#### Naval Association of Canada (NAC) Responses to Key Questions

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#### Note

Recognizing that many of the questions seek a response which is broader than its ocean and naval oriented perspectives, the Naval Association of Canada provides the following responses to your questions.

#### 1. What do you see as the ultimate goal and purpose of the Canadian Armed Forces?

The principal purpose of the Canadian Armed Forces (CAF) is to defend Canada and its people against external military aggression. The ultimate goal of the CAF is to ensure Canadians live and prosper at home in peace and security.

To satisfy the ultimate goal, the CAF must be combat-capable. If military forces are adequately combat-capable, they normally have little difficulty performing less demanding tasks such as sovereignty patrols, humanitarian assistance, peacekeeping and peacemaking.

Unless a nation is engaged in an existential conflict, its military forces can and should be used in pursuit of peace and security interests away from national territory. In the case of the Royal Canadian Navy, these away-from-home interests begin in international waters, just beyond Canada's 12 nautical mile territorial sea.

The Naval Association of Canada believes Canada needs a capable and effective navy within the CAF, for the following eleven reasons:

- (1) Canada's national interests of peace and security and economic prosperity are intertwined;
- (2) Canada possesses a vast, resource-rich ocean estate;
- (3) Canada is an increasingly global, sea trading nation;

- (4) beyond its sovereign waters, Canada values, and is an ardent advocate of the rule of law at sea and of international peace and security;
- (5) there are threats to elements of Canada's national interests;
- (6) future threats to our national interests are difficult to predict;
- (7) Canada must not rely exclusively on others to protect and further its national interests;
- (8) Canada's peace and security contributions to the United Nations, to the North Atlantic Treaty Organization and to other defence and security arrangements must be meaningful;
- (9) future Canadian governments will likely one day need to send Canadian naval and maritime air forces into harm's way;
- (10) without the establishment and continuous maintenance of ready-to-deploy, ready-to-act, capable and effective Canadian naval and maritime air forces which are purposely designed to operate against current and future threats in Canadian, international and far-away waters, the maritime-related elements of Canada's intertwined national interests of peace and security and economic prosperity will be at risk; and
- (11) a capable and effective Navy is ultimately all about avoiding, preventing and deterring costly conflict and war.

## 2. Should Canada maintain, increase, or decrease its defence budget? Should we set and meet NATO's aspirational spending target of 2% of GDP?

The Naval Association of Canada believes that an increase in the defence budget, up to NATO's aspirational spending target of 2% of GDP, would constitute a wise and reasonable investment in Canada's future peace and security.

If Canada wishes protect its national interests, at home and abroad, and be an effective and positive force for good in the world, it should strive to meet the aspirational spending target established collectively by NATO Members.

It is understandable that taxpayers do not wish to pay any more than they have to for all of the services they require, including defence. The

provision of defence and security services, as with the provision of any other service, must be economical and provide reasonable returns per taxpayer dollar.

The two biggest costs in defence are personnel and equipment. Spread out over decades, these costs are significant. To ensure the taxpayer is getting reasonable bang for his and her dollar, it is important to make the right personnel and equipment choices.

If the defence budget is maintained at current levels, a significant and likely increasing proportion of the budget will go to personnel, at the expense of equipment. If the defence budget is not increased, future equipment relevance will require personnel reductions to free funds for equipment recapitalization.

Regrettably, the only sure way to determine whether or not enough is being spent on defence and security is when the country's defence and security is actually put to the test. In the meantime, defence is like insurance: (1) you have to pay for it upfront (2) you don't know when you will ever have to use it, and (3) you can't purchase any after the fact. How much Canada needs to spend on its defence and security depends on how much it is willing to risk, and how much is it willing to pay for insurance against that risk.

3. Canada has long, proud history of working with our allies to defeat our common enemies (WW1, WWII, Korean War, Afghanistan ISIS). Does Canada have a moral obligation and a national interest in working with our allies to defend our shared values? Do we require a combat capable military that can make significant contributions to international missions, as we have in the past?

The Naval Association of Canada believes that:

(1) Canada has a strong national interest in working with our allies to defend our shared values;

- (2) Canada has a strong moral obligation in working with our allies to defend shared values, especially those which are related to the basic and recognized rights of states and human beings; and
- (3) Canada will continue to require balanced, multi-purpose, combatcapable military forces well into the future, especially as the future is so difficult to predict.
- 4. Considering the ballistic missile development by rogue countries such as North Korea, the proliferation of submarines, and the increased terrorist activities of nonstate actors, what do you perceive to be the greatest threat to Canada and Canadians?

