it doesn't matter how many aircraft you have, we're still not going to be able to meet our commitment.

I look at this and I ask, how much of this can I put at the feet of the deputy and the department? I have a lot of sympathy for the fact that you were put in an impossible situation. To that degree, I don't really have a lot of questions for you. To me, a lot of this stuff is back in the House of Commons. Why is the minister announcing things that, when we look at it, aren't real, i.e., our ability to meet a NORAD high alert and all our commitments to NATO. The minister has left the impression that purchasing these planes is going to solve that. The fact is that it has not. I scoured this, trying to find where I can hold you to account on this, Deputy, but from what I can see you're working really hard and going against headwinds. I accept what you say, General. There is a problem out there.

Would more money solve the problem? It usually would, so there may be some solutions. However, the department doesn't decide, how much money they get. The government and then Parliament does.

This is one of those times, colleagues, when I really feel the actual crux of the issue is not so much that our senior bureaucrats and decision-makers have let us down. That's often the case when we're here. It's our job to hold them to account. I have to tell you in this case I don't see it. I read the analysts version of things. I've read this. I've talked to our critic. To me, it all boils down to the fact that we haven't had the replacements. The department's been jerked around by both parties who've been in government saying, "We're going buy all these planes, that's going to take care of everything." Then you get the rug pulled out from under you, and then all of a sudden out of nowhere there's an edict from on high about all this defence we're going to do in the air with all our planes because we're buying somebody else's used problems, which is a different issue and we can talk about that.

Anyway, I don't have a direct question on this. I do later. I'm coming around on the second round—I'll give you warning, Deputy—but that's the way I see this. I'll just give you an opportunity, Deputy. I'd to hear your thoughts. Maybe in the second round the deputy could give us her thoughts on.... Maybe I'm wrong and it is her fault and she wants to confess and say so. I'll accept that, Chair.

Thank you.

The Chair: All right. Thank you.

In the enjoyment of the moment, I gave you an extra minute already, so I can't give our deputy any time to answer.

Mr. David Christopherson: Okay. You're more than fair.

The Chair: However, I will give Mr. Fuhr some time. Welcome to our committee, sir.

Mr. Stephen Fuhr (Kelowna—Lake Country, Lib.): Thank you, Chair.

It's nice to see everyone. I'm usually not sitting on this side, but it's nice to be here.

I wanted to pick up on something that was mentioned earlier. Just before I do that, when I read that Auditor General's report, I thought it was a good report and I thought that it stated the obvious. We have a capability gap. We've had it for years. It really started to manifest itself when previous governments decided to only modernize 79 airplanes. We lose an airplane every two years. We're at 76, and that's the kind of where we're at.

The report did say that the jet set that was being purchased would help manage the fleet. I accept that. I totally understand it. We'd all rather have new aircraft, but we are where we are, and that's the best way forward, given where we're at. It did identify that the limiting factor, however, was pilots and maintainers, and I understand that you have to work on all three at the same time.

With regard to pilot retention, not recruitment, I've done some reading. I appreciate your remarks at the beginning, but I have to say—and I have tabled M-177 at the House—that I'm very aware of the numbers with regard to the global pilot shortage and Canadian pilot shortage. If I look at what our allies are doing on the retention side, the U.S. Air Force, U.S. Marine Corps and the U.S. Navy are offering up to \$210,000 U.S. for up to six years of obligatory service, depending on how many years you have in and what aircraft you're flying.

The Canadian Forces in the mid-1990s offered a bonus to pilots as well, so we have a precedent for doing it, and our allies are doing it. FedEx is offering between \$40,000 and \$110,000 to keep their operations flying. Delta is giving everybody a 30% pay raise. I understand that is a unique challenge when you have to do something like that, but I would suggest, if that's not already being considered in the other things you haven't identified, that you seriously consider it, because this pilot shortage is not going to get any easier. It's going to get harder. We need to stop the bleeding, and that's one way to do it, in addition to some of the other things that you mentioned. We have a precedent for doing it in the past.

Some of the other things are on the generation side, and I had a longer conversation with the chief of the air staff at a function recently, and I want to bring some of these up as a recommendation that you guys could look into if you're not already looking into it.

We have CFTS and NFTC, which are two contracts that are generating pilot production in Canada. To the best of my knowledge, we have retired military pilots working there, teaching in simulators and teaching ground school. There's no reason why those gentlemen or women couldn't fly an airplane to just give us better force generation capability. I understand they do it in helicopters right now in Portage, and if we're not using them to their maximum capacity, that's going to hurt us. You could free up military people and post

them to the OTU to generate and crank up your OTU at the same time to generate better capacity there.

I would also recommend that we ask our allies for help. In the mid-1990s we seconded, I believe, four F-18 fighter pilot instructors to Australia. If we haven't made a phone call to the U.S. Marine Corps or the Australian air force, I suggest that we might want to consider doing that. We've helped them. They are our pals, and they'll help us out if we ask them, I'm sure.

Finally, on the 419 squadron, when we ship to fighter pilot production, like has been mentioned, that is a sub-component of pilot production in general, which is a problem. The 419 for the most part, I understand, generates much of its adversary training in-house. We have a contract with Discovery Air right now that generates pilot adversary training. You could shift a lot more. You might have to beef up the contracted hours, but having the 419 generate its own radar training is just taking another CF aircraft and a CF pilot out there as a training aid for a student when we have resources that could do that.

Either one or more of those things or a combination of all of them, I think, would help overnight with pilot production and help get this machine cranked up in addition to recruitment.

I want to shift quickly to combat capability. I don't know if you can share this, but as we know, the F-18 hasn't had a lot of combat capability upgrades since about 2008. I think they got air-to-ground capability upgraded in Libya with a new air-to-ground weapon, but we haven't had much. I was wondering if you could comment on what you're considering for that, because that's going to be an important part of keeping our aircraft relevant moving forward.

• (1605)

The Chair: Thank you very much, Mr. Fuhr.

General Meinzinger.

LGen A. D. Meinzinger: Thank you for the comment.

Certainly, if I could just reflect a lot of the ideas that you've presented, I would start by one point. I attend the NATO air chiefs conference twice a year. Since my first time at that table, I would tell you that the lion's share of those NATO air chiefs are dealing with the same challenges we are. We regularly consider option space ideas, and we try to share our thinking in that regard. I've taken note of your comments. I certainly have reached out to my counterparts across the globe looking at opportunity space. There are other nations that are transitioning to other aircraft, meaning they may have some pilots who need to be employed to be seed corn perhaps. I've had those discussions as well, and we would be very open to one-way exchanges.

I think at the core the issue is about experience and how we ensure that we can maintain a level of experience in the key core within the schoolhouse.

I'd end on just answering your question. Consequential to the OAG's report, we certainly accept both recommendations, and we are embarking upon conducting an analysis of those combat capabilities that we might consider moving ahead. I guess, just to be general in this forum, that will include looking at sensors, weapons, self-protection, capabilities and also a bucket we call mission support capabilities. That's the area we're going to explore in the context of that work we're going to complete by the spring of 2019.

• (1610)

Mr. Stephen Fuhr: Thank you for that.

Are there any considerations when you get that bucket of things you'll be looking at as to what would be ported onto the new airframe when we get our new airframe? For example, if we had a new air-to-air missile, for example, we could move that over, but if we had some defensive EW kit that was inside the airplane, that might not. Is that going to play a role in how you will decide what you'll go with and what you won't?

LGen A. D. Meinzinger: I think, ultimately, that will be one of the key factors, the portability, if you will, the transferability. We'll also look at the time and space and we'll also look at perhaps the number of aircraft we would consider under that program.

The Chair: You have 30 seconds left.

Mr. Stephen Fuhr: I'll have to leave it there. I don't have time. I'd get a question and then I'd get shut down. Thank you.

The Chair: We'll get back to you. Thank you.

Ms. Alleslev.

Ms. Leona Alleslev: Thank you very much.

I'd like to talk a little bit more about the training as well.

We've known since 1995 that we were going to have a shortage of technicians and of pilots. We did studies. We forecasted how commercial aviation was going to take.... The aerospace industry has known what the increase in pilot demand would be, so this is not a surprise. We've known it for very many years. We also knew we had a demographic problem. The problem with airlines has always been cyclical, so we've known they steal from the air force and we've had to plan around that. We're in the same situation.

