



HOUSE OF COMMONS  
CHAMBRE DES COMMUNES  
CANADA

44th PARLIAMENT, 1st SESSION

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# Standing Committee on Public Accounts

EVIDENCE

**NUMBER 051**

Monday, March 6, 2023

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Chair: Mr. John Williamson





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• (1105)

[English]

**The Vice-Chair (Ms. Jean Yip (Scarborough—Agincourt, Lib.)):** Good morning. I call this meeting to order.

Welcome to meeting number 51 of the Standing Committee on Public Accounts.

Pursuant to Standing Order 108(3)(g), the committee is meeting today to continue its study on “Report 6: Arctic Waters Surveillance” of the 2022 reports five to eight of the Auditor General of Canada to the Parliament of Canada.

The chair has asked that we move other business to another time. Do we have unanimous consent to use the full meeting for this study?

**Some hon. members:** Agreed.

**The Vice-Chair (Ms. Jean Yip):** I would now like to welcome our witnesses.

From the Office of the Auditor General, we have Andrew Hayes, deputy auditor general, and Nicholas Swales, principal. From the Department of Transport, we have Arun Thangaraj, deputy minister, and Lisa Setlakwe, assistant deputy minister, safety and security. From the Department of National Defence, we have Bill Matthews, deputy minister; Nancy Tremblay, associate assistant deputy minister, material; Rob Chambers, assistant deputy minister, infrastructure and environment; and Rear-Admiral Steven Waddell, deputy commander, Royal Canadian Navy. From the Department of the Environment, we have Chris Forbes, deputy minister, and Ken Macdonald, executive director, national programs and business development, prediction services directorate, meteorological service of Canada.

That's a full house. Thank you.

Mr. Hayes, you already made your opening remarks at the last meeting. We will then go to Deputy Minister Thangaraj for five minutes.

Go ahead, please. You have the floor.

**Mr. Arun Thangaraj (Deputy Minister, Department of Transport):** Thank you, Madam Chair, for inviting us to be here with you this morning.

As the new deputy minister of transport, marine safety and security of Canada's Arctic waters is one of my top priorities.

The Government of Canada agrees with the findings and recommendations in the Auditor General's report related to the surveillance of Arctic waters and will take steps to address them.

[Translation]

Canada's maritime domain awareness in the Arctic is critical to ensuring the country can mitigate risks and respond to incidents that may impact our security, safety, environment and economy.

Transport Canada is working with our partners, including Inuit and indigenous communities, Arctic residents and industry, to address long-standing gaps in the Arctic maritime domain awareness, particularly the continuous tracking of vessels, identification of non-emitting vessels and the improvement of information sharing to ensure our Arctic waters are safe and secure.

[English]

In July, the Prime Minister announced an additional \$2-billion investment into Canada's oceans protection plan, bringing the total investment to \$3.5 billion. Under this plan, Canada is working together with indigenous peoples, stakeholders, coastal communities, and provinces and territories. The Government of Canada is working with them to strengthen protections for our coasts and wildlife, improving maritime traffic and incident management, and advancing partnerships with indigenous communities.

With respect to the specific points raised by the Auditor General, Transport Canada leads the interdepartmental marine security working group, which has updated Canada's maritime security framework. This will be finalized before the end of this month. This will enable a coordinated approach to address a range of maritime security challenges and priorities, including strategies dealing with both maritime domain awareness and Arctic maritime security.

Transport Canada is also reviewing legislation and regulations to address potential gaps and to ensure that the marine transportation security framework continues to address modern threats and risks to the marine transportation system.

As part of the marine security operation centre third party review, which was launched in December 2022, we are working with our partners to incorporate measures to identify gaps in monitoring, assessing and reporting on maritime domain awareness, and the way forward on operational flexibility, options and tools.

[*Translation*]

These centres are a unique example of multiagency integration and collaboration. To support that awareness and Canada's federal presence in the Arctic, the Government of Canada will continue to work with its partners to provide the equipment, infrastructure, assets and capabilities necessary to support our maritime security interests in the region.

We are improving key equipment used for maritime surveillance by pursuing options for acquiring equipment in a timelier manner and developing contingency plans to address the risk posed by critical equipment failure.

• (1110)

[*English*]

Regarding Transport Canada's air asset capacity, the department currently dedicates the Dash 7 maritime patrol aircraft to performing surveillance in the Arctic during the shipping season. Sensors on this aircraft enable the detection, classification and tracking of vessels of interest and marine oil spills. The Vancouver-based Dash 8 is also used, as required, to conduct surveillance in the western Arctic. To improve aircraft state of readiness, Transport Canada has acquired a substantial inventory of Dash 7 parts, in order to reduce the time the aircraft may be out of service.

The department, in co-operation with the Canadian Coast Guard, is also conducting a review of its aircraft services directorate to determine where efficiencies can be made, including recommendations for the future replacement of the Dash 7 aircraft.

[*Translation*]

The department has also procured a remotely piloted aircraft system, delivery of which is expected this summer, to augment its surveillance capacity in the Arctic and is progressing with the construction of a Transport Canada hangar in Iqaluit which will support the whole of government. This facility will support aircraft maintenance and allow for the possibility of extending Arctic surveillance operations into spring, late fall and winter.

Canada's Arctic waters surveillance is critical to ensuring the country can mitigate risks and respond to incidents that may impact our security, safety, environment and economy.

[*English*]

We look forward to working with our partners on these next steps.

If the committee has any questions, I would be more than pleased to answer them. Thank you.

**The Vice-Chair (Ms. Jean Yip):** Thank you, Deputy Minister Thangaraj.

We will now move on to Deputy Minister Bill Matthews for five minutes.

[*Translation*]

**Mr. Bill Matthews (Deputy Minister, Department of National Defence):** Thank you, Madam Chair.

I'd like to begin by saying hello to all the committee members.

As you mentioned earlier, I am joined by a few of my counterparts from other departments.

[*English*]

I will offer some very brief opening remarks, in order to leave maximum time for questions.

The Auditor General's report clearly identifies where departments need to collaborate more effectively on Arctic waters surveillance. National Defence welcomes those observations and agrees. Defence is directly implicated in both recommendations one and two of the Auditor General's report. The department fully agrees with both recommendations and has developed corresponding management action plans for each. I will stress that some of this work is complicated and multi-year in nature.

If you wish to get into some of the details of those action plans, I would be happy to do so with the help of my colleagues, as appropriate.

[*Translation*]

I will stop here so that we have enough time to answer your questions. In any event, it's a pleasure for me to be here.

Thank you, Madam Chair.

[*English*]

**The Vice-Chair (Ms. Jean Yip):** Thank you.

We will now move on to Deputy Minister Chris Forbes for five minutes.

**Mr. Chris Forbes (Deputy Minister, Department of the Environment):** Thank you, Madam Chair.

I'm happy to be here today with the committee to discuss report six of the Auditor General. This focuses on water surveillance in the Arctic, obviously.

We are one of the five organizations identified in the scope of the audit. We are not directly involved in traffic monitoring, but we obviously play an active operational role in supporting transportation in the Arctic.

We have offices and staff in all three territorial capitals, and we provide support in smaller and more remote communities, such as Fort Smith, Resolute Bay and Inuvik. We deliver programs and initiatives across the north, most notably—probably—in areas such as weather prediction, nature conservation and protection, biodiversity, and climate change and adaptation.

Our work also focuses a lot on reconciliation—a significant priority for the department—as well as research monitoring and international Arctic co-operation. As an example, the meteorological service of Canada monitors weather and ice conditions, uses world-leading computer models to predict the evolution of these conditions and provides services that support Canadians and Canada's sovereignty in the Arctic.

[Translation]

Data from these networks underpin the accurate and timely weather forecasts and warnings available to Canadians. This includes daily marine weather forecasts for the navigable waters of Canadian territory as well as marine weather and ice information for a broad area of international waters north of 60 degrees.

The data also feeds into specialized weather forecasts and information that are provided to the Canadian Armed Forces on an ongoing basis, domestically and internationally, and include mission support for the Arctic offshore patrol ships when they are in the Arctic.

There's also the Canadian ice service from Environment and Climate Change Canada's meteorological service of Canada. It has specialized expertise in monitoring sea-ice and icebergs, ice detection and modelling. It also provides operational support for maritime activities seven days a week to help ensure safe ice operations. This includes direct support to Canadian Coast Guard and Royal Canadian Navy operations.

With longer and more widespread ice-free conditions in the ocean, and sea-ice decline, in some areas, as high as 20% per decade, it's a critical service.

In addition, the department's expertise in the north also supports our work to sustain Canada's northern water resources and freshwater ecosystems.

I'm going to stop here. At this time, I'm happy to take questions from members of the committee.

• (1115)

[English]

**The Vice-Chair (Ms. Jean Yip):** Thank you very much for your remarks.

I'm very much looking forward to hearing the questions and answers today on such an important topic.

For our first round of six minutes, we begin with Mr. Zimmer.

**Mr. Bob Zimmer (Prince George—Peace River—Northern Rockies, CPC):** Thank you, Madam Chair.

Thanks to our witnesses, especially for the Auditor General's report and the very good work done by your department.

I'll begin with a quote from the Nunatsiak News on August 5, 2015, which reads:

Russia is seeking to expand its Arctic territory—by 1.2 million square kilometres in the resource-rich Arctic waters around the North Pole.

That's the gist of Russia's new submission to the United Nations for the UN Convention on the Law of the Sea, which claims "the seabed and its subsoil in the central Arctic Ocean which is natural prolongation of the Russian land territory."

Yes, that was eight years ago now, but this is from Mr. Putin just a month ago, in a Reuters article from Moscow on January 27, 2023. It said:

President Vladimir Putin held talks on Friday with top security officials about the status of Russia's efforts to legally expand the outer boundaries of its continental shelf in the Arctic Ocean.

Russia in 2021 filed a submission to the United Nations seeking to redefine its continental shelf, which is believed to contain vast untapped reservoirs of oil and gas. Moscow said at the time it wanted much more Arctic seabed, a move that has implications for Canada and Denmark who have their own claims.

Putin is a very real and present threat to our Canadian Arctic security and sovereignty.

I asked Minister Anand specifically about Arctic sovereignty on May 3, 2022. My question to her was:

Mr. Speaker, the NDP-Liberal budget proves once again that the current government is all talk and no action. Instead of a plan to protect our Arctic sovereignty and security, all we got was a reannouncement of NORAD's existing infrastructure and that the government is considering its options.

We heard that again today. My question continued:

Our Arctic sovereignty and security cannot be protected by more Liberal empty promises. Will the minister, who continues to fail to defend our north, stand up and explain?

Her answer was:

Mr. Speaker, Canada's sovereignty in the Arctic is secure....

Her answer went on, but still, that's her premise.

From the Auditor General's report, we're clearly not anywhere near having a secure Arctic. I'll go to the recommendations in the report. Recommendation 6.12 on page 7 reads:

Overall, the federal government has not taken the required action to address long-standing gaps affecting its surveillance of Canada's Arctic waters. As a result, the federal organizations that are responsible for safety and security in the Arctic region do not have a full awareness of maritime activities in Arctic waters and are not ready to respond to increased surveillance requirements.

