



National Defence

Défense nationale

Deputy Minister

Sous-ministre

National Defence Headquarters  
Ottawa, Ontario  
K1A 0K2

Quartier général de la Défense nationale  
Ottawa, (Ontario)  
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The Honourable John Williamson  
Chair, Standing Committee on Public Accounts  
House of Commons  
Ottawa, Ontario  
K1A 0A6

Dear Mr. Williamson,

As agreed upon in the Government Response to the Sixtieth Report of the Standing Committee on Public Accounts, entitled *Report 3, Canada's Fighter Force*, National Defence submits an update to Recommendation 2.

Sincerely,

Stefanie Beck

Enclosures: 1

Canada 

**Response to the Standing Committee on Public Accounts'  
Report 3, Canada's Fighter Force – Canadian Armed Forces, of the 2018 Fall Reports of  
the Auditor General of Canada**

**Recommendation 2**

*That, by 30 June 2019, National Defence provide the House of Commons Standing Committee on Public Accounts with a report outlining what progress has been made regarding 1) assessing what upgrades are required for the CF-18 to be operationally relevant until 2032 and 2) finalizing which ones, if any, will be implemented. Additionally, it should provide the Committee with a progress report every year thereafter until 2032.*

**Background**

In its 2018 report on Canada's fighter force, the Auditor General recommended that National Defence analyze upgrades required for the CF-18 to be operationally relevant until 2032 and seek approval for those which are appropriate and achievable.

In its 2018 Management Action Plan, National Defence committed to implementing regulatory and interoperability upgrades, as well as combat capability upgrades, to address the Auditor General's recommendation. This work is encompassed by the Hornet Extension Project, which includes two concurrent phases: Phase 1 for interoperability and regulatory upgrades and Phase 2 for combat capability upgrades.

National Defence has reported annually to the Committee on this Project, most recently in June 2023. At the time, with regard to both Phases, National Defence reported that it remained on track for implementation in 2025. The latest update from National Defence can be found below.

**2024 Update**

While the Hornet Extension Project achieved Initial Operational Capability (IOC) on 24 June 2024, which consisted of six upgraded phase 2 aircraft for operations at 3 Wing Bagotville, the project is now forecasted to achieve full operational capability by March 2026, a shift of eight months, from June 2025, as previously reported. This is the result of supply-chain and production issues experienced by major defence suppliers in the United States. The Project remains within its approved fixed budget of \$1.3 billion.

*Phase 1: Regulatory and Interoperability Upgrades*

As part of Phase 1, National Defence will deliver enhancements for up to 88 aircraft. These enhancements primarily focus on addressing evolving civilian air traffic management regulations and meeting Allied military interoperability requirements. For example, enhancements include upgrades to transponders, simulators, mission computers, satellite radios, helmets, cryptographic systems, and electro-optical and infrared sensors.

Since the last update to the Committee, equipment deliveries and integration activities continue for new radios and transponders that will have the latest cryptographic capability to ensure interoperability with Allies. National Defence also remains on schedule to integrate upgrades to electronic warfare defensive software, improved mission planning tools, satellite

communications (SATCOM), enhanced electro-optical capabilities and a ground collision avoidance software capability to full operating capability.

All Phase 1 elements are anticipated to be delivered by March 2026 and will help sustain National Defence's current CF-18 fleet until 2032, when the replacement fighter aircraft is expected to be fully operational.

### *Phase 2: Combat Capability Upgrades*

As part of Phase 2, National Defence continues to focus on enhancing the combat capability for 36 of its CF-18 aircraft. Key combat capability enhancements include a new active electronically scanned array radar and advanced weapons and sensors, to help ensure that the CF-18 fleet is able to meet operational commitments, including to the North American Aerospace Defence (NORAD) Command and the North Atlantic Treaty Organization (NATO), until 2032 when the future fighter fleet is expected to meet these commitments.

National Defence is updating the CF-18's mission computer software with a new Operational Flight Program to support the integration of new equipment. This requires an extensive test and evaluation program in coordination with the United States Navy and United States Marine Corps. Since the last update, National Defence is currently completing testing of the aircraft Operational Flight Program to be used for initial operational capability. The remaining software builds will progressively incorporate capabilities that will be tested through 2024 and 2025, leading to a full operational capability by March 2026.

Apart from the upgrades to the aircraft, security enhancements are also well underway. Since its last update to the Committee, National Defence has received an additional two – for a total of four - classified non-permanent facilities. The remainder (12) are expected to be delivered by the end of 2024. These classified work areas will be used for mission planning, de-briefing, and training of Phase 2 upgraded aircraft.

National Defence will implement all Phase 2 combat capability upgrades by March 2026, which will ensure that sufficient, operationally relevant, mission-ready CF-18 fighters are available to meet air power capability requirements in the current battle space until the future fighter fleet reaches full operational capability.

### **Future updates to the Committee**

National Defence will next provide an update to the Committee by 30 June 2025, outlining the progress made on implementing Phase 1 and 2 upgrades.