Can you tell us why, when we've known at least since 1995, we haven't done anything about it, and what confidence we should have now that we will do things differently to ensure we have the technicians and pilots?

LGen A. D. Meinzinger: If I may, certainly this is absolutely important work. One of my top priorities—this is not going to be easy—is to put it in the context of the global challenge we face, but we will embark on this. My team is fully motivated. I had all of my general officers here in town—

Ms. Leona Alleslev: Again, in 20 years, though.... Today it's your top priority, and I'm excited and I know that you're new as chief of the air staff, but we have 20 years, and even before that we've known.

What are we doing differently now and why should we have confidence that we'll achieve the capability?

LGen A. D. Meinzinger: I think, as I indicated, sharing with you the principal reasons people choose to leave the Canadian Armed Forces is a great algorithm to look at how we make improvements within the air force—

Ms. Leona Alleslev: Have those reasons changed?

The Chair: We have to let him finish the answer first.

Ms. Leona Alleslev: Perfect.

The Chair: Go ahead, General.

LGen A. D. Meinzinger: Okay.

Again, there have many initiatives. Some are in play. I talked about the reserve one. Let me talk about that for a bit. I think there's a tremendous opportunity for us to leverage our air reserve to a greater extent than we are today. We currently have 2,000 reservists in the RCAF. I've set an aspirational goal of 2,550. We're putting in place two new occupations, one at the officer level, one at the NCM level.

Let me explain that briefly. The officer level classification is going to be what we call air operations. These individuals will be principally working in the wing, the division headquarters, running the staff and operational planning functions. Traditionally, we've had to pull our pilots into those staff jobs. By standing up this particular capability, this new classification, we're going to see more pilots able to continue to fly at the squadron level. There's but one example of the numerous ones that we're implementing.

Ms. Leona Alleslev: Can you tell us if the trend is increasing or decreasing? We have a 22% shortage. What was it five years ago? What are you forecasting it will be five years from now, from a technician perspective and from a pilot perspective? We're not replacing the ones we're losing and we're already short, so can we see where that trend is going? I know the military keeps meticulous stats on that.

Mr. Patrick Finn (Assistant Deputy Minister, Materiel, Department of National Defence): Thank you.

If I could just speak specifically to the maintainers, what we're doing.... You talked earlier about the exponential rate of maintenance. It's not quite exponential that we're seeing. A lot of it's at the third line. A lot of this is how we're now using industry. Specific to this fleet and this aircraft, we've already taken a big step. We've generated almost 200 first-line maintainers by looking at how we do industry, how we use it at the second line, like we do in the navy, and to some extent in the army. We're looking at that in new fleets. We've looked at it across fleets: the C-17, how we maintain it, how we're doing the Cyclone, how we're bringing things in.

You're right. There are trends and there's a complexity around a military maintainer and everything they need to do. It's causing us to look through something we've called the sustainment initiative: how we're sustaining all the fleets, what really needs to be uniformed maintainers and what really could be a civilian experienced maintainer, who actually are more efficient as far as time on aircraft goes. That's what we see. That is really actually helping us on the maintainer side to change the trend, to actually be able to build the right first-level deployable maintainers, as you would be aware, while we have the rest of the enterprise at the appropriate place, be it industry or otherwise.

•(1615)

Ms. Leona Alleslev: We outsourced our training sovereignty by having training that was once delivered by military capability now delivered by civilian capability, which constrains our ability to train rapidly. I wonder if you could speak to how we're going to address that.

Likewise, by outsourcing maintenance capabilities, will that also compromise our combat capability, since we won't have those uniformed personnel to do that maintenance?

The Chair: It has to be very quick because we're close on our time.

Mr. Patrick Finn: We have always relied heavily on industry. A lot of the intellectual property in the work has always been there, certainly for our most complex platforms. A lot of that is now done in Canada by the likes of L3 and IMP, which have always been critical, right back to World War II and before, in the context of the military supply chains and how we support our equipment.

The Chair: Thank you very much, Mr. Finn.

We'll now move to Ms. Yip, please. You have five minutes. We're in the second round, so it's a little quicker.

Ms. Jean Yip (Scarborough—Agincourt, Lib.): Thank you all for coming.

With all of these critical shortages of labour, will there be enough budget, first, to retain pilots and technicians; second, to upgrade training; and third, to allot for the increase in the maintenance hours?

Ms. Jody Thomas: Thank you very much for the question.

The budget is not an issue. "Strong, Secure, Engaged" has fully budgeted for the number of pilots we need, the number of technicians we need and the amount of money required to run the Royal Canadian Air Force. That's not our issue at this time. It is getting the number of people in place, as the Auditor General has commented.

Ms. Jean Yip: There are often financial barriers to becoming a pilot. Alberta has a pilot program, which is only 18 months, compared to three years in other provinces. They also provide a \$50,000 scholarship. If the training costs \$80,000, then students only have to pay \$30,000. I am just wondering how the Department of National Defence can help reduce financial barriers to the programs for pilots?

LGen A. D. Meinzinger: I'm sorry. I'm not familiar. This is a community college in Alberta. Is that correct?

Ms. Jean Yip: It's a flight school.

LGen A. D. Meinzinger: Just so I have it, your question is...?

Ms. Jean Yip: Could we do something to help encourage students to want to become pilots?

At \$80,000, that's a significant barrier, and that's just for one year.

LGen A. D. Meinzinger: We have lots of programs where we can have people join our team and track towards getting their wings.

I think of the Seneca College program out of Toronto, where we take Canadians in. In a matter of four years, they're able to get their aviation degree and also do their pilot training. They graduate with a degree, with their wings, after four years, and they're headed to a squadron.

This is a program we're very keen on. In fact, we're finding the success rates of that cohort versus the direct-entry cohort are a little bit better. They're having greater success in attaining their wings. We're looking at perhaps increasing that, subtly.

We're also looking at perhaps a francophone college, where we could set up a similar type of approach.

Ms. Jean Yip: In terms of the targeting cell, what is that about? It says here that it will be "created to assist with attracting qualified applicants for pilots, and for targeting recruiting efforts". It was to be started this month.

Can you tell me a bit about it and what's happening with that?

•(1620)

LGen A. D. Meinzinger: Yes, ma'am.

Essentially, this will be a bespoke team within the military personnel command. It will be very much focused on targeting not only pilots, which of course is a priority for me, but all of the stressed occupations that we have.

In the context of the map that you're reading, it is specific to pilots. It may mean how we engage in communities. It may mean engaging in some of the institutions that you've cited, where we can purposely make ourselves known and encourage individuals to join our team.

Additionally, the way military personnel command is configured, it's very important that they have the ability to fast-track people into the institutions. In areas where we are stressed and lacking a capacity, a focused effort, the targeting mechanism you described, is going to be of net benefit to us.

Ms. Jean Yip: Will there be more CF-18 pilots being recruited? If not, why?

LGen A. D. Meinzinger: We will continue to recruit broadly.

Generally speaking, it's not difficult to attract individuals who want to become a pilot in the Canadian Armed Forces. Really, the selection to become a fighter pilot happens once they're in the training enterprise. We select, in training, those who are going to stream off to 419 and 410 squadrons, based on the skills and the competencies that they display during their flight training. They're not actually recruited specifically to become fighter pilots. They're recruited to become pilots, and then through the context of their training, we determine.... Certainly there is a matching of preference, but at the end of the day, an outcome is derived from that. That is how our process works.

As far as anything we can do to improve the success rates in that enterprise, I would point to the air crew selection tool that we use now in Trenton, Ontario, which is essentially the filter. Young Canadians who come in are run through a battery of tests, and then we determine whether they have the right skill sets and aptitudes to move into the pilot training system.

We've found, after introducing this new model—we collaborated with the RAF—that the success rates and the outcomes are higher than the traditional approach we use. We're quite excited about that. At the end of the day, that is going to mean more outcomes at the end of the production and that more individuals can go into the fighter force.

The Chair: Thank you very much, General.

We'll now move to Mr. Kelly, please.

Mr. Kelly, you have five minutes.