I'll go on to 6.13, the section below, which reads:

The long-standing issues include incomplete surveillance, insufficient data about vessel traffic in Canada's Arctic waters, poor means of sharing information on maritime traffic, and outdated equipment. The renewal of vessels, aircraft, satellites, and infrastructure that support monitoring maritime traffic and responding to safety and security incidents has fallen behind to the point where some will likely cease to operate before they can be replaced. For example, the Canadian Coast Guard and Transport Canada risk losing presence in Arctic waters as their aging icebreakers and patrol aircraft near the end of their service lives and are likely to be retired before a new fleet can be launched.

We are hardly in a good place in the Arctic, despite the minister's wanting to reassure us that we're good.

I'll ask the DMs from defence, transport and environment to please respond.

• (1120)

**Mr. Arun Thangaraj:** Sure. I'll start.

The report identifies gaps, and there have been actions taken within the department to address those gaps, firstly with respect to situational awareness and the information sharing, as well as on the aircraft, as you stated.

First, with respect to some of the gaps, one of the first actions of the department was reviewing the working group. There have been changes to the working group and how it operates to make it more nimble and responsive and to identify where those gaps are. As the audit noted, the framework was old and outdated, so that working group has met and the revised framework will be approved by the end of this month.

**Mr. Bob Zimmer:** With respect, deputy minister, that sounds like a lot of talk and no action. That's exactly what I accused the minister of.

Can we move to Mr. Matthews? I know my time is limited.

**Mr. Bill Matthews:** Certainly. There are a couple of points. One, I would distinguish between issues around lack of awareness, which is what the Auditor General's report highlights, versus ongoing legal claims made by Russia in terms of land ownership or mineral rights, etc.

In terms of closing gaps around awareness, the work we are advancing is twofold. Number one, we are looking at Arctic offshore patrol ships' new capability, and there are three more coming there. However, information sharing is also critical. The OAG report flags that some vessels self-report. Others, smaller vessels, are under no obligation to do so. There are multiple departments, including the Coast Guard, which is not here today, which work together to build that picture.

My colleague just flagged the information sharing—

**Mr. Bob Zimmer:** Maybe, Mr. Matthews, just let me—

**Mr. Bill Matthews:** It's that information sharing around those smaller vessels that's critical.

**Mr. Bob Zimmer:** I appreciate some of the efforts that are being done. I've seen the AOPS, some of the ships. I have actually been up there to see some of the icebreakers in action. I applaud our Coast Guard in their efforts up there. They're working hard for us.

Frankly, it doesn't say how we are going to fill the gaps that are clearly laid out in the Auditor General's report. You haven't answered that. You've talked about what's already being done, but you haven't addressed the gaps.

Let's move to the other deputy minister—

**The Vice-Chair (Ms. Jean Yip):** I'm sorry. You'll have to save your questions for the next round.

**Mr. Bob Zimmer:** Okay. Thank you, Madam Chair.

**The Vice-Chair (Ms. Jean Yip):** Thank you.

We now move on to Ms. Bradford for six minutes.

**Ms. Valerie Bradford (Kitchener South—Hespeler, Lib.):** Thank you, Madam Chair.

Thank you to all the witnesses today. We certainly have a full house. It's great to see everybody here in person. Thank you for being here for this important meeting.

I'm going to start with the Auditor General's report. The recommendation in paragraph 6.36 states:

National Defence, Transport Canada, Fisheries and Oceans Canada, and the Canadian Coast Guard, working together, should take concrete actions to address the long-standing gaps in Arctic maritime domain awareness....

I was wondering if you could please elaborate. What are some of the barriers to information sharing? Do they stem from lack of data, research or sound policy analysis?

**Mr. Andrew Hayes (Deputy Auditor General, Office of the Auditor General):** Thank you.

One of the areas where we identified challenges in information sharing was with the working group. While there are various departments on that working group, we identified governance and information-sharing realities that can be improved. I think it might be open for the deputy minister to speak to what they are doing to fill some of those gaps. These have been identified through reviews over the course of a number of years.

**Ms. Lisa Setlakwe (Assistant Deputy Minister, Safety and Security, Department of Transport):** I can respond to that. Thank you.

Part of it is governance, as has just been indicated, and having clearer lines of communication and protocols. Part of it is data—you've already alluded to that—and making sure we are collecting the data and that it is going into systems that people can access. In some cases there are legislative impediments to our being able to share information between each other, and we are working to remove some of those barriers.

I would say there is a very close collaborative relationship that exists domestically as well as internationally. I just left a meeting this morning with our Five Eyes partners where we are, in fact, tackling some of these questions and trying to get better at managing the data, sharing it and using it to be more responsive, nimble and agile to deal with situations that may emerge.

• (1125)

**Ms. Valerie Bradford:** Thank you.

Staying with the Department of Transport, I understand that Transport Canada is in the process of procuring a remotely piloted aircraft system, which is scheduled for delivery in early 2023. Can you provide an update on this? How will the RPAS augment Transport Canada's surveillance capacity in the Arctic?

**Mr. Arun Thangaraj:** We are concluding the process of procuring that. We should take delivery later this year. Once we have procurement, there is work we need to do to equip it with the sensors we currently have on the Dash 7 aircraft.

The RPAS will provide a complement to aerial surveillance. There are fewer restrictions in terms of the number of hours an RPAS can fly compared with a manned aircraft. With the cameras, we'll have the same level of fidelity of information and, again, we'll be able to augment the coverage we have with our existing aircraft.

**Ms. Valerie Bradford:** Continuing along the line with the Dash 7 aircraft, what work is being undertaken to ensure they're well maintained and operational?

**Mr. Arun Thangaraj:** The department has its own aircraft services, and as part of the operation of those aircraft services, we have a fleet of Dash 7s as well as Dash 8s. What we've done is we've procured a level of inventory of spare parts to ensure that those Dash 7s remain in service—to extend the useful life and to minimize downtime over the next few years until a replacement can be chosen.

**Ms. Valerie Bradford:** Is it getting harder to access replacement parts for the Dash 7?

**Mr. Arun Thangaraj:** It is getting harder, but over the fall and winter we have executed a procurement process for that, and our indications are that we will have the required inventory to maintain those planes.

**Ms. Valerie Bradford:** Turning to the construction of the hangar and the accommodation facility in Iqaluit, can you provide an update on the progress? What's the significance of the infrastructure? Will it be used exclusively by Transport Canada or by other departments as well?

**Mr. Arun Thangaraj:** We finalized the design of the hangar and accommodations. It is going to procurement later this month, before the end of this current fiscal year, with, hopefully, construction by late summer or spring, given the construction season there.

It will do a couple of things for us. Having a hangar there will allow us to use our aircraft as well as the RPAS for extended periods of time. It will also be available to our partners in the north for their use as well.

**Ms. Valerie Bradford:** When do you anticipate that it will be completed and up and running?

**Mr. Arun Thangaraj:** We are hoping by fiscal year 2024-25.

**Ms. Valerie Bradford:** Okay.

In looking at the Auditor General's report, would the recommendation 6.66 measures require further direction from central agencies, or does this require further leadership from department heads? For example, should the Privy Council Office and the Treasury Board Secretariat of Canada develop a specialized reporting system to capture the progress on critical aspects pertaining to Arctic surveillance in order to minimize the potential gaps that were identified in this audit?

Who would like to quickly take a crack at that? Do you think that's a suggestion that can be implemented or would be useful?

• (1130)

**The Vice-Chair (Ms. Jean Yip):** We'll have to save that for another time.

We'll go on to Ms. Vignola for six minutes.

[*Translation*]

**Mrs. Julie Vignola (Beauport—Limoilou, BQ):** Thank you, Madam Chair.

I'd like to thank everyone for being here.

My first question is for Mr. Hayes.

Mr. Hayes, someone said at our last meeting that there is currently very little leeway with respect to renewing ships before the end of their useful life, that the situation seems to have worsened and that the action plan is not delivering the anticipated results.

In a few words, what are your concerns about our ships potentially reaching the end of their useful life? How would that impact national security?

**Mr. Andrew Hayes:** Thank you for the question.

I'm concerned about the overall state of Arctic waters surveillance. If we don't have the equipment we need to perform surveillance, we will face gaps and that will have implications for keeping the Arctic safe.

**Mrs. Julie Vignola:** Could you give us two or three tangible, practical examples of these gaps?

**Mr. Andrew Hayes:** In our report, we mentioned that ships and satellites were needed. The gaps we noted in our report include providing the necessary information to government departments and the Canadian Coast Guard.

**Mrs. Julie Vignola:** My next question is for you, but also for Mr. Matthews.

When we talk about icebreakers, we're talking about very extensive capabilities because the Arctic remains covered in ice despite the fact that the glaciers are melting faster. The dream of using the Northwest Passage dates back to the 18th and 19th centuries. We need our icebreakers to do that.

We have a third shipyard in this country that's been doing better and better since 2015, and yet it's still not included in the national shipbuilding strategy; that shipyard is waiting for the framework agreement to be signed.

What effect is this delay having on shipbuilding and protecting our Arctic waters?

**Mr. Andrew Hayes:** First, we're confident that negotiations are underway. Mr. Matthews could probably provide greater detail on that.

We know that when negotiations are complete, it will take time to build these ships. That's a key factor in terms of the future of the ships.

**Mrs. Julie Vignola:** The sooner the framework agreement is signed, the sooner we get our ships. Prequalification was announced in 2019 and it's now 2023, almost four years later. We're seeing further delays every time. There's been no progress on our icebreakers, especially those destined for the Arctic.

Mr. Matthews, when will the framework agreement be signed? Will it be soon? We need to protect our Arctic waters.

**Mr. Bill Matthews:** Thank you for your question.

As the deputy minister of national defence, I'm not sure exactly when the agreement will be signed. Of course, negotiations have been ongoing for several months, as you just said. However, Public Services and Procurement Canada is handling that process, so that's all I can say at this time.

**Mrs. Julie Vignola:** I will continue with you, Mr. Matthews.

Do we have any submarines patrolling the Arctic? How old are those submarines? What maintenance is required for each surveillance mission by our submarines?

**Mr. Bill Matthews:** I can start the answer, but I will then yield to my counterpart so he can add his comments.

Active submarines require a lot of maintenance, whether they are new or older. That's the nature of submarines. As we've said before, our submarines are fairly old.

Mr. Waddell, would you like to add anything?

• (1135)

**RAdm Steven Waddell (Deputy Commander, Royal Canadian Navy, Department of National Defence):** Thank you for your question.

The operations performed by submarines are actually complex and difficult. Submarines require significant support for operations in the Arctic. In addition, Arctic operations with a fleet are complex to maintain and require a great deal of support. For that matter, the same is true for operations in the Atlantic and Pacific. That's the reality of it.

**Mrs. Julie Vignola:** Thank you very much.

[English]

**The Vice-Chair (Ms. Jean Yip):** Thank you very much.

Now we'll move on to Mr. Desjarlais, who is on the screen, for six minutes.