There is no simple answer to this question. A possible answer would depend on a variety of factors, including the interpretation of the word "greatest" and how a given answer would colour subsequent defence policy and equipment decisions. Each of the above-mentioned threats has the potential to do harm to Canada and Canadians. As a result, none of them can be discounted<sup>1</sup>, and some type of preventive and/or protective defensive measures needs to be considered and implemented. The Naval Association of Canada believes that the Royal Canadian Navy, depending on equipment choices, has a significant role to play against these threats.

5. Considering the great international interest in the Arctic and the opening of the North West Passage do you believe that we have the necessary assets and resources in the Arctic to protect Canada's strategic interests?

There are several factors and issues which need to be considered when answering this question.

On the issue of "international interest" ... While it is apparent that interest in the Arctic is increasing, it is not clear that this interest is presently as

<sup>&</sup>lt;sup>1</sup> History continuously demonstrates we have great difficulty in correctly predicting what might happen tomorrow. Was the threat of suicide plane attacks on the World Trade Centre considered the greatest threat to the United States in 2001? Was the threat of interference by Russia in Ukraine considered the greatest threat to NATO in 2015? Because something has yet to happen does not mean it won't.

great and/ or greater than the long-standing interest in the Atlantic and the Pacific. The value of cargo being shipped through and of resources being exploited in the Atlantic and Pacific is currently much larger than that which is shipped though and exploited in the Arctic. This situation may eventually change; but, for the moment, there are still many challenges to routine shipping and resource exploitation in the Arctic.

On the issue of interest in the "Arctic"... It is not clear if use of the word Arctic is intended to refer to: (1) the entire Arctic region i.e. all waters and lands, regardless of sovereignty, north the Arctic Circle; or (2) all international, non-sovereign waters in the Arctic region; or (3) simply all Canadian lands and waters in the Arctic region. If the question being asked is in relation to those parts of the Arctic region which are beyond current Canadian jurisdiction, then the next question which needs to be answered is what exactly are Canada's interests in those parts.

On the issue of the "necessary assets and resources in the Arctic"... Assets and resources come in many types. Some are military and some are nonmilitary. The Canadian Coast Guard, through its fleet of purposefullydesigned ships, has a long history of providing services to and presence in the north. Most of the more capable response assets are mobile, some more so than others. Some such as military fighter and maritime patrol aircraft can travel significant distances rather quickly. Some such as ships (be they military or non-military) and submarines, while traveling less quickly, can deploy with no or little support to far-away places for significant periods of time. The question of where to permanently base assets is essentially one of relative need and economics. Obviously, it would make sense to base assets in those places where the demand is greatest. If funding is an issue, however, the basing of mobile assets at more distant sites makes economical sense in that it reduces or eliminates the duplication of costs. The more mobile and self-sufficient an asset, the greater the flexibility to base the asset at more distant, but cost-effective sites.

On the East and West coasts of Canada, where the spaces and distances are very large (but not nearly as large as on our North coast), Canada has,

in the case of military assets, only one naval base per coast. The existence of single (vice multiple) naval bases on each of the East and West coasts and the non-existence of a naval base on the North coast are essentially a function of allocated budgets. Unless the defence budget is increased, there are likely more pressing military needs than to build and maintain a naval base in the North. A similar story is likely true in the case of the Canadian Coast Guard.

The Canadian Coast Guard and the Royal Canadian Navy (and other elements of the CAF) routinely deploy mobile, operational response units from southern bases to the north, commensurate with increased summertime ship activity. In the future, the number and frequency of these northern deployments may have to increase. Should activity in the north begin to match or outstrip activity in the south, a review of the sufficiency and geographic basing of response assets against extant budgets would logically be warranted.

## 6. Should the CAF improve its interoperability with local authorities to improve responses to domestic emergencies? If so, to what extent?

There will always be room for improvement in the manner with which institutions and agencies from the three levels of government in Canada (municipal, provincial and federal) plan for and respond to domestic emergencies. Of course, the provinces normally take the lead when responding to domestic emergencies and federal institutions and agencies such as the CAF, provide an important but supporting role, as and when requested and directed by provincial and local authorities. While the level of interoperability of all institutions and agencies has probably never been better, further improvements are likely possible and would likely require additional effort, which normally requires more funding. On the federal, water-side of interoperability, the Marine Security Operations Centres (MSOCs) and the Marine Security Enforcement Teams (MSETs), while not being of direct impact to a local authority's response to a domestic emergency, are but two examples of recent improvements in whole-of-government, water-side interoperability.