Mr. Pat Kelly (Calgary Rocky Ridge, CPC): Thank you.

Deputy Minister, in your opening remarks, you addressed a number of things.

We have the report, which quite clearly gives us a sense of the extent to which the lack of pilots and the lack of maintainers are responsible for the shortcomings in operational capability.

Several times in your statements, you spoke about the advanced fighter replacements arriving in 2025. That is approaching very quickly, and we don't really have any clear indication of how and

when. If there is to be an open competition for the replacement aircraft, when will that commence and how much confidence do we have that we will receive the first advanced fighter in 2025?

Ms. Jody Thomas: Thank you very much for the question, and I'm happy to answer that. Certainly Mr. Finn, as our chief of procurement, knows it in profound detail.

We are on track with all the statements we have made about the future fighter capability project. On October 26, we released the draft request for proposals to industry. Five companies received the RFP for continuing with the competition. We are very confident that we are going to make the timeline. We will be issuing the final RFP in the spring.

Part of the reason we do a year of consultation with all the companies that are interested and have jets and planes that would be capable of competing is to ensure that we have a successful procurement at the end of the process. We are well under way with the future fighter capability project.

Mr. Pat Kelly: I think I can assure you that there will be tremendous scrutiny around this procurement, given the disasters of procurement that have spanned governments. Again, this is not to particularly single out the current government. Procurement is a tremendous problem that has spanned governments for many years in Canada, and on this particular one, there will be a lot of attention given to it.

Mr. Berthelette, did you contemplate in your audit the risks around failure to begin receiving advanced jets in 2025?

We are on extension after extension to the life of the current fleet. Everything in this plan and this response appears to hinge on ensuring that between 2025 and 2032, we have fully replaced the fleet. I am concerned, given the history around problems with procurement, about what is going to happen in that time window if we don't achieve the procurement and delivery of advanced fighters.

• (1625)

Mr. Jerome Berthelette: That was a question that we didn't look at during the course of this particular audit.

Mr. Pat Kelly: I really hope that we're not here around this table listening to a future Auditor General's report on the procurement of the advanced fighter.

Perhaps then, back to you, Deputy Minister Thomas, have you contemplated the risks of failing to deliver between 2025 and full delivery by 2032?

Ms. Jody Thomas: Thank you very much for the question.

The risks are that we will not be able to meet our commitments and defend our sovereignty through the Royal Canadian Air Force. Therefore, every effort is being made to ensure that we meet the dates. The consultation with industry thus far on this process has been going very well. The statement of requirements in the RFP is out there with industry now. We'll get feedback from them over the next couple of months to see where they have questions about the RFP, and then we will go forward in the spring.

That process will be tightly managed by Mr. Finn and his team to ensure that we meet the dates.

Mr. Pat Kelly: What do you mean when you say, "we will go forward" in 2019? If industry is in receipt of the RFP, could you...?

Ms. Jody Thomas: I'll ask Mr. Finn to respond—

Mr. Pat Kelly: Okay, go ahead.

Ms. Jody Thomas: —but they have the draft right now, and that's become our practice.

Mr. Pat Kelly: Okay, so this is in draft form, so what you're saying, when you say it's in the spring—

Ms. Jody Thomas: It will be the final.

Mr. Pat Kelly: The final RFP will be launched.

Mr. Patrick Finn: Yes, sir. Thank you for the question, sir.

Since pre-qualifying the five—again, one has declined to proceed—for the four we have, we have been working with them in a number of areas where we want to get their feedback and have been going back and forth with various documents. We've brought that together. They have actually until before Christmas to give us their detailed feedback on any comments they have on it. We will then be looking through the winter to update it. We will put it out to them one more time, if they have any final comments, and then the competitive RFP will be issued in spring 2019.

In 2020 the bids come in. We will complete the evaluation and we will down-select to what we call a competitive dialogue process. We've very cognizant of the risks, as you indicate them, sir, and that is why we've built in some time to go through the competitive dialogue, to actually land a contract award in 2022 at the latest. We've built in some time there because of the risks you indicate, and pretty much all of the suppliers have told us that from the contract award to the first aircraft delivery it's three years. That is their pretty consistent process, and it's what we've seen also in other projects, and that's what we're looking at. There could be some that could deliver some aircraft before that, but that is very consistent with the feedback we've received, sir.

The Chair: Thank you, Mr. Finn.

We now go to Mr. Arya, please, for five minutes.

Mr. Chandra Arya (Nepean, Lib.): Thank you, Mr. Chair.

I'll just quickly read the Auditor General's recommendations. It says, "National Defence should develop and implement recruitment and retention strategies". The second one says, "National Defence should analyze what upgrades are required for the CF-18 to be operationally relevant until 2032".

At first glance, anybody reading it will think that National Defence has not done anything so far, but only somewhere in the

middle of the report it actually says that "National Defence has plans to address some risks...these investment decisions will not be enough". I think the key word there is "enough".

When it comes to recommendations, at least in my opinion, it should have been "National Defence should develop regional strategies". Don't you think so?

• (1630)

The Chair: Who do you want to answer the question?

Mr. Chandra Arya: Our Auditor General.

The Chair: Mr. Berthelette.

Mr. Jerome Berthelette: Mr. Chair, we stand by our recommendations.

Mr. Chandra Arya: Okay, then I'll ask the deputy minister.

Ms. Thomas, it looks as though you don't have any recruitment and retention strategies. However, I read in your report that you do have some retention strategies. You mention "Seamless Canada" and the CAF retention strategies, do you not?

Ms. Jody Thomas: Yes, we do have retention and recruitment strategies, but we have a particular problem with fighter jets, so we have to do more, and more is being looked at by the chief of military personnel and the commander of the air force.

Mr. Chandra Arya: Then why not clearly state that we do have that, and we need to do more?

At first glance, it appears that you don't have any strategies.

Ms. Jody Thomas: We do, and certainly we have a renewed emphasis on growing the Canadian Armed Forces as a result of "Strong, Secure, Engaged".

Up until recently, the armed forces have been downsizing. We're now having to reverse that trend and grow the Canadian Armed Forces at a time when unemployment is low and there is, as we've said, a worldwide requirement for pilots. We have a specific challenge. It is one that we're very focused on, and yes, there are strategies.

Mr. Chandra Arya: The government came out with the new operational requirement in 2016. By 2017, you had estimated the cost to extend the life of CF-18s until 2032. It is about \$1.2 billion. That number did not include the cost of combat capability.

When the audit was being done, were you involved in analyzing the requirements to improve the combat capability?

Ms. Jody Thomas: When the audit was ongoing we hadn't completed that analysis. The Auditor General reports on what we've done and what we haven't done.

We're never not analyzing the improvement to fleets. They're constantly going through refits, through weapons changes, sensor changes, defensive and offensive capability changes to respond to threat and environment, etc. Certainly the air force can go into it in more detail than I, but that project isn't yet complete. It will be this spring. Then we'll decide what we'll do.

Mr. Chandra Arya: Mr. Chair, I would like to ask the Auditor General's office a question, as an aside. If I look at the recommendation, at least when the audit was being done, it appears the department is not doing anything to analyze what upgrades are required. Was that the case?

Ms. Casey Thomas: In terms of what we looked at, it was whether or not National Defence had carried out work that was approved, and that we could look at, then, in the future, as to whether or not it had been carried out.

As the deputy minister said, they are carrying out work. However, analysis that is not final or hasn't been approved with an associated budget is not something that we would accept as something the department has committed to and has finalized as an action it's going to take in the future, in this case to improve its combat capability.

Mr. Chandra Arya: My only concern is that the way it is reported it appears that the department is not doing anything, when, in my opinion, it is doing something about it.

Thank you, Mr. Chair.

The Chair: Thank you, Mr. Arya.

We'll now go to Mr. Christopherson, please.

Mr. David Christopherson: Thanks, Chair.

My questions are in the same vein as Mr. Arya's, but I've reached a little different conclusion.

When I look at page 8 of the report:

3.48 In 2017, National Defence estimated that the total cost of extending the flying life of the 76 CF-18s until 2032 will be \$1.2 billion. This amount includes the cost for spare parts and upgrades to the structure and avionics and electrical systems, but not any combat capability upgrades.