**Mr. Blake Desjarlais (Edmonton Griesbach, NDP):** Thank you very much, Madam Chair.

The report clearly found that inadequate patrol equipment was not the only major problem in terms of marine surveillance. It also pointed to a massive infrastructure gap that is affecting the aerial patrol needs. That gap is centred on Nunavut's airports.

As the report states:

The lack of adequate infrastructure is also a problem for the National Aerial Surveillance Program. From July to November, Transport Canada's Dash 7 maritime patrol airplane is located in Iqaluit, but the department does not have the infrastructure needed to maintain its aircraft or house its personnel in the Arctic.

We heard aspects of that in the Transport representatives' comments, but absent is the fact that the airport itself—the actual physical airport—is in need of critical infrastructure repair and maintenance. Anyone who knows the realities of the Arctic can tell you that the issues with the airports' infrastructure are not limited to those under the aerial surveillance program. Airports in their entirety aren't being properly invested in for things like operations and maintenance.

My colleague Lori Idlout represents Nunavut as the member of Parliament for that area. I had an opportunity to connect with her on some of the things that the people there are experiencing—the direct constituents of Nunavut. They're deeply concerned about the horrific state of their infrastructure. She told me there was even mould in the airport's terminal.

The communities of Whale Cove and Cambridge Bay in particular still don't even have paved airstrips. They're still landing on gravel when there's no ice and snow. It's unthinkable that these kinds of structural and health issues in airport terminals would remain unaddressed. That just wouldn't be a reality for us in the south. It's even worse, because Whale Cove has had several boil water advisories. They are being forced to choose between having a new terminal and thinking about some of the water problems and infrastructure problems that are present there, including sewage. It's a very difficult decision they have to make, of course.

My question is for the Transport Canada officials. Should Whale Cove and other Inuit communities be put in a position of having to choose between getting mould out of their airport terminals and having the infrastructure needed for clean water?

**Mr. Arun Thangaraj:** In the past few years the department has focused on airport infrastructure, including northern airports and facilities and the rehabilitation of runways. We acknowledge that air is the only link into many of these communities. Substantial investments have been made in rehabilitating infrastructure. Obviously there is more to be done. There are plans to look at in terms of where those investments can be made, not only in runways but also—

• (1140)

**Mr. Blake Desjarlais:** Is it acceptable to have mould in an airport terminal? That's the question.

**Mr. Arun Thangaraj:** No, it's not acceptable.

**Mr. Blake Desjarlais:** Then why is it still there?

**Mr. Arun Thangaraj:** Working with communities is part of a capital replacement plan, and addressing those things often takes time. It is not a lack of will.

**Mr. Blake Desjarlais:** It has been decades and decades, but I'll move on.

**Mr. Arun Thangaraj:** It is not a lack of will to address those things. It's just a matter of our capacity to get at each one of those infrastructure requirements.

**Mr. Blake Desjarlais:** It's a matter of capacity. That's interesting. Have you brought this capacity issue forward to the minister?



**Mr. Arun Thangaraj:** As part of our programming and our overall investment strategy in our airports as well, that has been addressed with the minister.

Through programs, such as the critical infrastructure program and the capital—

**Mr. Blake Desjarlais:** You've spoken to the minister directly in relation to how unacceptable it is to have airports that have mould in them for Inuit individuals and Canada's Arctic north?

**Mr. Arun Thangaraj:** We have spoken to the minister about the capital requirements for airports and airstrips as well.

**Mr. Blake Desjarlais:** What's the plan to ensure the airport infrastructure is brought up to acceptable standards then?

**Mr. Arun Thangaraj:** As part of our airports and as part of our analysis, we look at what the infrastructure needs are and what our funding capacity is. We prioritize projects we would undertake, with considerations of safety and security being foremost.

**Mr. Blake Desjarlais:** Do you think that is an acceptable answer for the families who are relying on that airport?

**Mr. Arun Thangaraj:** Our foremost priority is safety and security. We make the investments and address those requirements as part of our capital work.

**Mr. Blake Desjarlais:** You see, that's the problem. I hope that you take into deep, serious consideration how important this issue is. You, in your own remarks, have made comments about how you think these are unacceptable, but it's about your actions. They need to be accommodated in order to ensure that your work is urgent enough, and that the minister's understanding of this.... As you said, it's not a matter of will but a matter of capacity. If that were the case, then this would be solved.

There's obviously a gap here between my understanding and the understanding of those who suffer this system. I don't believe that your answers are sufficient. I don't believe that you believe your answers are sufficient, so I'll ask one last time. What is the plan to ensure that these communities no longer have mould in their airports?

**Mr. Arun Thangaraj:** The plan is that, as we identify and prioritize investments that are required, we action those—

**Mr. Blake Desjarlais:** Is it a priority, then?

**Mr. Arun Thangaraj:** I can't speak to that specific airport or the various airstrips that are there, but we do have a plan that is based on—

**Mr. Blake Desjarlais:** Why can't you speak specifically to it?

**Mr. Arun Thangaraj:** I don't have that information, but I'd be pleased to respond—

**Mr. Blake Desjarlais:** Please submit that information.

Those are all my questions. Thank you, Chair.

**The Vice-Chair (Ms. Jean Yip):** Thank you.

We will now move to our second round for five minutes each, starting with Mr. Zimmer.

**Mr. Bob Zimmer:** Thank you once again, Madam Chair.

I'll move right to Mr. Hayes.

I'm going to ask you a final question, but I have a preamble again.

On page 14, 6.37 reads, "We found significant risks that there will be gaps in Canada's surveillance, patrol, and presence in the Arctic in the coming decade as aging equipment reaches the end of its useful service life before replacement systems become available." I'll list them. There are five: "Weaknesses in satellite surveillance capabilities", "Icebreakers reaching the end of their useful lives", "Further delays in procuring Arctic and offshore patrol ships" or AOPS, "Patrol aircraft reaching the end of their useful lives" and "Inadequate infrastructure for patrol equipment". These are just the equipment aspects of the shortfalls.

I'm going to turn to page 16, which talks about satellite surveillance and capabilities. I'd say it's top of mind for a lot of Canadians. They saw a spy balloon float over the Yukon and into the U.S. and various other devices of which we're not sure where they came from. With that lack of capacity to even keep track of that kind of stuff in our Arctic airspace.... I'll go to page 16 and 6.44, which reads, "We found that current Canadian satellite-based surveillance capabilities do not meet the needs of National Defence". That's now. They were going into a phase.

I'll read farther down. We have it good now. It's going to get worse. Paragraph 6.46 reads, "The government acknowledges that it will take another decade for the Canadian Space Agency to launch a successor to the RADARSAT Constellation Mission and that an interruption of satellite earth-observation services past 2026 is therefore a significant risk." On the following page, 6.47 talks about these not becoming operational until 2035.

We're heading into an era of almost a 10-year gap of surveillance of our own airspace at a time when we're seeing threats like really never before—unprecedented. This is all from a minister who says, "Hey, everything is great," and a Prime Minister who says the Arctic is strategically important. Well, prove it then, Mr. Prime Minister. I don't see it. I think even our northern premiers are voicing their concerns about Putin and the threats there and ambitions of other countries around the world. Many countries have Arctic policies now.

I'm going to finish with the conclusion and the question. It's coming, don't worry.

On the conclusion page, paragraph 6.67—and this is your office—reads:

We concluded that the federal organizations we audited—Fisheries and Oceans Canada, the Canadian Coast Guard, Environment and Climate Change Canada, National Defence, and Transport Canada—had not taken the action required to build the maritime domain awareness they collectively needed to respond to safety and security risks associated with increasing vessel traffic in Arctic waters. While these organizations had identified gaps in maritime domain awareness, they had not taken sufficient measures to address them.

Lastly, it says, “Furthermore, the existing satellite services and infrastructure did not provide the capacity that the federal organizations needed to perform surveillance of Arctic waters.” That’s now. “Delays in the renewal of satellites, ships, and aircraft risks compromising the presence of these organizations in Arctic waters.”

This is my question to you, Mr. Hayes: Does the lack of equipment and lack of attention by this current government, and the lack of action as a result...? Are our Arctic sovereignty and security compromised?

• (1145)

**Mr. Andrew Hayes:** I would say in response to your question that the items that we have identified in our report vis-à-vis the equipment that is reaching the end of its useful life or the information-sharing, the ability to track non-emitting vessels, are issues that the departments identified years ago. They’re long-standing issues.

In our recommendation at paragraph 6.66, we asked that the departments focus on identifying “options and take action to acquire equipment in a timely manner” and “develop and improve contingency plans”—

**Mr. Bob Zimmer:** I’m going to interrupt you just quickly. I know the time is short. When we have a response from one of the ministries at the table today saying to pursue “options”, that doesn’t get equipment built. That doesn’t actually get the job done.

I’ll let you finish.

**Mr. Andrew Hayes:** Our other recommendation also asks for concrete actions to be taken. For us it’s important that there’s a complete picture in the Arctic. The areas that we’ve identified as equipment that’s ending its useful life without replacements coming create a big concern. Contingency plans can be developed, but action needs to be taken in addition to planning.

Thank you.

**The Vice-Chair (Ms. Jean Yip):** Thank you very much.

We now move to Mr. Fragiskatos for five minutes.

**Mr. Peter Fragiskatos (London North Centre, Lib.):** Thank you, Madam Chair.

Thank you to the witnesses for appearing today.

Mr. Hayes, one of the findings, if not the key finding of the audit is that there have been “long-standing gaps in the surveillance of Arctic waters”. How far back would you say that goes?

**Mr. Andrew Hayes:** It goes back at least 10 years. We identified that there were long-standing known issues. There might have been gaps before that, but the known issues are at least 10 years old.

**Mr. Peter Fragiskatos:** Okay. This is something that governments share responsibility for—not one single government.

Would you say that’s a fair statement?

**Mr. Andrew Hayes:** I can’t comment on what governments were involved, but we did identify that the working group, for example, had identified what we’re calling “long-standing issues” now, because they’ve been known for a long period of time.

**Mr. Peter Fragiskatos:** You said, “10 years”, so maybe that answers the question.

In any case, I did want to ask Transport Canada for more information on drones and the use of drones in terms of how security evolves and what states are doing to take advantage of technological change to ensure their security.

Talk to me about drones as they relate to the Arctic, obviously.

**Mr. Arun Thangaraj:** As mentioned before, our remotely piloted aircraft enhances our ability to do Arctic surveillance. They’re equipped with all of the cameras and monitoring technology that currently exist on Dash 7s, but what they also enable us to do is live data streaming and a better mapping capability than otherwise.

With respect to the security of drones, this has been a focus of the department for a number of years through our regulatory initiatives. Transport Canada—and Canada—has been a leader in terms of the regulation and safety and security of drone technology to ensure that they are free from nefarious uses and interception. The technology and how they’re used is regulated and governed by what we do at Transport Canada.

• (1150)

**Mr. Peter Fragiskatos:** Thank you very much.

The audit also talks about partnership. It mentions specifically the work that is being carried out with local communities and indigenous communities.

Could you shed light for committee members on the nature of that work, what it involves and what engagement looks like?

