

National Defence

2001-2002 Estimates

Part III – Report on Plans and Priorities

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The Estimates Documents

Each year, the government prepares Estimates in support of its request to Parliament for authority to spend public monies. This request is formalized through the tabling of appropriation bills in Parliament. The Estimates, which are tabled in the House of Commons by the President of the Treasury Board, consist of three parts:

Part I – The Government Expenditure Plan provides an overview of federal spending and summarizes both the relationship of the key elements of the Main Estimates to the Expenditure Plan (as set out in the Budget).

Part II – The Main Estimates directly support the *Appropriation Act*. The Main Estimates identify the spending authorities (votes) and amounts to be included in subsequent appropriation bills. Parliament will be asked to approve these votes to enable the government to proceed with its spending plans. Parts I and II of the Estimates are tabled concurrently on or before 1 March.

Part III – Departmental Expenditure Plans which is divided into two components:

- (1) **Reports on Plans and Priorities (RPPs)** are individual expenditure plans for each department and agency (excluding Crown corporations). These reports provide increased levels of detail on a business line basis and contain information on objectives, initiatives and planned results, including links to related resource requirements over a three-year period. The RPPs also provide details on human resource requirements, major capital projects, grants and contributions, and net program costs. They are tabled in Parliament by the President of the Treasury Board on behalf of the ministers who preside over the departments and agencies identified in Schedules I, I.1 and II of the *Financial Administration Act*. These documents are to be tabled on or before 31 March and referred to committees, which then report back to the House of Commons pursuant to Standing Order 81(4).
- (2) Departmental Performance Reports (DPRs) are individual department and agency accounts of accomplishments achieved against planned performance expectations as set out in respective RPPs. These Performance Reports, which cover the most recently completed fiscal year, are tabled in Parliament in the fall by the President of the Treasury Board on behalf of the ministers who preside over the departments and agencies identified in Schedules I, I.1 and II of the Financial Administration Act.

The Estimates, along with the Minister of Finance's Budget, reflect the government's annual budget planning and resource allocation priorities. In combination with the subsequent reporting of financial results in the Public Accounts and of accomplishments achieved in Departmental Performance Reports, this material helps Parliament hold the government to account for the allocation and management of public funds.

As part of its ongoing efforts to streamline reporting requirements, the Treasury Board of Canada Secretariat has requested that National Defence and thirteen other departments explore alternative reporting structures to this year's *Report on Plans and Priorities*. It has, therefore, exempted the department from the usual guidelines for the preparation of this report.

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NATIONAL DEFENCE

2001–2002 REPORT ON PLANS AND PRIORITIES





MINISTER'S MESSAGE

Minister's Message

It is with a great deal of pride that I present this report on National Defence's plans and priorities for 2001-02 and beyond.

As Minister of National Defence since 1997, I have had the honour and privilege to lead, work with and represent one of Canada's finest national institutions through a very difficult period of change and transformation.

When I became Defence Minister four years ago, National Defence and the Canadian Forces were in crisis. As part of the Government's efforts to eliminate the deficit, National Defence had absorbed the single largest budget cut in the federal



government. The Canadian Forces were deeply affected by downsizing, the Somalia affair, and a string of scandals that had undermined public confidence, sapped morale, and tarnished the overall reputation of the Forces. Further, the institution and its leadership faced daily scrutiny and criticism.

Despite this, the men and women of the Department and the Forces carried on, responding to the dual challenge of doing their jobs – tough enough in and of itself under any circumstances – and doing the extra work of defending and rebuilding a proud institution.

In this environment, I set four priorities for the Department. They were:

- to put in place the institutional reforms required to renew the leadership and management of the Canadian Forces, and restore public confidence;
- to improve the overall quality of life of the men and women of the Forces and their families, and help to restore morale;
- to restart the process of modernizing the Forces and re-invest in the people and equipment that the Forces need; and
- to ensure more transparency and improve communications with Canadians to better showcase Defence's contributions to the well-being of Canadians and communities around the world.



Defence has clearly made progress on all of these fronts.

With the active support of the Government and two consecutive budget increases in 1999 and 2000 – totalling more than \$2.5 billion in new money – Defence has:

- implemented more than 300 institutional reforms to strengthen leadership, enhanced the fairness of the military justice system, modernized the *National Defence Act*, and increased openness and transparency;
- implemented more than 80 initiatives, and significantly improved military compensation and benefits, including support programs for members and their families, to improve quality of life in the Forces;
- moved forward with the purchase of new Cormorant helicopters for search and rescue, new submarines for the Navy, and new Light Utility Vehicles for the Army, to name but a few of the recent, major acquisitions; and
- initiated the process of strengthening Defence's overall capital investment program.

In addition, the Defence leadership and I have made a determined effort to reach out to and engage Canadians in Defence issues and profile how the men and women of the Forces make a difference to Canada, to Canadians, and to peace, stability and human security throughout the world.

This is not to say that the process of change and transformation occurring within National Defence and the Canadian Forces is complete.

Despite the progress, Defence continues to face significant challenges.

Modern peace operations are more complex, dangerous and demanding. Most peacekeeping operations today are conducted in virtual war zones, like East Timor, Bosnia, and Kosovo, and involve peace "building" and peace "enforcement" more than traditional peace "keeping". In addition, the information and technological revolution is transforming how military operations are being conducted, creating a Revolution in Military Affairs (RMA). Together, these trends have significant implications for the force structure, doctrine, equipment, and training needed to prepare the Canadian Forces for the future.

The past decade has shown us all that despite the end of the Cold War, many regions of the world remain unstable and torn by ethnic, inter— and intra—state conflict. One result is that the demand for the Canadian Forces to participate in international peace operations has increased significantly.