3.49 Without combat upgrades, the CF-18 will be less effective against adversaries in domestic and international operations. In our opinion, flying the CF-18 until 2032 without a plan to upgrade combat capability will result in less important roles for the fighter force and will pose a risk to Canada's ability to contribute to NORAD and NATO operations.

I looked at that and I thought one of two things. One touches on where Mr. Arya went and it looked like incompetence. I'm addressing my questions to the general because it is your people who do this work. To leave out the fighting capabilities of fighter aircraft is hard to understand from a layperson's point of view. It sounds like incompetence.

If it's not, and if it's as Mr. Arya believes, that it was under way but not finalized, then my second thought is that the \$1.2 billion is a ruse. That's not the real number. Either you knew you had to do combat capabilities but somebody forgot to put it in the analysis, or you knew you were going to have to do it and there was a cost to it, but it was going to make the \$1.2 billion look unacceptably high.

I accept there could be a third reason. I anxiously await your response, General. Which is it, incompetence, trying to dodge the numbers or something I'm not seeing?

•(1635)

LGen A. D. Meinzinger: I'll refer the numbers to my colleague here in a moment, but certainly as I indicated, our intent is to complete the assessment for combat upgrades to the CF-18—

Mr. David Christopherson: That's not my question.

LGen A. D. Meinzinger: —by May of next year. As I've described it will be in a number of different areas.

Mr. David Christopherson: That's not my question. Answer my question, sir.

LGen A. D. Meinzinger: This is work that we're going to undertake, and as the deputy—

Mr. David Christopherson: That's not my question.

Mr. Chair, I asked—

The Chair: Ask again.

Mr. David Christopherson: I'm going to ask again.

It's one of two things, or I'm missing something as a third answer—and I accept that. Either there's incompetence—somebody forgot to include the combat capabilities in a fighter aircraft—or it was deliberately left out because it would make the \$1.2 billion unpalatable. It's either one of those two or an answer that I don't understand, but please don't go off in some other direction, General. Please, sir, don't do that.

LGen A. D. Meinzinger: Okay. I'll defer to my colleague who can speak to the \$1.2-billion estimate.

Mr. Patrick Finn: I think, sir, that my answer to your question would be the third.

Mr. David Christopherson: Okay.

Mr. Patrick Finn: It is across all of our fleets, and how we do it is when the costs mature through our force development process. The \$1.2 billion is an incremental number. It is the additional funds that we will need to keep the current aircraft maintained. Through “Strong, Secure, Engaged”, we've developed a process in force development that says that as we look at different capabilities—so it's not unique to this—as we look at our Victoria-class submarines or other fleets, it's the same process. We go through the option analysis that has been under way for years.

Again, the RCAF, the air force, has been leading that. As it develops the what, our chief financial officer and others then look at what the cost of it is and how it fits against our envelope, our accrual envelope and what it is that we do. We can report all of the costs, the \$1.2 billion. Elsewhere in the audit they talk about the \$3 billion incremental for the entire fleet. As we mature what it is that we're doing, there will be some decisions based.... The general talked about having radars or not having radars.

We will develop the costs. We will look at it from an affordability perspective, from a relative perspective. It will go through our governance, and it will be reported and made public.

At this point, what it is that we would upgrade has not landed. Therefore, we have not developed the full cost of it. Therefore, we cannot report it as of yet, but it would be a part of our process, sir, across all of our fleets.

Mr. David Christopherson: All right. I'm trying to understand.

Does that mean that it's within the \$3 billion?

Mr. Patrick Finn: No, sir. It is not within the \$3 billion, which is

Mr. David Christopherson: Sorry. Again, I'm just a layperson.

You put down \$1.2 billion as our cost. If there's going to be incremental cost based on some of the things that you've mentioned, up to \$3 billion, I ask you if the \$3 billion includes combat readiness, and you say no. I am no further ahead. I still don't understand why it's not in the \$1.2 billion or why it's not within the \$3 billion. I'm not getting a straight answer.

Mr. Patrick Finn: Sir, because—and thank you again for the question—what it is that we're specifically going to do is to concentrate our upgrades. We are engaging allies in what's already under way. For example, the U.S. military, which is investing in some of its F-18s, will continue to operate these, as will other key allies. What will they upgrade and do?

Because we actually haven't landed what the specific upgrades are, we have not fully costed them.

Mr. David Christopherson: I'm sorry...not even a notional line item somewhere? I assume that this is kind of expensive stuff. I assume it's high tech and very expensive. If you want to be accountable, open and transparent to Canadians and to Parliament—that is, your ultimate boss—then shouldn't you include a number that you know it's going to be big, but you just don't have the exact number?

• (1640)

The Chair: Mr. Christopherson, our time is up, and I'm going to give you more time. However, because this number is in the Auditor General's report, I'm wondering if you may also want to ask Ms. Thomas why the combat readiness—because she references that it doesn't include combat readiness—wasn't spelled out clearly in that report.

Mr. David Christopherson: Right out of my mouth, Mr. Chair....

Ms. Casey Thomas: In terms of answering why the \$1.2 billion doesn't include combat capability, those were some of the questions that we asked during the course of our audit. One of the answers that we were given was the fact that over the years and over time,

National Defence has expected a replacement fleet to be in place. Therefore, as it carried out its work, it was looking at what it needed to do to extend the fleet to keep it flying, but it didn't include combat capability in its estimates.

Mr. David Christopherson: I want some clarification.

The Chair: Okay. Be very quick.

Mr. David Christopherson: The dollars that would have been in there were not in there in large part because they thought they didn't have to do the calculation for that distance of time because they were going to get replacement aircraft. Do I have that?

Ms. Casey Thomas: I think so. I want to make sure that I understand your question properly—

Mr. David Christopherson: I appreciate that.

Ms. Casey Thomas: —and not put words into one another's mouths.

Mr. David Christopherson: No.

Ms. Casey Thomas: I think that, over time, National Defence has expected a replacement fleet. Therefore, it has looked at what it needs to do and, over the course of time, has not included combat capability in its—

Mr. David Christopherson: There you go. Quite frankly, gentlemen, for the pressure I put you through, a lot of the answer seems more political. At least, the politics of this horrible, political file are putting our defence staff in a terrible situation. That's the point I'm making on this. Normally, that's not the case, but in this case, Chair, at the end of the day I really see the culprit as the politics and the horrible state of affairs in replacing our fighter jets.

Thank you for your indulgence, Chair.

The Chair: Thank you, Mr. Christopherson.

Mr. Fuhr.

Mr. Stephen Fuhr: Thank you, Chair.

Just to circle back on the recruitment training aspect. Is the two-tier system being considered at all? I know that in the U.S., pilots are up or out—you get promoted, or you're out. In the British system, you can either be a career pilot, or you can be a pilot officer.

Is that one of the many things that you're considering, at this time?

LGen A. D. Meinzinger: It's not a specific initiative, but you may recall the OCTP program. Certainly, we're very inclined to consider the enrolment of individuals, a small cohort perhaps, under the old OCTP officer to cadet training program, now known as CEOTP program for individuals who come into our service without a degree. The plan would be to allow those individuals to fly for perhaps 10 years, and then at that point, ask them whether they want to get a degree or not. If they do wish to get a degree, we will look for a way to do that, perhaps through RMC. If not, then certainly you would likely find your most senior ranking to be maybe a flying major.

We don't have a formal system, but we're looking at how we might remodel in some of the OCTP flow, in terms of the intake into the RCAF.

Mr. Stephen Fuhr: That's an excellent idea. Some of the best pilots I flew with in the military went through the OCTP program.

With regard to the airplanes we're looking at getting, I saw a couple of numbers. We talked about 18. I saw for a brief time it was 18 and seven—seven for parts. I know parts are an issue as they draw down the production of parts. Is it 18 and seven spares, or is it just 18?

In addition to that, does the \$500 million include the purchase and the upgrades? Those upgrades are, to the best of my knowledge, seat and NVG lighting, and then obviously probably some cosmetic work. Am I on the right track with regard to what needs to be done and the cost?

Mr. Patrick Finn: Thank you very much for the questions.

On the first one, it is 18 flyable aircraft. We have said up to seven additional ones, for spares. We will likely not go that far. The Royal Australian Air Force has been very forthcoming. In fact, they've provided us with a broad number of aircraft to look at, as well as a large number of spares.