**Mr. Arun Thangaraj:** There are two components of that, and they’re a result of the oceans protection program.

The first is what’s called enhanced maritime situational awareness. It’s an initiative that was codeveloped with indigenous partners and is improving our overall domain awareness for coastal communities and indigenous communities. It involves real-time, live-vessel traffic information and other environmental data to look at what the maritime environment is doing. Various partners are using this to look at traffic patterns, to track icebreakers, to record various observations during the open water season and to monitor fuel, for example.

There's also the proactive vessel management initiative, where we have partnered with Arctic communities to address marine shipping concerns through their waterways in Inuvik and Cambridge Bay. We're working with these communities on cruise ship management, safety on the ice, vessel speed limits and mapping safe harbours and places of refuge in the event that they're required.

With both, we rely heavily on local knowledge and the expertise of those who live, work and hunt in the region.

**Mr. Peter Fragiskatos:** I have limited time, but I do want to delve a little more into that particular issue, because I think it's so important and is perhaps an underemphasized aspect of this entire issue.

Whether it's Transport Canada or the Department of National Defence working in partnership, have there been efforts to look at what other democracies that have an interest in the Arctic are doing to engage local communities in their respective countries as an attempt to learn what we can do better?

**Ms. Lisa Setlakwe:** As I indicated earlier, we have a number of international collaborations and we are exchanging best practices. I would say that Canada actually is a leader in how it engages in particular the EMSA that you've just referenced.

The development and the implementation of this project have actually been very much led by our indigenous partners. They have weekly meetings on the platform, and we are getting real-time input on how to improve the platform. Then we're turning around and tasking that out to our supplier to make the improvements. Our partners in the north are able to plan around the knowledge they have. Whether it's the hunting season or trips out on the water, they're able to use the data that's being assembled on that platform to make those kinds of decisions.

Yes, we are partnering internationally and learning from others and their best practices.

**The Vice-Chair (Ms. Jean Yip):** Thank you very much.

We'll now move on to Ms. Vignola for two and a half minutes.

[Translation]

**Mrs. Julie Vignola:** Thank you very much, Madam Chair.

First, if I may, I'm going to make a comment for about 20 seconds.

Both of you talked about the need to identify gaps and the need to learn more about the hydrographic structure of the Arctic. It's also about its geomorphological structure. You didn't say it, but I'm hearing about it.

There's no shortage of reports pointing to gaps in this area, so I wonder why they're saying we need to identify the gaps. Honestly, I don't get it.

Two key partners are studying the Arctic's currents along with its hydrographic and geomorphological structure: Environment and Climate Change Canada, which is doing incredible research in that area, and the universities, particularly in Quebec, which have specializations in those fields.

Since there's been no shortage of resources for 10 or 15 years, Mr. Thangaraj, do you intend to use all those resources to identify gaps and characteristics?

• (1155)

[English]

**Mr. Arun Thangaraj:** Absolutely, and I think one of the things that we recognize, partly as a result of the audit but also our own work and consultations in this area, is that enhanced data and information from our partners at Environment Canada and other agencies will do nothing but enhance our ability to look at maritime situational awareness and analyze where those risks are, whether they be environmental or security.

As part of the review of the governance of maritime situational awareness, but also with marine security, we are looking at how we better incorporate those and use those in real time as we make these decisions. I think EMSA is part of that, where we are looking at information that our indigenous peoples have—

[Translation]

**Mrs. Julie Vignola:** Thank you.

[English]

**Mr. Arun Thangaraj:** —but there are other information sources that we can also leverage.

[Translation]

**Mrs. Julie Vignola:** Thank you.

Had we spent a little more time consulting existing studies, we might not be struggling to keep our heads above water.

Mr. Waddell, with respect to our submarines—

[English]

**The Vice-Chair (Ms. Jean Yip):** Thank you.

We now move to Mr. Desjarlais for two and a half minutes.

**Mr. Blake Desjarlais:** Thank you very much, Madam Chair.

Just to continue, in some ways, in regard to the last line of questioning to the representative from Transport, it's concerning to me to think about how, in particular, the work of Transport in the north could affect the environment. It's no secret that climate change has had disproportionate effects on the Arctic north.

I also want to mention in particular, just as a friendly reminder and as a courtesy to the representative from Transport—and this is actually currently an issue in the House as well—the use of the words “our indigenous” and to just flag the use of the word “our” as a possessive term for indigenous folks and that we should avoid the use of that language.

I'll mention that once as a courtesy, but in the future moments, Madam Chair, I'll be raising it as a point of order.

I'll continue.

The work the government is doing to prepare for environmental impacts due to the increase in shipping does pose, I think, a credible threat to Arctic folks and particularly to Inuit ways of life. The working groups from the North Atlantic Marine Mammal Commission and the Canada-Greenland Joint Commission on Beluga and Narwhal met in Denmark in December of last year. They recently released a report that predicts there will be almost no narwhal left in the area off the northeastern coast of Baffin Island this summer.

Hunters in Pond Inlet, also known as Mittimatalik in Inuktitut, are seeing fewer and fewer narwhal in the area where there used to be an abundance, and they note that their behaviour is changing. This is severely affecting Inuit hunters' ability to harvest the narwhal they use for food, their livelihoods and, of course, their culture.

The commissions' reports were clear. The increase in shipping traffic from the nearby Mary River iron ore mine, run by Baffinland, is to blame for the disappearance of the narwhal.

My question is for the Environment Canada representative. Do you accept the findings of that report?

**Mr. Chris Forbes:** Thank you for that question.

I haven't seen that report myself, so I can't accept or reject it. I'd assume it was based on evidence.

Marine species at risk would fall under the purview of the Department of Fisheries and Oceans. We do have a role, obviously, at Environment and Climate Change Canada in monitoring environmental sensitivities in the Arctic. I'm happy to provide more detail on that in further questioning, if that's helpful.

**Mr. Blake Desjarlais:** Sure. Thank you.

**The Vice-Chair (Ms. Jean Yip):** Thank you very much.

We now move to Mr. Kram for five minutes.

**Mr. Michael Kram (Regina—Wascana, CPC):** Thank you, Madam Chair.

Thank you to all of the witnesses for being here today.

My questions will be mainly for the Department of National Defence, but if anyone else wants to chime in, certainly feel free.

Last June, like many Canadians, I watched with interest when I discovered on the news that we were going to have a new land border with Denmark, or at least we will once the treaty with the Danes regarding Hans Island is signed and implemented.

I was wondering if National Defence could share with the committee what activities have happened regarding Hans Island since last June. Are we coordinating or co-operating with the Danes to figure out a plan to monitor the Arctic waters around Hans Island?

• (1200)

**Mr. Bill Matthews:** Thank you for the question. I will turn to my colleague, if he has anything to add, in a second.

I'm looking at his face and I'm thinking not, so I will take this one.

We're happy to get back with additional information, but generally speaking, the Canadian Armed Forces has regular exercises in the area, including Operation Limpid and Operation Nanook. It's generally about overall awareness from both a marine and also an aerial perspective.

I am not aware of any specific activities with Denmark related to Hans Island, but we do collaborate very regularly with all of our allies, from a military perspective. My assumption is that there has been nothing specific related to this, but I will confirm that in writing, if that's okay.

**Mr. Michael Kram:** Okay, but you're not aware of whether National Defence has done anything differently since last June. Is that correct?

**Mr. Bill Matthews:** In terms of exercises and operations in the area, I'm not aware of anything specific, but as I said, I'm happy to take that back and see if there is something specific.

**Mr. Michael Kram:** I recall seeing in the news for years that, I believe, Canada would leave bottles of whisky on Hans Island and then the Danes would leave bottles of schnapps. Are we still doing that, or has that been discontinued?

**Mr. Bill Matthews:** As I said, the collaboration with Denmark has always been excellent—a great partner, a great relationship—but in terms of anything new and different since last June, I will have to get back to the committee.

**Mr. Michael Kram:** Okay.

In terms of implementing the agreement that was signed with Denmark last June, is it a complicated agreement to implement? Is it a simple agreement to implement? What do you see from National Defence's perspective?

**Mr. Bill Matthews:** From a national defence perspective, I don't see any big obstacles, but I also would suggest that maybe this is a question that might be better placed with Global Affairs to see if they have anything to say. From a defence perspective, I don't see anything complicated.

**Mr. Michael Kram:** Fair enough. Let's shift gears a little bit.

On page 17 of the Auditor General's report, it has a whole shopping list of expenditures for our Arctic waters. Will these expenditures count towards Canada's obligation to NATO to spend 2% of our GDP on defence spending?

That's for National Defence.

**Mr. Bill Matthews:** Any investment National Defence makes counts towards the calculation of 2%, so anything in here that will flow through National Defence will absolutely count. I won't speak for some other projects in here that are for Coast Guard and others.

**Mr. Michael Kram:** I guess my final question will be regarding the Nanisivik naval facility. Will expenditures towards that facility also count towards our NATO obligations to spend 2% of GDP?

**Mr. Bill Matthews:** Thank you for the question.

Again, anything that flows through National Defence, and certainly large components of this project do flow through National Defence, will count towards the 2% calculation.

**Mr. Michael Kram:** Madam Chair, I believe that's basically my time.

**The Vice-Chair (Ms. Jean Yip):** You still have 40 seconds left.

**Mr. Michael Kram:** Okay. I will continue with the naval facility.

The report stated that the naval facility will be in operation for only four weeks of the year once it's finally up and running in 2025. For the other 48 weeks a year, what will the naval facility be used for?

**Mr. Bill Matthews:** I will speak to the defence perspective, unless you were directing this to the Auditor General.

• (1205)

**The Vice-Chair (Ms. Jean Yip):** Give a short answer, please.

**Mr. Bill Matthews:** It will be a refuelling station while it's open that is open to others as well. That is its purpose. Rob may add in if there's anything beyond the actual refuelling. We can get into this later, because we are short for time, but there are contingency plans in terms of how one refuels ships when that station is not open.

Rob, do you have anything to add?

**Mr. Rob Chambers (Assistant Deputy Minister, Infrastructure and Environment, Department of National Defence):** I would just say that the facility is a deepwater port, so when it's iced in, it's not used. It is a port.

**Mr. Michael Kram:** Thank you.

**The Vice-Chair (Ms. Jean Yip):** Thank you.

We turn to Ms. Shanahan for five minutes.

**Mrs. Brenda Shanahan (Châteauguay—Lacolle, Lib.):** Thank you very much, Chair.

My questions as well will be addressed to National Defence.

We have heard from colleagues here today concerning Russia and the Danes. I'm concerned as well about intrusions on our jurisdiction. We all saw the reports regarding the balloons and the surveillance buoys that were found in Canadian and U.S. jurisdictions. What are we doing to protect our air, maritime and territorial spaces from unlawful surveillance and intrusion?

**Mr. Bill Matthews:** I can start, Madam Chair, and see if my colleagues wish to add anything.

It is a group team sport in this area, in that it is about all domain awareness. You need to keep your eye on the air and sea as well as land.

As we look to fill in the gaps that the Auditor General has identified in terms of awareness, you have to think across multiple departments. Transport Canada has already spoken to what they do.