#### 7. Should economic benefits to the Canadian industry be a consideration in the defence procurement process?

Yes, but they should not be the overriding consideration.

Many factors should be considered when procuring equipment for the Canadian Armed Forces. First amongst these should be the requirement to provide the men and women of the Armed Forces with the equipment they need to do the jobs assigned to them, not only now but well into the future, by the Government of Canada. Because the Government might one day have to send the CAF into harms' way, it is most important that the CAF be provided with modern, effective equipment which gives future generations of young Canadians a reasonable chance of operational success and returning safely home. Once this foundational requirement is satisfied, other factors such as value for taxpayers' dollars and support to Canadian industry (including the formulation of a defence-industrial strategy which would see investments in Canada that lead to the national production of equipment needed by CAF) can and should be considered.

# 8. What is the most appropriate troop level for the Canadian Armed Forces, both in terms of the Regular Force and Reserve Force? In what ways can the CAF recruiting process be improved?

The biggest cost in defence is personnel.

Appropriate personnel levels are a functions of many factors. Chief among them are: (1) personnel employment intentions for deployed, mid-to-high intensity operations; (2) personnel rotation rates for deployed, mid-to-high intensity operations; and (3) intended budget allocations.

If the defence budget is maintained at current levels, a significant and likely increasing proportion of the budget will go to personnel, at the expense of equipment. If the defence budget is not increased, future equipment relevance will require personnel reductions to free funds for equipment recapitalization. In the end, any increase in personnel levels will require a commensurate increase in budget allocations.

With respect to appropriate personnel levels in terms of "regular and reserves" ... This issue is very complicated and needs to be preceded by an examination and resolution of several questions. If a reservist only works part time, then, within a given budget, the number of reservists can be higher. If a reservist works full time, then, within the same given budget, the number of reservists must be lower. What is a reservist? Is one parttime reservist to be counted in the same way as one full-time reservist? What distinguishes a reservist from a regular force member? Is it simply a function of part time versus full time? If so, where should the cut-off, in terms of how many days per month is considered part-time, occur? Can a part-time soldier/sailor/airperson perform the same jobs as a full-time soldier/sailor/airperson? Across all experience and rank levels? Are the distinctions between regular and reserve members and the methods by which they are employed and contribute to operational outcomes the same across the three services (Army, Air Force and Navy)? If not, does it matter?

Lastly, the Naval Association of Canada has no particular ideas at this time to improve the CAF recruiting process.

### 9. How can defence procurement be simplified and streamlined to provide our troops with the equipment they need in a timely manner?

There is no simple answer to this question. Many have tried to answer it; however, after decades of trying, there is still no widely-accepted best procurement practice.

Over the years, many additional layers of procedures, consultations, checks and balances, and reviews and audits have been added to the defence procurement process. Every once in a while, a new player is driven by the idea of "simplifying" it, so that it will generate supposedly better and quicker results; but, there are few examples of complex (as opposed to simple) procurements that have achieved "better" and/or "quicker" results.

The procurement process, born of past mistakes and embarrassments, is what it is. Decision-making by risk-conscious officials and authorities (from several departments) who are directly or indirectly involved at each step of the process is most responsible for time delays. In the end, procurement, like many other government processes, is about leadership from the top down. If the leader of the process wants something urgently enough, the leader should be able to get it; but, should the leader refrain from becoming engaged, there are many opportunities for the process to stall or get derailed. Complex defence procurement has proven to be one of the most difficult processes any government can deal with. This is even more reason why fully-engaged leadership, from the top down, is so important.

Perhaps the single largest impediment to effective and efficient defence procurement, in the Canadian context, is the lack of a single point of accountability, who would hold the authority and responsibility to shepherd procurements through the complex, multi-step process.

# 10. Given the fact the Government has already set out its defence and foreign affairs priorities in the Speech from the Throne and the 2016 Budget, what affect do you believe Canadians will have in shaping Canada's defence policy?

It is not clear what affect the public consultation portion of the Defence Review will have on shaping Canada's defence policy. It is highly unlikely that a member of the public will advance a notion that has not previously been considered; however, one can never exclude the possibility. At the very least, the public consultation should serve to validate many longstanding considerations of defence policy formulation.

Given the difficulty of correctly predicting the future, acquiring balanced, multi-purpose, combat capable military forces, on land, in the air, and on and below the seas, seems prudent.

For its part, the Naval Association of Canada continues to espouse the need for a capable and effective navy, which the current government, like the previous one, also fully supports.