Rather than bring aircraft to Canada and then disassemble them, we have actually gotten enough major assemblies for them that it will likely only be a couple of additional aircraft. That's what we'll look at. Again, the additional ones would be as required for spare parts, without just burdening ourselves with it.

The \$470 million actually includes a number of things, as you indicate. It's the aircraft themselves and their upgrades. We want to do what we would call a repair and overhaul of all the engines. We're going to go through our checkpoint tree for structure. We want to make sure we're covering all of that, to make sure that it happens. The first aircraft will come in the late winter to spring. They will have flyable hours on them already. As you've indicated, some of the immediacy is for configuration management and training, the NVIS lighting and the ejection seat.

There are other aspects of the \$470 million. With some things, we're resituating ourselves for future fighters. For example, we're looking at moving the test establishment from Cold Lake to actually having a federal government centre of excellence here in Ottawa. That's included in it.

We're contemplating a number of the upgrades—and we've talked about it—around interoperability and some of the other things. We've included those costs in it, so that we can be very forthcoming

and indicate the initial maintenance checks, tests, evaluation and upgrades that we will do, as well as some of the upgrades we envisage, as a result of introducing these aircraft and growing the fleet.

• (1645)

Mr. Stephen Fuhr: I know you read in the press a lot about people who don't typically understand that fatigue on an airplane actually matters. It's probably one of the biggest driving points for how long this airplane is going to be able to fly.

Could you comment on how Canada and Australia have been sharing data on these airframes? Could you comment on how we put so much time, money and effort into making sure we understand where these airplanes are with regard to fatigue, and why that's important? Obviously, the laymen will say that this is going to be the leaky-sub syndrome all over again, which I don't think is a great comparison. I'd like to hear your comments on that.

Mr. Patrick Finn: We have worked very closely with Australia in understanding the fatigue. Some of the experts are absolutely here in Canada. That's already been said. I was speaking to some of them late last week. The centre of excellence for F-18 fatigue in the world is here in Canada, at Mirabel. The U.S. Navy actually send aircraft, some of their F-18s, for maintenance in Canada as a result of that expertise.

We have tested aircraft to destruction to make sure we have a full understanding, a full model, and we have a really good understanding of the fatigue life. We cycle them through heavy maintenance at a rate at which we see less fatigue than we're expecting, which is a good thing. It's less cost but it's also safer.

We know that the Australians operate their aircraft in a more corrosive environment with their bases, with salt air and other things. They have a very strong maintenance program. We sent people down to do a very detailed analysis. They also gave us access to all of the data that's held here in Canada for all of their aircraft. The detailed models for structure of all of their airplanes are actually held here in Canada, and we have then been able to access all of that. There are slightly different configurations, but even within our fleet, some of our aircraft arrive at different blocks, as they're called, and therefore, there are changes. But if there is ever a case....

You can compare it with the submarines, which I lived. There were only four of them in the world, and it was "bring them to Canada and bring them into service" versus this fleet, which is quite ubiquitous and which will be used, as I've indicated, in the 2030s by a lot of our allies. There is still a lot of demand on L3 by the U.S., the Spanish and others, not just us. The entire community is asking how they can continue to operate them safely and effectively and what upgrades we can do.

Mr. Stephen Fuhr: Thank you.

The Chair: Thank you, Mr. Fuhr.

Mr. Finn, I just want to go back to a comment you made that you were going to start a new centre of excellence here in Ottawa.

Mr. Patrick Finn: Yes, sir. This is unrelated in the context that it's not just fighters. We have an aerospace engineering test establishment in Cold Lake. It's been there for decades, but the way it operates has changed quite significantly. This is something we've had under way for some time.

The Chair: What are you doing? Are you shutting that down in Cold Lake?

Mr. Patrick Finn: We are moving it out of Cold Lake.

The Chair: When was that decision made, and who made that decision?

Mr. Patrick Finn: It is part of the process we have gone through.

Just to be clear, sir, we're not pulling everybody out of Cold Lake.

The Chair: No, but you're pulling a centre of excellence out of Cold Lake. I mean, a lot of things have been pulled out of Alberta in the last little while. Any time anything is pulled out of Alberta, whether it's immigration centres or anything...

Let me tell you that Cold Lake is the centre of our air force in Alberta. We recognize it. The community depends on it.

When was that decision made?

Mr. Patrick Finn: It was over a number of years. Gradually it was made and presented to our minister.

What happened over time was that the work done in Cold Lake became increasingly the administrative headquarters for this kind of effort, which is now done around the world. We used to bring the aircraft to Cold Lake and have all the tests and evaluations done there. Now we largely recertify the pilots.

For years and years and years now, we've had, for example, for the Cyclone helicopter, the test pilots and the test team co-located with the suppliers. That's the modern way it's largely done. This kind of recognizes that. Transport Canada and others are doing similar work. This is the trend we've been on. As far as our sustainment initiative, we've had this work under way for a number of years. We've brought it incrementally forward to our minister and have communicated with local MPs, local MLAs, to indicate our intent here.

• (1650)

The Chair: The local MP where?

Mr. Patrick Finn: Up in Cold Lake.

The Chair: We'll now go to Ms. Alleslev for a very short intervention.

Ms. Leona Alleslev: Thank you very much.

I'd like to continue on with what Mr. Christopherson was talking about in terms of the \$1.2 billion.

From the way you explained it, Mr. Finn, I understand that's for the increase in operational serviceability and maintenance costs to maintain the fleet, but that's for the 76 aircraft. Have you included the additional Australian aircraft in that?

Second, because the decision on upgrades hasn't been made, are you also saying that at no point the Department of National Defence costed any of the possible or potential upgrades to the F-18s?

Mr. Patrick Finn: On the first question, as I indicated, the \$470 million we've approved for the additional Australian aircraft includes the upgrades, certain interoperability and other aspects that would be included. In the overall \$3 billion, and that's where we go from the \$1.2 million to the \$3 million, it includes bringing in 94 aircraft on an incremental cost perspective all the way to 2032. It's not all of them in 2032, but we have a glide path from 2026 on. That focuses on the interoperability upgrades, the additional maintenance, the spares—all of those aspects.

We've learned over time, as we did “Strong, Secure, Engaged” and as we've seen repeatedly in the budgeting for major capital projects and things of that nature, that early costs lack fidelity. We're not sure what they're doing. They could be made public. People ask about them, and then we find ourselves entrenched in this position where we've come up with a number with really incomplete information.

As with all departments, we now have a chief financial officer model. He is accountable for those numbers. He attests to those numbers. There are certain things we're doing in the incremental upgrades that we cost as they get ready to be approved and go forward, but in the broadest sense, without fully understanding what will be the path forward, whether it will include radars, what it will be, those things have not been costed.

Ms. Leona Alleslev: Again, radars have been costed, but you haven't supplied them. What other combat-capable upgrades that could potentially be deemed necessary has the air force and your department...

I've worked in aerospace equipment program management for many years. I know you do scenarios. What other scenarios have been costed for the CF-18 combat-capable upgrades?

Mr. Patrick Finn: We've moved away from that model, that process we used to do within the materiel group of that time, doing scenarios and developing our own costs. We now have the chief financial officer model, and he's responsible for it.

Within “Strong, Secure, Engaged” there are some projects that are listed and costed. Short-range missiles and some other specific things have been looked at, have been prioritized, have been costed and are available in our public investment plan.

Ms. Leona Alleslev: Could I ask you to please table any Department of National Defence combat-capable upgrades to the CF-18s that have been costed, and to also advise this committee if the information has been provided to the government and to the defence or finance committees, because ultimately governments can make informed decisions on what something will cost only if they get that information from the experts.

• (1655)

The Chair: Thank you.

Ms. Thomas, it looks as though you're wanting in on this as well—briefly, please.

Ms. Jody Thomas: As we've stated, we have a project under way. Until the chief of defence staff has been briefed and I've been briefed on the cost, the timelines and the expectations of the project, and the chief of defence staff has been able to give military advice to the minister, we won't be talking about these projects publicly. There is a process we have to go through internally before we're public with them.