We do have ship patrols in the area when the season is appropriate. We also have our own air, but there's also the existing North Warning System and its upgrade, as well as the eventual replacement for NORAD modernization. That is all about the complete picture.

What I would flag, which is of interest to me, is that where the ships are of a large size and are complying with the law and are self-identifying, that's not a gap. You have smaller ships that are not required to use the identification system, and it's with our partner departments that we piece together that information to try to build the complete picture. We have mentioned numerous tools. I didn't mention satellites as well, which have already been flagged in terms of a tool.

It's that complete set. The Auditor General has flagged some gaps. We are discussing our plans to fill in those gaps as a group, but that's really the core of it.

I'm looking to my colleagues to see if they wish to add anything.

**RAdm Steven Waddell:** Madam Chair, I would also offer that the advent of the Arctic and offshore patrol ships, from a naval perspective, is greatly increasing our ability to operate for several months of the year, and that certainly contributes to a better understanding of the domain we're operating in.

**Mrs. Brenda Shanahan:** I would like to hear further on the allegations—which I think have been demonstrated to be true—that it was Chinese surveillance buoys that were discovered.

Could you please talk to us specifically about that threat?

**Mr. Bill Matthews:** I will speak to that.

What you have seen reported in the media, there's not really much beyond that I can add at this table.

**Mrs. Brenda Shanahan:** I'd also like to know from the Department of National Defence how we work with U.S. counterparts in this joint surveillance, notably the Five Eyes but specifically the United States.

**Mr. Bill Matthews:** I will start, but I expect my colleagues from the Royal Canadian Navy will add in.

Yes, Five Eyes is critical in terms of sharing information. Obviously, in the north, there's a special relationship with the U.S. because of NORAD.

If you are thinking about events in recent weeks related to high-altitude objects, I can say that collaboration and information sharing with the United States were exceptional. It is worth restating that NORAD is a binational command, so there is both Canadian and American participation. It was that relationship that was critical in terms of sharing information to deal with that situation.

**RAdm Steven Waddell:** I would supplement the comments from the deputy minister that the United States and Canada have a long-standing relationship. That extends, of course, to the maritime environment, in particular between our navies. In fact, within our regional joint operation centres are intelligence enablers. Those intelligence enablers allow us to collaboratively share information of classified levels in and among ourselves so that we can contribute to the domain awareness and use those as cueing events to do other intercepts or other responses to threats as they manifest.

There is a long-standing, very solid relationship with our American partners to share that information from an intelligence perspective, which underpins the domain awareness we seek to achieve.

• (1210)

**Mrs. Brenda Shanahan:** I would like to hear further from Mr. Matthews, the deputy minister, about investments that have been made to support that collaboration with the United States, specifically in our capabilities. Are they sufficient for this relationship to continue to be beneficial?

**The Vice-Chair (Ms. Jean Yip):** Give a very short answer, please.

**Mr. Bill Matthews:** All right. I'll highlight a couple of quick ones, Madam Chair.

Number one is the recent contract about a year ago to maintain the North Warning System. That's important while we plan and develop polar over-the-horizon radar and over-the-horizon radar projects that are part of NORAD modernization.

We've already talked about the Arctic offshore patrol ships. The other one I will flag as a coming attraction is infrastructure related to the F-35 purchase. That will be a coming attraction as well.

**The Vice-Chair (Ms. Jean Yip):** Thank you.

We now move to our third round, starting off with Mr. Bezan for five minutes.

**Mr. James Bezan (Selkirk—Interlake—Eastman, CPC):** Madam Chair, I want to thank the witnesses for being here. For some of us, it's getting to be an old habit to see you guys.

My first question is for the Office of the Auditor General.

When you guys were doing this review of Arctic surveillance, Arctic security and maritime awareness, were you aware at that time of the report that just came out last week of the Chinese buoys that were found doing surveillance in the Arctic?

**Mr. Andrew Hayes:** No, we were not aware of that report.

**Mr. James Bezan:** Okay.

My question to National Defence, then, is whether that information was shared with the Office of the Auditor General when those buoys were discovered.

**Mr. Bill Matthews:** As I've said, Madam Chair, not to my knowledge. That's number one.

I can't really talk at this table beyond anything you've seen in the media reporting on that event.

**Mr. James Bezan:** Could you, Mr. Matthews, at least tell us the timeline of exactly when those buoys were identified and recovered by National Defence?

**Mr. Bill Matthews:** I don't think I can drift into that space today, Madam Chair.

**Mr. James Bezan:** My understanding is that the Office of the Auditor General has security clearances. That information is shareable with the office—is it not?

**Mr. Andrew Hayes:** I can answer that question.

We have a broad range of access rights and we would have access to that information, but we would be similarly limited in the information we can share at this table.

**Mr. James Bezan:** When the OAG was doing its report, which came out in the fall of 2022, if those buoys were discovered during the time you were doing your investigation, would that have fallen under your purview at that time? Had you already done your look at all the data that was provided by National Defence at that time and moved on to drafting your report?

**Mr. Andrew Hayes:** Our conclusions were based on events up until March 31, 2022, so if that information had been available, we would have had access to that.

**Mr. James Bezan:** Observations based upon the recovery of those buoys, as well as the balloon incidents we've had that violated Canadian airspace, including in the Arctic, where one was shot down in Yukon, do they speak to the shortfalls you've identified in our Arctic surveillance systems?

**Mr. Andrew Hayes:** While I can't speak directly to those events, one of the main points of our report was that the gaps that have been identified, and that are long-standing, known gaps, should be addressed immediately. The Arctic is becoming more and more navigable and accessible, so we would expect concrete actions to be taken at this point.

**Mr. James Bezan:** When the OAG appeared at the national defence committee, we asked questions about some of the violations, which included pleasure vessels that had violated Canadian Arctic waters without proper identification, transponders or reporting in. When the OAG did its evaluation of maritime awareness, did you take into hard consideration the new changes that have been made to NORAD, the joint responsibility between Canada and the U.S., and how we're feeding that information into the NORAD matrix?

**Mr. Andrew Hayes:** In doing our report, we didn't look at international aspects or co-operation. We focused in on Canada's ability to monitor the north.

• (1215)

**Mr. James Bezan:** My question to National Defence is this: In the NORAD modernization, as we're moving forward, and for those of us who have been to Colorado Springs and have seen how the U.S. Coast Guard is integrated into NORAD's day-to-day operations, is the Royal Canadian Navy taking more of a role in making sure that we're part of that reporting and evaluation process that takes place at NORAD?

**Mr. Bill Matthews:** The information flow from all lines of service up to NORAD is excellent. What I think we will see in the future, as some of these assets come online with additional radars, is that more information will be flowing. Through the MSOCs the navy is well plugged in. Any intel that is interesting and relevant gets flowed up through NORAD and through allies as well.

**Mr. James Bezan:** My last question is for the Auditor General.

You have definitely laid out the problems that are associated with satellite surveillance, including the replacement of the RADARSAT Constellation. How quickly should we be moving as parliamentarians in pushing the government to replace our existing RADARSAT Constellation?

**Mr. Andrew Hayes:** Our recommendation at paragraph 6.66 identified the fact that there could be contingency plans, but concrete actions need to be taken now.

**The Vice-Chair (Ms. Jean Yip):** Thank you.

We now have Mr. Dong, for five minutes.

**Mr. Han Dong (Don Valley North, Lib.):** Thank you very much, Madam Chair.

My question is for Fisheries and Oceans Canada but not limited to it.

There is one particular aspect of the report that caught my attention. It was regarding illegal fishing. It says:

The presence of fishing vessels, and their share of overall traffic, has increased significantly in the Arctic. Illegal, unreported, and unregulated fishing in the Arctic has been a rising concern, especially because of its potential effect on fragile marine ecosystems and the economy and the risk of increased tensions among fishing nations.

Can the department tell us a bit more about that? Who is doing the illegal fishing, and how severe is it?

To me, that is an act of encroachment on our territory. You don't see that a lot on the news, but it is a very serious problem. If illegal fishing is happening, that could lead to many other illegal things that might be more problematic.

The second point is regarding the fragile ecosystem up north. Given the effects of climate change now, making the surrounding water more accessible, I want to get a better understanding of how severe the problem is.

**Mr. Chris Forbes:** They're not here. There's nobody from the Department of Fisheries and Oceans here today.

**Mr. Han Dong:** Can the Auditor General's office give us some of their findings?

**Mr. Andrew Hayes:** I will ask my colleague, Mr. Swales, to provide a brief answer to that.

**Mr. Nicholas Swales (Principal, Office of the Auditor General):** What I would simply say is that the issue of fishing is one of the ones that we identified as the risks that are accompanying the greater access to the Arctic. Therefore, it's one of the issues that the closing of the gaps that we identified would be intended to address, which would simply reinforce the comments of Mr. Hayes that action is needed now.

**Ms. Lisa Setlakwe:** If I could just add on that.... This is definitely a question better addressed to the Department of Fisheries and Oceans. However, on the platform that I referenced earlier in the engagement with indigenous people in the north, they are able to actually report out when they see illegal activity or what they think might be illegal activity. That gets reported in, depending on the activity, to Transport Canada, DFO, the Coast Guard or others. Then that gets fed into our maritime domain awareness, and the appropriate actions are taken from that point.

It all does come back to maritime domain awareness and using all of the tools that we have at our disposal to get a better handle on that. It is a combination of things. It's this platform. It's air surveillance. It's water surveillance and a number of other things.

• (1220)

**Mr. Han Dong:** That's a very good answer.

Just to follow up on that, do we have any data or record of how many violations there are and whether illegal fishing is from domestic or foreign fishing boats? If the latter's the case, what country is most often being reported? Do we have any data on this?

**Ms. Lisa Setlakwe:** I think that one would definitely need to be directed to the Department of Fisheries and Oceans.

**Mr. Han Dong:** Okay.

Have you received any reports on whether there is a severe impact due to these illegal fisheries?

**Ms. Lisa Setlakwe:** I would direct that one to the Department of Fisheries and Oceans as well.

**Mr. Han Dong:** Thank you. That's very good.

In terms of climate change, I understand that, due to climate change, the area of the Arctic is more accessible.

With the increased opportunities for economic development and mining and the competition between nations in terms of accessing this area and potentially dealing with Canada, how do we square that off with the increased environmental risks that we're going to be facing?

**The Vice-Chair (Ms. Jean Yip):** We'll have to save that answer for another time.

We are now moving on to Madame Vignola for two and a half minutes.

[Translation]

**Mrs. Julie Vignola:** Thank you very much, Madam Chair.

My question is for Mr. Waddell once again.

Mr. Waddell, I'm trying to understand your response about the potential to use Canada's submarines in the Arctic.

Am I to understand that our submarines are so outdated that it's becoming difficult, if not impossible, to use them over an area as large and significant as our Arctic waters?

**RAdm Steven Waddell:** Thank you for your question.

I'd like to answer in English, if I may.

[*English*]

I wouldn't say that the platforms are of such obsolescence that they cannot operate in and near the Arctic. As a matter of fact, they have undergone significant operational improvements to ensure that they are relevant platforms.