We have not yet briefed our minister, and I think it is only responsible of us and fair that we brief him before we table things publicly.

Mr. David Christopherson: I have a point of order.

We do not accept that we cannot have information at committee and at Parliament. It's in the Constitution. I've been through this many times. However, the exception is always security, so what I would ask, Chair, is that you, or this committee as a whole, take whatever steps necessary to find out what process would be acceptable for us to receive the answer.

I want to thank my colleague. She drilled down excellently and took what I was raising even further. But to hear somebody say, for whatever reason—understand the Constitution—that a parliamentary committee cannot be told, “You can't have information”.

Now, since we're dealing with security and defence, this could possibly and may likely be one of those exceptions. In that case, we've put together procedures that both respect the security and the right of this committee, but a unilateral declaration by a deputy or anybody that a parliamentary committee cannot have information is unacceptable. There needs to be one more step to pursue this so that the question, which is entirely legitimate in my opinion, can be answered in a way that respects the security and defence issues but also upholds the right of Parliament to demand any information they so choose.

The Chair: You're 100% correct, Mr. Christopherson.

We will hopefully be able to get the answer to that or the reason around your hesitancy. Maybe it means that you're going to tell the minister fairly soon and then we will get the information, but Mr. Christopherson has chaired this committee for a long time and he's correct in all of the parameters around it—unless it is security.

Ms. Alleslev, I think you still have—

A voice: [*Inaudible—Editor*]

The Chair: I ruled that it was a point of order. I accept it as a point of order, but we will get something back in regard to it.

Ms. Alleslev.

Ms. Leona Alleslev: Again, just to be clear, Chair, we're looking for the research and the scenarios, not the project or the recommendation going to the minister. We're looking for the information so that we have an idea of the order of magnitude of what the possible scenarios might be, just so we know whether we're looking at \$10 billion or \$20 billion on 40-year-old airplanes.

The Chair: Thank you, Ms. Alleslev.

We will now go back to Mr. Fuhr.

Mr. Stephen Fuhr: I wanted to talk briefly about the procurement cycle that we're in right now and the time limit that we touched on earlier.

When I got to the air division in 2003, the highest priority acquisition for the military at the time was the replacement for the Buffalo. That was in 2003, and we obviously have an answer for that in 2016. I appreciate that not all of the work was done properly on the first go when the previous government tried to sole-source this. I was working in the air division, so I know what was done and what was not done.

We're not starting from scratch as if there's a lot of work to do. We're somewhere in between nothing being done and something being done, but it certainly wasn't all done. The defence critic has said a number of times that we could do this in just a year, yet the previous government couldn't do anything in a year.

I have a hard time, seeing that it's 2018 and that anything we get, as was mentioned earlier in this meeting, would take three years to deliver once we made a decision on something.... That still gives us a number of years. What is going to be the holdup here in getting this done? It's certainly not the manufacturers. This is what they do. They're ready to go.

I understand that there's a process. I was in civilian life for a while and managed RFPs and RFIs and all that kind of stuff, but I still can't account for the timeline here given the urgency of getting a new airplane for our military.

Mr. Patrick Finn: Thank you very much for the question, sir.

Of course, bringing an aircraft into service is not just about the aircraft itself, and particularly in the Canadian context of the policies that we have and use effectively, such as our industrial technological benefits and other things, there are some security aspects.... There are a number of things that the governments and the suppliers need to contend with, and we're actually running a request for proposals that could result in a number of scenarios at the outcome.

Depending on the successful bidder, we could have a direct commercial sales contract, a foreign military sales application or an acquisition under a memorandum of understanding. In each case, we would expect the winning bidder, likely combined with their country, to be very forthcoming in a draft RFP. We've said 100% offsets against the industrial technological benefits.

There are security aspects to what they need to transfer to us. I would say that in the context of an assembly line on the plant floor, it may be three years from the time we award you a contract, but my experience has been that negotiating those contracts and getting agreements just on things like intellectual property is an area of complexity in this day and age where original equipment manufacturers guard this like the Crown jewels. We want to make sure that we have access to what we need for decades to come to upgrade and maintain these aircraft.

As we look at our allies, we may hear about rapid cycles, but we talk to them about the work that happens beforehand and happens after, and about how they may have a process that's not open to legal challenge quite as it is in Canada. That allows them to quickly select, but it could be multiple years before they sign a contract.

We are fairly aligned. We've talked about defence procurement, as a few people here have mentioned, whether it's schedule or budget, and we know and have learned that we have been historically overly optimistic about things, so we're very, very careful. There's a lot of risk at play here. We would rather be judicious about the schedule and timelines that we establish. If they can be accelerated, all the better, but to say that we're going to pull off a miracle is just dangerous in what we achieve and where we—

• (1700)

Mr. Stephen Fuhr: I totally appreciate that and I appreciate that there will be time, but what we have now is a technology cycle that's shrinking and a procurement cycle that's growing, and that's a really bad place to be. To put things in perspective, these security concerns and 100% offset and 20 years of in-service and support have been there forever. The CF-18 that we have now first flew in 1978, and we took it first in test. We took delivery in 1982, from 1982 to 1989. That's not a long time. We're looking at some airplanes that have been flying for years. I appreciate what you're saying. We have four departments that have their fingers in the bubble here. We have Treasury Board, DND, PSPC and ISED. All of them have significant influence on this process, yet none of them are ultimately accountable. To me that's a bit of a problem.

A number of our allies do things differently. I know the Australians have a single point of accountability. The Brits have a single point of accountability. I would love to ask your opinion on that, but I'm pretty sure nobody at that table is going to give me their rendition of whether they think that's a good idea. But certainly there's something we can do better than we're doing now. If we remain in this space, where the technology cycle gets smaller and smaller and the procurement cycle gets larger and larger, we are not going to deliver what we need to our people in a timely fashion, and that's going to hurt us all.

Mr. Patrick Finn: Just briefly, sir, one of the things we're trying to do...because that technology cycle is not just acquisition. That's in-service and through life. We've just closed off the project for C-130J and we're already opening up for block eight. Part of the complexity we're trying to tackle up front is how we structure this so that we can be inside the technological cycle, as you're indicating—what the partnerships are, the reprogramming labs, the things we need to establish—so as we get the aircraft we're actually in the cycle of upgrade, which is far different, whether it's technology or intellectual property, from what we saw when we acquired the CF-18s or what I saw in the Halifax-class or otherwise. Today that software cycle development is completely different and we actually have to take the time to get it right so that we can live inside the cycle through life.

The Chair: Your time is up.

Mr. Kelly.

Mr. Pat Kelly: Actually, I want to follow up with some of the answers I heard to Mr. Fuhr's question.

I believe, Mr. Finn, it was you who said the assembly timeline is expected to be three years. If I remember correctly, your answer to my question in the earlier round was that you expect to sign a contract in 2022, so you have no time within that for anything to go

wrong from the time the contract is signed. Do I understand correctly?

• (1705)

Mr. Patrick Finn: Again, what we've heard from everybody is that three years is a reasonable time to do it. There are active assembly lines, but you are correct that we are banking on that three-year cycle. These are all people who have other customers, so they're actively building. It's not because we signed a contract that we jump the queue, but they're all telling us quite comfortably, as we've recently seen with our fixed-wing search and rescue aircraft, and other aircraft, that three years on an active assembly line, with an existing design, is an appropriate risk-mitigated schedule.

Mr. Pat Kelly: Of course, everything would have to go right to even be able to sign that contract in 2022. You have your final commercial RFP scheduled for the spring. Walk me through, again, if you have time now for a little more detail, what you expect to happen between the spring of 2019 and the expectation of signing a contract in 2022.

Mr. Patrick Finn: In spring of 2019, the commercial—or in this case it's a government.... Nevertheless, the formal request for proposals goes out. In 2020, we receive the proposals early on and we go through the bid evaluation process, which will be a major chunk of 2020. We will down-select to a couple of bidders for what we call competitive dialogue. The nature of this contract that happens adds some complexity to this particular request for proposal.

Then the idea is that through 2021 we're completing the negotiations, getting the approvals to award the contract in 2022. We have tried to be very judicious and not have too risky a schedule to try to achieve some of that, but from the bids until the signing of the contract is where we've given ourselves two years for the competitive dialogue, the final negotiations, the various approvals we need to get and the signing of the contract in 2022, with the idea of first delivery in 2025. We've shared this with all the potential bidders, and they're comfortable with that approach, sir.

Mr. Pat Kelly: That really doesn't leave any margins that I can see anywhere, other than perhaps the time interval from receiving, depending on the timing of when you receive bids, and following up and working with the bidders to finalize details for a contract. Unless you make up some time in there, you have no extra time. You've just said that it's three years, that assembly is expected to take three years. If we're late on this, we don't have the ability to defend and to meet our defence obligations with our allies or our own sovereignty. All I can say is that, from here on, everything needs to go like clockwork, on schedule. We just don't have time in this for the kinds of delays and the kinds of failures of procurement that we have seen in other programs.

I shudder to think of what many Canadians listening to this hearing might think has the potential to go wrong to get to 2025. I'm going to leave it at that.

The Chair: Thank you. Ms. Alleslev, you have some time.

Just before Ms. Alleslev comes in on this, I'll just say that we try at the table here to keep track of questions and then get the answers. She did pose a question earlier. It was in regard to how 22% of technician positions in CF-18 squadrons were vacant. Her question earlier was, because you keep these records, what was it three years ago? What do you expect it to be two or three years down the road? You've gone from 22%. Do you hope that next year it would be down to 18%?

We didn't get an answer to that one, so could we have the answer on that, please?

LGen A. D. Meinzinger: I don't have the historical data in front of me. We could certainly provide that to you.

In looking forward, regarding some of the things we've done to optimize the production of technicians within the Canadian Armed Forces, specific to the fighter force I would draw your attention to the maintenance initiative. We have 49 trainers now, through the maintenance contract I cited earlier. These individuals are helping to deliver a curriculum in 10 FTTS, which is the schoolhouse for our fighter force technicians. What we're seeing is that we're able to produce more technicians now through that training mill.

Further, if you go back into the enterprise, into the school in Borden, we were able to outsource some of our ACS, or aircraft structures technician training, to École nationale d'aérotechnique in St-Hubert. We've been able to run courses of a dozen, three times a year.

Consequently, we had a significant backlog of technicians two years ago. Through a couple of initiatives we've been able to push more of these technicians through the training mill, which means we'll have more on the flight line. At the end of the day, though, we still need to ensure that they get trained and experienced. As the Auditor General pointed out in the report, a portion of the technicians we currently have in 3 Wing and 4 Wing are obviously not experienced. They're going to have to get that in the years ahead.

• (1710)

The Chair: Ms. Alleslev, I want Monsieur Massé to get in first, and then we'll come back to you. My question took away from you.

Mr. Massé.

[*Translation*]

Mr. Rémi Massé (Avignon—La Mitis—Matane—Matapédia, Lib.): Thank you, Mr. Chair.

My questions will be at 50,000 feet of altitude. Obviously, I'm not a defence expert. A few years ago, a few decades in fact, I wanted to pilot a plane, but my experience was limited to piloting a Cessna 152 for a few hours.

That said, in the course of the last weeks, I held consultations in my riding concerning the labour shortage. This shortage is present not only in Quebec but everywhere in Canada. It affects our entrepreneurs and businesses quite seriously.

I'd like to understand what is going on. Are there particular challenges with repairing and maintaining fighter aircraft that aggravate the shortage of workers or qualified technicians in this area?

Mr. Patrick Finn: Thank you very much for the question.

As you said, I will begin at 50,000 feet and then my colleague can complete my reply.

You have to understand that a fighter jet is extraordinarily complex. You have to take into account everything that is in a fighter aircraft, like the software, the number of systems and the weaponry, as well as factors like air density and the role to be played by the aircraft.

Mr. Rémi Massé: Excuse me, I'll be more specific. Everyone understands that a fighter airplane is very complex. I should have been more precise.

I'd like to know what the situation is as compared to other trades in the armed forces. You have tanks and all kinds of very sophisticated equipment, some of them perhaps more complex than the CF-18s, which do go back a few years. Compared to the equipment used in other fields in the Canadian Armed Forces, are the fighter jets even more unique?

Mr. Patrick Finn: Thank you, once again, for the question. I'll begin the answer and my colleague may complete it.

There is a certain hierarchy among the trades when it comes to the maintenance of all of our equipment. There are responsible engineers and technologists, that is to say those who do more advanced maintenance; there are also technicians. This is quite complex work, whether we are talking about fighter aircraft, submarines or combat ships. It's really quite complex.

There is also the fact that we compete with the private sector to recruit personnel. People need specialized training, and it takes years. This makes it difficult to hire people. For some trades, the basic training can be done quite quickly, in a few months. However, when it comes to technicians, it often takes several years before they can work on their own.

Mr. Rémi Massé: And is the scarcity of expert personnel greater in this area, or is this a generalized phenomenon in skilled trades and occupations in the Canadian Forces?

Mr. Patrick Finn: There is a shortage of maintenance technicians just about everywhere. I am responsible for all of the armed forces equipment, and I can tell you that the problem is the same in the navy and the army. The private sector also needs these technicians, but the biggest problem for us is the long training period needed before newly recruited technicians can work on their own.

Mr. Rémi Massé: Are there any elements that have not been mentioned that act as disincentives for fighter pilots, expert pilots, to continue to pilot CF-18s or other fighter jets in the armed forces? We have talked about salaries, bonuses and all kinds of measures to try to keep them in the Canadian Air Force.

In the eyes of ordinary Canadians, piloting a CF-18 represents a top job. Aside from the fact that some of these planes are getting old, are there other factors that may discourage pilots from developing their skills with the ultimate goal of piloting CF-18s?

• (1715)

[English]

LGen A. D. Meinzinger: What we find when we interview those who choose to leave is that, at the decision point for that particular individual, it's often a family issue. We often say in the air force, "We recruit the individual, but we must retain the family."

We find that, unless there's a degree of predictability and positive career management for that individual, we often find individuals who are vexed. They come to a point where they may not have anticipated they were going to move, or we're asking them to move their family to a location where perhaps their spouse cannot find employment.

We need to treat individuals individually at the margin to ensure that individuals have a clear understanding of expectation and what is coming in a couple of years. On our part, we need to be clearer about expectations, telling pilots, "You're going to fly for eight years", as opposed to six years, and their not knowing if they're going to be posted to a staff job.

We find a lot of individuals often don't wish to move to headquarters and work in an office versus work in an aircraft. We recognize and respect that, but that dialogue, which must happen at the margin before we force an individual to move, is very important. We're working on that. We're trying to put in measures that will increase the communication, and increase the expectation and understanding with our individuals and their families.

[Translation]

Mr. Rémi Massé: Thank you.

Mr. Chair, if I have any time left, I will yield it to Mr. Fuhr.

[English]

The Chair: We'll have time to come back to Mr. Fuhr.

We're going to Ms. Alleslev.

Ms. Leona Alleslev: I'd like to continue with the training aspect that was brought up earlier, around the trend in the past. You have, I note, fighter capability maintenance renewal. I'm assuming that is going to achieve a plan to show how you are going to achieve the necessary technicians by a certain date. I'm looking forward to seeing that document, as well. Can you provide us with the data of the trend up until this point, from, say, the mid-1990s until now, and tell us whether or not it's moving in the right direction? Does that plan include cost?

LGen A. D. Meinzinger: Absolutely, we can provide that to you.

I would make perhaps one point that I haven't had a chance to make in the context of technicians. We have in our defence policy a growth of 200 positions to support the transition to the advanced fighter. Within those 200, approximately 108 are going to be apportioned to grow our technician capacity. We obviously need human beings, we need to train additional technicians to fill those positions, but it gives you a sense of the growth we anticipate in the bench as we move to the advanced fighter.

Ms. Leona Alleslev: By when?

LGen A. D. Meinzinger: Those numbers will be phased in to support the introduction of the advanced fighter.

Ms. Leona Alleslev: By 2026, are we looking at an increase in technician positions by 200?

LGen A. D. Meinzinger: That's correct.

Ms. Leona Alleslev: Therefore, am I assuming that the maintenance renewal plan shows how we're going to achieve filling those positions by then, and that the cost is already embedded in the Department of National Defence forecast budget up to 2020, or however long we have?