The challenge is in the operating system or the propulsion system of the platform. With that type of propulsion system, a diesel-electric submarine, and the kind of environment that the Arctic represents, it's just challenging—if not nearly impossible—for that type of propulsion technology to be able to operate in and around sea ice.

[*Translation*]

**Mrs. Julie Vignola:** I want to talk about the transport system used to do Arctic air surveillance, the Dash 7 and Dash 8. We have one of the largest areas, if not the largest area, of Arctic coastline in the world, if you really take into account the periphery of the islands and the rest, unlike other environments.

As I understand it, we have two types of aircraft, one of which is so old that we have trouble finding parts for it. Is that enough to be really efficient? Also, how many planes would we need to be truly efficient? Will the aircraft ordered from Lockheed Martin and Boeing be able to go to the Arctic to perform surveillance missions?

I would ask Mr. Thangaraj to respond first, then Mr. Matthews.

[*English*]

**Mr. Arun Thangaraj:** The Dash 7s are aging aircraft, as you said. That is why we have procured a very robust spare parts inventory to ensure that we can keep them operational for as long as possible.

The surveillance program is augmented by the Dash 8 that flies out of Vancouver for the western Arctic. There are other Dash 8s positioned in Ottawa and Moncton that can be mobilized, if required, to ensure that we have adequate coverage for surveillance.

In the longer term, we are working with the Coast Guard on a plan to replace them—what the right aircraft and right capital asset are to replace them. In the meantime, the use of the remotely piloted aircraft is one way of augmenting the air capacity that we have, but the longer-term solution will be the result of the study we are doing with the Coast Guard.

• (1225)

**The Vice-Chair (Ms. Jean Yip):** Thank you very much.

Next we have Mr. Desjarlais for two and a half minutes.

**Mr. Blake Desjarlais:** Thank you very much, Madam Chair.

I'd like to continue in regard to the work that is taking place to regulate shipping within Canada's Arctic.

I'd like to ask the representative from the Department of Transport what the plan is to ensure that shipping in the Arctic is properly regulated, so that we avoid devastating impacts on marine ecosystems and the Inuit communities that depend on them.

What is the plan to regulate those?

**Ms. Lisa Setlakwe:** We have advanced some regulations through Bill C-33, which is in the House now. It is making its way through.

Part of that will allow for greater authorities for us to direct certain actions if events are taking place. It will also allow for better information sharing and for requiring operators to do certain things, depending on what the science is telling us and on what the implications are for the north and the Arctic.

We are—

**Mr. Blake Desjarlais:** Would Baffinland be exempt from those new regulations? Have they received any waivers of that kind or will they receive anything like that?

**Ms. Lisa Setlakwe:** I couldn't comment on that. I'd have to get back to you on that.

**Mr. Blake Desjarlais:** Are they following all existing, applicable maritime regulations?

**Ms. Lisa Setlakwe:** I'd have to get back to you on the specifics of that.

**Mr. Blake Desjarlais:** You're not sure if Baffinland is following all applicable maritime regulation. I just want to be clear; it's quite important.

**Ms. Lisa Setlakwe:** It's an important question. I don't want to answer on a matter for which I don't have full information.

**Mr. Blake Desjarlais:** Would the deputy minister have any information?

**Mr. Arun Thangaraj:** I have nothing further, so we would have to respond to you in writing on that.

**Mr. Blake Desjarlais:** Sure. I'll request that you respond in writing to that question regarding Baffinland. Thank you.

Madam Chair, how much time do I have?

**The Vice-Chair (Ms. Jean Yip):** You have 20 seconds left.

**Mr. Blake Desjarlais:** Will there be another round?

**The Vice-Chair (Ms. Jean Yip):** Yes, there should be time for another round.

**Mr. Blake Desjarlais:** Okay. I'll save my last question for the following round.

Thank you.

**The Vice-Chair (Ms. Jean Yip):** Thank you.

Mr. McCauley, you have five minutes.



**Mr. Kelly McCauley (Edmonton West, CPC):** Thanks, Madam Chair.

Mr. Matthews, could you clear something up for us?

In our first meeting on this issue, I was asking about the costs for fixing the AOPS with their diesel engine issues. PSPC stated that who would cover the costs was being negotiated, but Jessica Lami-rande from your office stated that the taxpayers, or DND, is fully responsible for the costs. Which is it?

**Mr. Bill Matthews:** It's a bit of both. The warranty—

**Mr. Kelly McCauley:** It can't be both. Who's paying for it?

**Mr. Bill Matthews:** No, I think in this case it is.

The warranty on the AOPS is after one year in service. You have two vessels that have exceeded that one-year point. Reading the warranty purely, that would be on National Defence to pay. For the ship that may have had the same design but is not yet in service, it is on the shipyard to make sure that this is addressed before it changes hands—

**Mr. Kelly McCauley:** On the costs of the *DeWolf*, taxpayers are getting that.

**Mr. Bill Matthews:** Yes, but.... I'm sorry. I'm reading the warranty purely. It's one year, so that would put it in our hands.

I will say that there is a technical investigation into the cause, which I'm expecting will be “causes”, and obviously we'll take a good read of that and see where it lands. If your question is about what the warranty says, it's one year—

• (1230)

**Mr. Kelly McCauley:** No, the question wasn't about what the warranty is. It was about who's paying for it. Your department said that it's the taxpayers. PSPC said that it's being negotiated.

**Mr. Bill Matthews:** We're beyond the one-year mark, so if you read the warranty to the letter, it's in our hands. However, I want to take a look at the technical report and maybe—

**Mr. Kelly McCauley:** Do you know why PSPC would say that they're investigating it when you've just stated it's in your hands? The question was very clear to them about the cost to fix the *DeWolf*, which was after warranty.

**Mr. Bill Matthews:** I would be speculating because I wasn't here, but I would say that, given that we're awaiting a technical report, I would be open to looking at that and re-engaging with the company based on what it says—

**Mr. Kelly McCauley:** There was a further statement that it might be linked to the engine cooling. With subsequent AOPS, are there costs that we're looking at that are post-warranty for other ships or added costs to the taxpayers to address this before others are rolled out?

**Mr. Bill Matthews:** I get the sense that my co-worker here wants to chime in.

I will say that the ships that are not yet in the water and accepted, whatever the investigation realizes, will be addressed.

Nancy, go ahead.

**Mr. Kelly McCauley:** Please be very quick, Ms. Tremblay. I'm short on time.

**Ms. Nancy Tremblay (Associate Assistant Deputy Minister, Material, Department of National Defence):** Absolutely.

Thank you very much for the question.

When PSPC was here last, the technical investigation on the technical issues had not been completed. It has since then. We are going through the recommendations of that report and determining between PSPC and the builder where the costs will lie.

**Mr. Kelly McCauley:** Switching to the navy, please, do we know how the PRC delivered those spying buoys into our territory? Was that made public?

**RAdm Steven Waddell:** I wouldn't be in a position to comment on that one. I'm sorry.

**Mr. Kelly McCauley:** Do you think that, in light of what their government has been doing with the spy balloons and these buoys, we perhaps should be looking to have them removed as an observer status from the Arctic Council?

**RAdm Steven Waddell:** I think a response to that question is a little out of my jurisdiction.

**Mr. Kelly McCauley:** I suspected as much, but I just like to ask.

Mr. Matthews, I want to go back to you on the C-295 Kingfisher debacle, for lack of a better word. Have we looked at the unintended consequences on the C-130 fleet to cover the search and rescue shortfalls due to the problems and the delays with the 295s, and whether it's going to affect the future life cycle of the C-130s?

**Mr. Bill Matthews:** The short answer is, yes, we've looked into risk mitigation, which is what this is, to fill in a gap. That was factored into making that decision. Can I give you any specific information in terms of additional hours of flying, etc., and what it might do? I cannot.

**Mr. Kelly McCauley:** The 130s have a set lifetime. They're very expensive to maintain and run, being four engines as opposed to what the Kingfishers were supposed to be. What are the added costs? Are we burning out the 130s one or two or three years early on their ballpark 60,000-hour lifespan?

**Mr. Bill Matthews:** I understand the question. I don't have information at that detailed level here. I can absolutely take that one back. Nancy might have an answer, but I suspect not.

**Mr. Kelly McCauley:** Certainly. If you could get back to us, it would be wonderful.

**The Vice-Chair (Ms. Jean Yip):** Thank you very much.

Ms. Bradford, you have five minutes.

**Ms. Valerie Bradford:** Thank you, Madam Chair.

I want to look now at the environmental aspect of the Arctic. I'll be directing these to ECCC.

What are some of ECCC's activities in the Arctic in terms of weather and environmental prediction?

**Mr. Chris Forbes:** Thank you very much for the question. I have a colleague here from the meteorological service who can certainly fill in any blanks.

I would say that the key parts we are providing are near-term predictions around, obviously, weather, ice, water conditions, wind and things like that, which we would share with colleagues and obviously with communities. In the longer term, the meteorological climate conditions obviously can be used for planning and other activities to get at longer-term trends.

I'd be happy to ask my colleague Ken to add in some colour commentary.

**Mr. Ken Macdonald (Executive Director, National Programs and Business Development, Prediction Services Directorate, Meteorological Service of Canada, Department of the Environment):** The only thing I could add is this: In addition to providing meteorological intelligence and ice information for the Canadian territory, we provide for a broad swath of Arctic international waters, as part of international agreements under the International Maritime Organization.

• (1235)

**Ms. Valerie Bradford:** Thank you.

Can satellite data be used to fill weather and climate observation gaps in the north?

**Mr. Ken Macdonald:** Definitely. Satellite has become the primary tool for meteorological and ice surveillance. For ice, where we previously relied on the transport Dash aircraft, for example, we now rely almost exclusively on satellite surveillance.

**Ms. Valerie Bradford:** In general, what do we know about the status of water quality in the northern areas of Canada?

**Mr. Chris Forbes:** What we know, in general, is that the water quality levels are good. I would say the lower levels of economic activity in the north and the Arctic obviously contribute to that, but we have good-quality water indicators for northern waters.

**Ms. Valerie Bradford:** Given the increased traffic in the north, what is ECCC's role, should there be an environmental emergency?

**Mr. Chris Forbes:** The meteorological service is certainly there to provide whatever support it can, in terms of predictions, any climatic or weather contributions or effects, and emergencies. We have conservation officers and others who would obviously be involved, depending on where the activity takes place. We have a coordination role, I would say, in terms of any emergency response, depending on where exactly it takes place.

**Ms. Valerie Bradford:** How would you respond if there were an environmental emergency up there? What if there were some sort of spill or something, as a result of this increased marine traffic?

**Mr. Chris Forbes:** For spills, certainly from the meteorological service we have some predictive or analytical data—Ken can talk more about this—from the ice service, which allows us to detect and track spills or disturbances. That would give us early warnings.

If it happens over water, I think the Coast Guard would take primary responsibility, in terms of first response.

I can answer further, if you like, but that's the simple response.

**Ms. Valerie Bradford:** I'm flipping over to the Department of Transport again.

What's the status of the integration of a third national shipbuilding yard to support the Canadian Coast Guard program?

**Mr. Bill Matthews:** That's actually a question for PSPC. We touched on it earlier. The negotiations are ongoing with a third shipyard, but it's led by PSPC.

**Ms. Valerie Bradford:** Is there a time frame for that at the moment?

**Mr. Bill Matthews:** I'm not aware of one, but I wouldn't necessarily be the best person to ask.

**Ms. Valerie Bradford:** Given that many of the delays in procuring ocean vessels have already been identified in the audit of the national shipbuilding strategy, what other insights can be provided on further reasons for the delays?

I'm not sure who wants to take that one.

**Mr. Bill Matthews:** Perhaps I can start, Madam Chair, from a defence perspective.

In Canada, we are still dealing with a shipbuilding industry that is relatively new to building these sizes of ships. As you build new and different ships.... When you look worldwide, first-in-class and second-in-class generally come with problems. We've touched on some of the recent challenges for the Arctic offshore patrol ships.

What you want to get to is a series where you're building similar ships in a long run. By the time you hit the third ship, you can factor in anything you've learned from your early ships. By way of example, under the Arctic offshore patrol ships, the sixth ship is likely going to come in at significantly less cost than the first ship, because of learning in the manufacturing process. They will have learned a few things in the design process as well.

Those same—

**The Vice-Chair (Ms. Jean Yip):** Thank you very much.

We'll now move to our fourth round, starting with Mr. Kram for five minutes.

**Mr. Michael Kram:** Thank you, Madam Chair.

First off, in response to my colleague Mr. McCauley's question, could Mr. Matthews provide information about the C-130H, in particular? That would be very much appreciated.

I'm changing gears now.

Mr. Matthews, are Russian submarines operating in Canada's Arctic waters?

• (1240)

**Mr. Bill Matthews:** We are aware that Russia has excellent submarine capability. I can't speak to exactly where they're operating.

I have nothing to add.

**Mr. Michael Kram:** Do you have nothing to add because you don't know, or because that information's classified?

**Mr. Bill Matthews:** I am not aware of any activity being in Canadian waters, but....

**Mr. Michael Kram:** The report outlined that Canada has considerable difficulty detecting surface vessels operating in our Arctic waters. If Russia or any other foreign country were operating submarines, how would we ever know?

**Mr. Bill Matthews:** I think the Auditor General's report points to awareness gaps, and we've talked about air, sea, subsurface just now and land. It's all of these things coming together that actually get you to all-domain awareness, and that is where the armed forces is looking to go in terms of the investments and upgrades it intends to make. A big part of the story is NORAD modernization, which we've already spoken about, but subsurface is a key one going forward, absolutely.

**Mr. Michael Kram:** Last fall, the chief of the defence staff, General Wayne Eyre, appeared before the defence committee, and he had a quote I would like to read for you now. He said, "our hold on our Arctic would be much more secure with greater subsurface domain awareness at sea".

How can we improve our subsurface domain awareness? Should we have more listening devices on our icebreakers? Should we have more devices stationed permanently under the sea? What should we be doing?

**Mr. Bill Matthews:** That relates to the comment I made earlier as well in terms of one of the next great areas we have to focus on, and I would flag innovation as probably the key answer. I would also highlight that DRDC does some excellent research in subsurface. That is something I think is going to become more and more important as the years go on, and the capability that goes with that monitoring will likely be multi-faceted.

**Mr. Michael Kram:** I'm sorry. The navy wants to jump in.

**RAdm Steven Waddell:** I would offer a couple of additional supplemental points. Based a lot on the efforts of DRDC and others and some of the innovation pieces that we've been talking about, the Royal Canadian Navy is involved extensively in looking at autonomous vehicles and other remotely operated vehicles, both aerial and subsurface, along with other sensors to support and enhance our ability to understand the subsurface domain, including in the Arctic region.

**Mr. Michael Kram:** Thank you.

I'd like to circle back to the issue of the Chinese buoys that were discovered recently. What was the purpose of these buoys in our waters in the first place, and what were they hoping to accomplish?

**Mr. Bill Matthews:** I can't offer any additional information at this stage beyond what has already been publicly reported. I regret I cannot answer that question.

**Mr. Michael Kram:** It was publicly reported that the purpose of the buoys may be to monitor American submarines in Canada's Arctic waters. Can you confirm if that could have been a possibility?

**Mr. Bill Matthews:** There's a lot of speculation about what could have been the purpose, but at this stage, I can't offer any fact-based information.

**Mr. Michael Kram:** Okay.

How about this? Who has a greater ability to monitor subsurface activity in Canada's Arctic waters, Canada or China?

**Mr. Bill Matthews:** I don't have information on that one either, but I would stress that this is the emerging area when we talk about all-domain awareness. It is where innovation and activity are going to be absolutely critical going forward.

**Mr. Michael Kram:** Thank you.

Madam Chair, how am I doing for time?

**The Vice-Chair (Ms. Jean Yip):** You have 20 seconds left.

**Mr. Michael Kram:** Okay—

**Mr. Bill Matthews:** Madam Chair, this may be helpful to the member. I'm turning to my colleague Andrew, but I believe the Auditor General's report did not look at subsurface. Do I have that correct?

**Mr. Andrew Hayes:** That's correct.

**Mr. Michael Kram:** Okay, and I'm right about out of time right now, so I'll thank you for that.

**The Vice-Chair (Ms. Jean Yip):** Thank you very much.

We move on to Mr. Fragiskatos for five minutes.

**Mr. Peter Fragiskatos:** Thank you, Chair.

I want to return to the point, deputy minister, you just put on the table, the point about innovation and how this figures quite prominently now and into the future with respect to the question of the Arctic. Could you expand on that? Is there anything else you'd like to elaborate on?

• (1245)

**Mr. Bill Matthews:** There are a couple of things we're stressing, and my colleagues may have additional points as well. On subsurface we flagged DRDC, our defence research organization. It does excellent work in numerous areas, but of relevance here today would be the work they do in subsurface, which is mostly based out of their Nova Scotia facility. I would flag that allies are also doing similar research, so that collaboration is really important.

Satellites have been mentioned here today as an area of importance, but also where there are gaps and some mitigation required. I think you can look to innovation in terms of the quality of satellite imagery going forward. One of the things we are looking to do to temporarily fill that gap, should it come to fruition, is dealing with private sector partners and allies. Again, that outreach is critical.

I'll pause there to see if my colleagues Steve or Rob wish to add anything. It's not a must, though.

Steve.

**RAdm Steven Waddell:** I would just mention, although they are not in the scope of the Auditor General's report, the international partnerships in terms of information sharing and the collaboration that Canada in particular has, along with a number of other partners, in terms of continental defence, working with the United States. These really reinforce the information sharing, which allows us to get after responding to the variety of threats we're talking about.

**Mr. Peter Fragiskatos:** Go into that, as a matter of fact, if you could, deputy minister or Mr. Waddell, whoever wants to take it. Obviously this is a security concern shared by a number of democracies, so what does the collaboration you point to amount to? Is it a regular engagement? Is it engagement on particular issues, or is it something that's incidental and that comes up only every now and then?

**Mr. Bill Matthews:** I'll start, and my colleague Rear-Admiral Waddell may wish to add.

There's interaction at numerous levels, regularly, just through relationships and the sharing of information that comes to our attention or to their attention that is relevant. We also talk a lot about innovation. We want to make sure we're collaborating and not duplicating. You will see collaboration among the researchers but also among air forces, navies, etc., to advance the cause there.

Admiral Waddell.

**RAdm Steven Waddell:** I would just additionally offer that our collaboration with allies, particularly in terms of continental defence, can certainly include periodic staff talks. We could have exchange officers embedded in each others' organizations. There are routine exercises at sea during which we exercise security and sovereignty patrols. There are a number of features that allow us to persistently make sure we're sharing best practices and information.

**Mr. Peter Fragiskatos:** For the two minutes I have, I will go back to Transport Canada.

Could you elaborate on the number of partnerships that exist with local communities, in particular indigenous communities, on the question of surveillance? I'd like a specific number if you have that.

**Ms. Lisa Setlakwe:** I think the specific number is 17 communities. There are those, and we're continuously trying to build the awareness. I'm not going to say that every month that goes by we have a new partner, but as people become aware of the engagement and the platform and what it offers, we are getting more who want to be part of this platform and this partnership.

It does take a little bit of training. I just happened to see a video recently of one of the key people we're working with, who is located in the north and who is actually an advocate in helping us spread the word.

We're doing everything we can to make people aware of it and to bring them in if there's an interest.

**Mr. Peter Fragiskatos:** I was going to ask about a plan to expand that, but it sounds as though you're waiting for it to gather momentum on its own and then see where that leads. Is that fair to say, that there's no actual plan to expand? You say there are 17 communities, for example, but there's no plan to say that in a year we would like to have 25, 30 or...?

**Ms. Lisa Setlakwe:** I would have to talk to my team as to whether or not we have specific targets. We may. For us, the target is as many as possible, because it's a win-win kind of platform for those living in those communities and for us in terms of information and data sharing.

• (1250)

**Mr. Peter Fragiskatos:** Thank you.

**The Vice-Chair (Ms. Jean Yip):** Thank you very much.

We now turn to Madame Vignola for two and a half minutes.

[Translation]

**Mrs. Julie Vignola:** Thank you very much

My question is for you again, Mr. Matthews.

My question is about the aircraft Canada is in the process of procuring over the next few years, particularly with respect to the announcements made with Lockheed Martin and Boeing.

Do these companies guarantee that these aircraft will be able to fly in the Arctic? Are tests being done? The United States has Alaska to do these tests.

**Mr. Bill Matthews:** Thank you for your question.

With respect to the F-35, that was indeed a key factor in evaluating and selecting a new fighter jet.

I don't know if you're concerned about Boeing aircraft, but when the Department of National Defence purchases a new aircraft, it must be able to operate in the Arctic.

**Mrs. Julie Vignola:** Thank you.

Mr. Forbes, earlier you were asked about Environment and Climate Change Canada's ability to detect spills. In an ecological disaster situation where ice is a problem and you have no icebreakers, what do you do?

**Mr. Chris Forbes:** Thank you for your question.

I'll tell you what our department could do about it. Basically, if we detect something through our meteorological service, we're going to get that information out quickly to our colleagues. We're going to make sure that everybody understands the situation as it relates to the ice or the ocean. We're also going to make sure that any immediate forecasts are passed on.

**Mrs. Julie Vignola:** Without icebreakers, then, we could end up with an uncontrolled Exxon Valdez.

**Mr. Chris Forbes:** That's not what I said; I said that's what Environment Canada could do if something were to happen in the Arctic Ocean.

I believe my colleague would like to add something.

**Ms. Lisa Setlakwe:** Yes, we try to mobilize as many of our resources as possible to respond to these types of situations. The operators themselves are also required to have equipment on ships to be able to respond to a situation like this.

We are currently holding consultations on this. So we urge people to participate in the process.

**The Vice-Chair (Ms. Jean Yip):** Thank you very much.

[English]

We will move on to Mr. Desjarlais for two and a half minutes.