LGen A. D. Meinzinger: Sorry, of those 200, just over 100 of those additional 200 positions will be on the technician side. Some will be other support trades and the like, so it's not—

Ms. Leona Alleslev: For fighters alone...?

LGen A. D. Meinzinger: Yes, indeed.

With the fighter renewal initiative and the contracting of second-line maintenance, we're going to be moving approximately 200 serving members forward into first line. You're going to see a significant increase in technicians on the flight line fixing aircraft. We believe that's going to lead to more mission-ready aircraft for our pilots to fly.

• (1720)

Ms. Leona Alleslev: That's very interesting, and I'd love to get to that in a second.

Do we have a corresponding plan for pilots? I don't see it in this report. I see a study—an air ops study—but I do not see an air pilot plan that shows us how we're going to address the shortage of pilots. Have I missed it?

LGen A. D. Meinzinger: I don't think you'd find that detail in the OAG report, but specifically in the MAP.

Ms. Leona Alleslev: It's in the response, in the "Key Interim Milestones (Description/Dates)".

LGen A. D. Meinzinger: I can tell you my plan for 10 squadron, which is the training unit for fighter pilots. Over the next two years, we're going to be running serial courses for flight training and the fighter weapons instructor course.

It's really important that we continue to run the fighter weapons instructor course. You may know that is the incubator for creating the tactical specialists, those who know how to plan complex missions, how to weaponize. We need those individuals in our squadrons.

Right now the challenge—

Ms. Leona Alleslev: Absolutely, but that's the training piece.

What we're really trying to achieve is the actual number of pilots. It's a combination of retention and training. Where is the plan that shows that, by 2026, we will have all the pilots we need? What does that trend look like, and of course, what has the trend been up to this point. It says we have a 64% shortage. We need to know the plan. Do you have that?

LGen A. D. Meinzinger: My assessment is that it's going to take us approximately five to seven years to grow the crew force. Again, a lot of the considerations are in the future. We have to stave off the attrition we're experiencing today. We're getting at that as a priority in terms of some of the retention ideas we have.

We're going to maximize the throughput at 410 squadron, but we recognize that we can't pull all of the experienced pilots from the 4 line squadrons to teach on 410 squadron, because we need them on the line squadrons to train the new pilots who are on the line squadrons.

It's a pretty delicate balance, but we're optimizing that based on the current crew force we have.

Ms. Leona Alleslev: Have we included the increased cost of training, particularly the outsourced elements of training for fighters, specifically in that \$3 billion?

LGen A. D. Meinzinger: There's no outsourcing costs that I could think of that would relate to the current plan.

Ms. Leona Alleslev: Fighter training is outsourced, a significant portion of it.

LGen A. D. Meinzinger: I manage the O and M costs that are attributed to force generation on a yearly basis, so that's reflected in the monies that get allocated to me as the commander.

Ms. Leona Alleslev: Do we have enough money, and are we fine for money to achieve all of the training for the pilots?

LGen A. D. Meinzinger: Each year, I have to make a case for the yearly flying rate for all of the fleets, and we've had support to fund that full YFR demand. That's a number that will continue to grow as we introduce more fleets.

Ms. Leona Alleslev: Thanks.

The Chair: Thank you, Ms. Alleslev.

We'll now go to Mr. Fuhr. It will be the last question of the meeting today.

Mr. Stephen Fuhr: Thank you.

First of all I want to thank the Auditor General's office for putting some heat and light on this issue. Many of us knew that this was coming and it was here. It speaks specifically to a capability gap, yet adds in the other elements that are required to generate combat capability—pilots, technicians and aircraft. All of them are equally important, and we need them all to make things happen.

I want to circle back to what I suggested before, because this is going to require the military to think outside the box in solving this problem and to do things that it may not have been willing to do in the past.

We need to lean on our service providers more than ever—KF Aerospace, CAE and Discovery Air are there. Most of those guys, we knew. We used to fly with those guys. They're all retired, and we know they're capable. We know we have existing contracts. We need to put those people in the best position to help us as soon as possible.

I know you've mentioned that you're mulling around financial retention. It has to be done and it has to go to Treasury Board. That is not a slow process, so I would suggest that we just come to terms

with that soon and get on with it because our allies are doing it, and if we don't, we're going to be hurting.

I know, General, you mentioned that you talk to your counterparts or their allies often about asking them for help. I think we need to circle back on that because I don't recall, back in the nineties, that we were in much better shape. We were hurting as well, but we responded to an urgent request from our allies, and I think we should maybe circle back and ask them if they can help us out, the marine corps in Australia being probably the best suited to do that.

Also, engaging with industry, maybe in a way that we haven't before.... The current airplane that we're flying right now, Boeing, has the capacity. We ultimately just need to write a cheque to get them to help us train more technicians more quickly. What we do isn't exactly the same. I appreciate that. I was in the squadron and I understand how that works. They can get our squadron or our squadron techs to the 75% solution, and then we can take over from there.

If we do all those things, we'll be able to ramp up our capacity to generate pilots and technicians a lot more quickly. I appreciate that, simultaneously, we need more airframes at the end of the day, so when both those phones ring we can be responsible partners and generate the combat capability that we said we would.

That's all I have.

Thank you.

• (1725)

The Chair: Thank you, Mr. Fuhr.

Now Mr. Christopherson has come back and has asked for a very short summary or a very short question.

You have it, sir.

Mr. David Christopherson: No, actually it's a point of privilege, and I thank you for the floor.

I notice we have about five minutes. I'd like to take just 60 seconds of it, if I could.

This has been a pretty intense hearing. I thought maybe I would like to put a small bit of humour into where we are, believe it or not. Let's see if I achieve it.

It's under the category of one of the greatest put-downs that was ever thrown back to me from across the floor from a colleague.

I'm on one of my big rants, Chair, and you've been around long enough with me that you know what they're like. We saw one of them today. I was going on and on, and my theme in it all was 30,000 feet. I kept saying, "If we look at this from 30,000 feet" and then I would go and do my attack, and further I'd say, "You know, never mind all these details, when you look at this from 30,000 feet" and I went on and on and on like this about the 30,000 feet, as loudly as I could, as I do. The room was dead quiet and Laurie Hawn, a former Conservative MP who served here, asked for the floor.

What triggered this memory was either the general or Mr. Finn answering a question about 50,000 feet, or somebody making a reference to 50,000 feet.

After I'd finished doing this whole rant, wrapped around what you really see from 30,000 feet in terms of what's going on, Laurie Hawn takes the floor—dead quiet—and he says, "I'm a former fighter pilot. You know what you see at 30,000 feet? Nothing. Just like the value of the arguments we just heard."

Voices: Oh, oh!

Mr. David Christopherson: It was one of the best put-downs I ever heard, and I tell that story whenever I can.

If you're out there, Laurie, I hope you're enjoying your retirement.

Thank you, Chair.

The Chair: Thank you very much, Mr. Christopherson. We're very aware of your rants here. I just wasn't aware that you were also a stand-up comedian. Thank you for bringing a little bit of levity to our day here.

I want to thank our Auditor General's office as well as our Department of National Defence for being here today. We rely on you. We rely on our air force. All our men and women who serve in our military, we're very thankful for in our country. We want to see it remain strong. We want to see that the questions we have are being answered and that we can have confidence that the concerns brought forward in the Auditor General's report, which are now the concerns of Canadians, are being answered by our department.

There have been a number of questions posed today. My clerk brought up the constitutional ability that our committee has, so we do expect those answers. There are ways. If some of them are deemed security issues, it can be in camera, if it's that. It doesn't sound as if it was that, but if that is part of it, there are still ways to have some of these questions answered.

Thank you for being here. I think today has been.... We've had people on all sides who have been involved in our military and have made it, I think, an excellent meeting. I thank you for being here and helping to aid the committee in that. We appreciate it.

Before you go, I've just been told that our meeting on Wednesday—and I have mentioned this to you earlier—dealing with sexual harassment, or sexual problems within the military, will be cancelled. We're expecting a couple hours of voting, and that's possible, but we'll just cancel it. You can expect to come back sometime after Christmas, and we thank you for your willingness to do that.

We now stand adjourned.

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