**Mr. Blake Desjarlais:** Thank you very much, Madam Chair.

I'd like to now turn my final question—with regard to the Canadian Rangers—to Bill Matthews, the deputy minister of national defence.

My colleagues, particularly the member of Parliament from Nunavut, work largely with members of the Canadian Rangers when dealing with the Canadian Armed Forces. We've heard a great deal of testimony from Inuit Canadian Rangers who don't feel that they have the adequate support they need when it comes to getting reimbursement for their equipment when they participate in military exercises.

Just for preference, for Canadians who may not know, the Canadian Rangers utilize their own equipment—private equipment—and lease, rent or find other accommodations by way of a reimbursement agreement between them and the government for the utilization of that equipment. The wear and tear, in addition to whatever use that equipment undergoes, of course, is something that the individual would have to deal with, especially if there is maintenance required. That reimbursement total, of course, would be different or sometimes not satisfactory, depending on how much more expensive that maintenance could be.

It is incredibly important that the Canadian Rangers are well equipped but also have the tools to ensure that they continue to do the work they need to do. I think it is appropriate that the Canadian Rangers have the option to utilize their own equipment, particularly if it is important to them to be able to utilize that equipment for better results. How is the Department of National Defence understanding those reimbursements? What is the way in which they get to the reimbursement for the utilization of that equipment? Is there any way to ensure that the regular costs that are going up for these

Canadian Rangers keep in line with the reimbursement they should be getting?

• (1255)

**Mr. Bill Matthews:** Thank you to the member for raising this question. I had not actually heard there were specific issues around the program, so I'm happy to take that back and look into it.

I should flag for the committee members, though, that we have 5,200 Canadian Rangers. In terms of the rifles they use, these are rifles provided by the Canadian Armed Forces. If there's a desire to question how the program works and maybe suggest something better, I'm open to observations on that front and I'll take them back.

**Mr. Blake Desjarlais:** Sure. Thank you very much.

I think the important piece here is that, beyond rifles—I'm talking more specifically about transport vehicles, perhaps a snowmobile—how does one ensure that the reimbursement amounts keep consistent with the cost of maintenance? Is there a process internal—

**The Vice-Chair (Ms. Jean Yip):** We'll have to have that answer another time.

Thank you.

**Mr. Blake Desjarlais:** In writing, please...?

**The Vice-Chair (Ms. Jean Yip):** You want it in writing.

**Mr. Blake Desjarlais:** Yes, please.

**The Vice-Chair (Ms. Jean Yip):** Thank you.

We will now move to Mr. McCauley for five minutes.

**Mr. Kelly McCauley:** Thanks, Chair. I wasn't aware we were going to get another round.

Mr. Matthews and Rear-Admiral Waddell, I'm looking at the Senate report from a couple of years back, talking about the AOPS. Their comment was that they can't operate in ice a metre thick, they are slower than a B.C. ferry, they can only operate in the summer and they need the Coast Guard to escort them in northern waters.

Do you think that's an accurate assessment of the AOPS? If so, should we be continuing to build these if they might have very limited use for taxpayers or for the navy?

**Mr. Bill Matthews:** Thank you, Madam Chair.

I will start, but I think the navy is best placed to speak to capability.

They are ice-capable. They are not icebreakers. The navy is quite anxiously looking forward to the receipt of the rest of the AOPS. They find them quite useful in terms of some of the infrastructure they can provide and some of their capabilities.

Go ahead, Rear-Admiral Waddell.

**RAdm Steven Waddell:** Thank you.

I have a couple of points in reply. The navy is enthusiastically bringing this capability into service. The sailors are excited about the platform. They are excited about the missions we are sending them on. We have been very pleased with the performance thus far of this new class we're introducing into service in terms of their capabilities in ice, and the endurance, range and persistence they're able to provide.

**Mr. Kelly McCauley:** I'm sorry for laughing. All I've read about is them breaking down and having problems with water filtration and other issues, but they're pleased with the performance so far.

Let me ask about the cost issue, Mr. Matthews. Again, I'm going to refer back to our last committee meeting on this. PSPC said in their opening statement that costs are dropping for the AOPS. Of course, we saw it reported that there's going to be another \$780 million added on since the last update.

Are the costs dropping for the AOPS contracts, or are they going up?

**Mr. Bill Matthews:** Nancy may have some information to provide here.

**Mr. Kelly McCauley:** I realize that we are getting more efficient on building them, etc., but it's a simple question. Are costs going up, or are costs dropping?

**Mr. Bill Matthews:** The efficiency in production is basically ahead of schedule in terms of the dividend you would expect for building ship five versus ship one. That is indeed happening.

Nancy, I'm not sure if you have specifics on cost.

**Ms. Nancy Tremblay:** Thank you very much. I can confirm that the cost of ship four is expected to be 57% of the cost of ship one.

**Mr. Kelly McCauley:** The PSPC stated the cost of the program is going down, but are we cutting...? It's a simple question. Are taxpayers cutting a bigger cheque or a smaller cheque for the program? They announced—I think in January—that they were up an extra \$780 million. Is that a drop?

What I'm getting at is that I'm concerned about PSPC coming and testifying one thing in this committee, but the reality seems to be going a different way.

**Ms. Nancy Tremblay:** If I can, I'll add that it's 57% of expected costs for ship four compared to ship one. However, I can speak about the fact that there have been increasing costs due to inflation, disruptions in supply chains and shortages in the workforce—

• (1300)

**Mr. Kelly McCauley:** I'm aware of all that. Again, the bill is an extra \$780 million. I'm just expressing my concern that PSPC comes before this committee—and, therefore, taxpayers—and says that costs are declining, but they're clearly not.

Transport, I want to ask you something very quickly. From the report, 6.59 states that you “completed an obsolescence study on the aircraft used for Arctic surveillance.... No strategy has been put in place to renew the aircraft”.

Is what the AG has reported correct?

**Mr. Arun Thangaraj:** Prior to the commencement of—or I guess during the audit—we worked with the Coast Guard to look at

a strategy to replace the Dash 7s and to find out what that solution is. That work should be reporting out this month, and then we'll have a way forward on what the replacement for the Dash 7s should be.

In the interim, as I noted, we are procuring a large inventory of spare parts to ensure—

**Mr. Kelly McCauley:** The agency's comment is “No strategy has been put in place to renew the aircraft”. Is that just because the study was done in 2021 and Transport hadn't got around to it?

**Mr. Arun Thangaraj:** That's correct. We are currently looking at that right now.

**Mr. Kelly McCauley:** Do you accept that, Mr. Hayes?

**Mr. Andrew Hayes:** I accept that they are looking at it right now. Our point was that concrete action needs to be taken to renew equipment that's ending its useful life.

**Mr. Kelly McCauley:** When will we see that concrete action, then?

**The Vice-Chair (Ms. Jean Yip):** We need a very short answer, please.

**Mr. Arun Thangaraj:** We will have the report this month.

**Mr. Kelly McCauley:** Would you share it with us?

**Mr. Arun Thangaraj:** Yes.

**Mr. Kelly McCauley:** Wonderful. Thanks very much.

Thanks, Mr. Hayes.

**The Vice-Chair (Ms. Jean Yip):** Thank you.

We'll go to our last person today, Ms. Shanahan, for five minutes.

**Mrs. Brenda Shanahan:** Thank you very much, Chair.

I want to thank the witnesses here. This is the second of two hearings that we're having on this OAG report on Arctic surveillance, and it's been very interesting. We've certainly learned a lot.

My question now is actually going to Environment Canada. I'd like to learn more, especially anything that you haven't had the opportunity to bring to the committee here today on your activities in the north and the Arctic in terms of weather and environmental predictions.

**Mr. Chris Forbes:** I might turn to Ken to provide a bit more, since he's the expert in this area. As I say, in terms of weather and prediction, we have short-term work that we do. Ken can talk a bit more about our presence in terms of how we do that in the north to help both communities and partners, both on land and over the water. Then we do long-term research that can help on a bunch of fronts.

Maybe, Ken, I can let you provide a bit more detail.

**Mr. Ken Macdonald:** First of all, on the weather side, we have a full public weather program for communities in the Arctic. All the communities get public weather forecasts and warnings. For the marine communities, we have a full marine weather program, which includes weather conditions and sea state. Finally, we have an advanced—from a world's perspective—ice monitoring and prediction program. We co-operate extensively internationally on ice. We are considered a lead nation in understanding sea ice, tracking sea ice and characterizing sea ice, which is critical for the operations now of both the navy and the Coast Guard.

As I said earlier, we took on responsibility to provide the same information for all international waters all the way to the pole, from north of Alaska, north of Greenland, to across the Arctic, to support all international activities.

**Mrs. Brenda Shanahan:** Actually, I'm wondering about co-operation with the United States, again, in this area. Can you talk to me about some of the projects that you have with the United States?

**Mr. Ken Macdonald:** There are several. Probably the strongest one particularly relevant to the Arctic is on sea ice. We have a trilateral arrangement with our ice service and the ice service in the United States, which is part of NOAA, and also with the international ice patrol, which is part of the U.S. Coast Guard for tracking icebergs. We have a trilateral arrangement with the U.S. on all aspects of sea ice. We actually deliver service seamlessly among the organizations. For example, for ice on the Great Lakes, the forecast may come out from Canada one day and from the U.S. the next day, for the same forecast. It's totally harmonized between the two countries.

• (1305)

**Mrs. Brenda Shanahan:** Even as far as Fahrenheit and Celsius...?

**Voices:** Oh, oh!

**Mrs. Brenda Shanahan:** Have you ironed that one out yet?

**Mr. Ken Macdonald:** We haven't worked that one out yet. Scientifically, though, they agree that Celsius is the right scale, but publicly, it's another question.

**Mrs. Brenda Shanahan:** That's interesting. Does it ever come up, though? Are there disagreements? Is there a difference in approach, especially over...? With Alaska being there, of course, there must be Americans that have very much a vested interest, as well, in how things are done.

**Mr. Ken Macdonald:** It's not a difference of opinion. I think we learn from each other, particularly because they do a lot of work with coastal communities on travel on sea ice, and we're learning from that to broaden our programs for sea ice. Traditionally it's been about vessel traffic and supporting vessel activity, but we've increasingly learned about how we can support community activity, travel on sea ice, hunting on sea ice, where it's a very different environment with landfast ice versus open-water ice. We're working collaboratively to learn from them.

**Mrs. Brenda Shanahan:** Very good. Can you share with us, speaking of communities, any projects that you have with the indigenous communities, with the Inuit in the area?

**Mr. Ken Macdonald:** Ours are particularly through university partnerships, and they have the programs with the communities. This is on things like ice thickness—measuring ice thickness and techniques for ice thickness. That's what the strongest one is. It's sort of indirectly through the universities that we're largely co-operating.

**The Vice-Chair (Ms. Jean Yip):** Thank you very much.

Thank you to all the witness for coming yet again.

I'd like to say congratulations to Mr. Thangaraj on his new role as deputy minister of transport.

Do I have consent to adjourn the meeting?

**Some hon. members:** Agreed.

**The Vice-Chair (Ms. Jean Yip):** Very good. We're adjourned. Thank you.







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