Having said this, it is imperative that parliamentarians and Canadians recognize that there are real limits to what the Canadian Forces can sustain in terms of



operational commitments. Canada has significantly fewer Canadian Forces members today than during the Cold War. In the mid-1980s, there were 90,000 Regular Force members. Canada's 1994 White Paper authorizes 60,000. Currently, we have 58,500 members. Given this, while demand for the Canadian Forces may continue to grow in the years ahead, the Canadian Forces' ability to meet those demands is limited. As such, Canada and Canadians must carefully choose the international peace operations we are prepared to engage in. We must also carefully assess how long the Canadian Forces can commit to certain international operations.

Further, these pressures are likely to be more acute in the short term. National Defence, and particularly the Canadian Forces, are facing a significant recruitment challenge. Canada has enjoyed strong economic growth for most of the 1990s, the population is ageing, and there is growing competition in the marketplace for good people and skilled labour – a trend that is affecting other militaries, hi-tech companies, and many large private and public sector organizations. While the recruitment challenge is not surprising, it must be addressed if the Forces are to deliver on Canada's defence commitments and obligations. Failure to do so will erode the Forces ability to support operations both in the near and medium term.

There are also new defence issues to which Canada and the Government will have to respond in the months and years ahead. Protecting critical infrastructure will be one of these issues. Canada's critical infrastructure – which includes key components of the energy and utilities, communications, services, transportation, safety and government sectors – is increasingly dependent on information technology. To develop and implement a comprehensive approach to protecting Canada's critical infrastructure, the Office of Critical Infrastructure Protection and Emergency Preparedness has been created as announced by the Prime Minister earlier this year. Emergency Preparedness Canada will become part of the new Office. National Defence will be the lead department for the Federal Government and will work with other departments, like the Solicitor General, to protect Canada's critical infrastructure.

The Canadian Government remains committed to the defence of Canada and to contributing to international peace and security.

This is reflected in our defence policy which remains sound. In addition, poll after poll shows that Canadians:

- want to continue to play an active and positive role in the world;
- want Canada to continue to support the United Nations;



- support our defence relationship with the United States and Canada's membership in the North American Aerospace Defence Command (NORAD); and
- expect the Canadian Forces to protect Canadian sovereignty, provide disaster assistance in Canada, spearhead search and rescue, and support the RCMP and other departments in maintaining national security and protecting national interests.

Clearly, Canadians continue to be well-served by multi-purpose, combat-capable defence forces which are able to operate across a wide range of operations and fulfil diverse roles in Canada and abroad.

Having said this, we must respond to the defence challenges we are facing. The status quo is not an option. Decisions will have to be made as we continue to work to sustain Canada's defence commitments and military operations, and, simultaneously, make the investments needed to ensure the future operational effectiveness of the Forces.

Furthermore, contrary to some, the issue is not only about money. Since the Government has been successful in its hard fought campaign to eliminate the deficit and restore fiscal integrity, it has re-invested more than \$2.5 billion in Defence and has just recently announced another \$624 million for Defence in the Supplementary Estimates. These actions are a clear demonstration of the Government's commitment to National Defence and the Canadian Forces as it maintains its commitment to prudent fiscal management.

Defence, in turn, must identify the defence capabilities that Canada needs for the future and optimize Canada's force structure. The people, equipment, professional development and training programs that we invest in must "fit together" based on the defence capabilities that best serve Canada's national interests and public expectations.

As we work to modernize the Canadian Forces, Defence must also pace itself and focus its energy and resources on what matters most. In the short term, Defence's priorities are clear. We must:

- put people first, and continue our efforts to make National Defence and the Canadian Forces employers of choice for Canadians, in order to address our recruitment challenge and retain the people we have;
- optimize the military force structure and invest in the defence capabilities like deployability, strategic lift, and Maritime Helicopters – that Canada needs for the future;



- modernize Defence's management practices to ensure National Defence and the Forces maximize the value-for-money that Canadians receive from their defence investments:
- foster our defence relationship with the United States, work with our neighbours to protect critical North American infrastructure, and ensure the Canadian Forces can inter-operate with Canada's key international allies in NATO; and
- contribute to the achievement of broader national priorities.

In the Speech From The Throne, the Government set priorities for the country, and National Defence and the Canadian Forces have a clear role to play as a visible national institution in contributing to these priorities.

Defence has come a long way in the past four years and the road ahead remains challenging. The institution, however, has a strategy, it has established priorities, and it has some of the best men and women, military and civilian, in the country.

As they work to deliver the defence mission, sustain Canada's overseas commitments, respond to the unexpected and un-forecast, and achieve the priorities set out in this document, give them your visible support – they've earned it and, I believe, will continue to do so.

Sincerely,

Art Eggleton
Minister of National Defence



Management Representation Statement

Report on Plans and Priorities 2001–2002

I submit, for tabling in Parliament, the 2001–2002 Report on Plans and Priorities (RPP) for the Department of National Defence.

To the best of my knowledge, the information:

- Accurately portrays the Department's mandate, plans, priorities, strategies and the key results expected of the organization.
- Is consistent with Treasury Board policy and instructions and the disclosure principles contained in the Guidelines for Preparing a Report on Plans and Priorities.
- Is comprehensive and accurate.
- Is based on sound underlying departmental information and management systems.

I am satisfied as to the quality assurance processes and procedures used for the RPP's production.

The reporting structure on which this document is based has been approved by Treasury Board Ministers and is the basis for accountability for the results achieved with the resources and authorities provided.

Jim Judd Deputy Minister



Table of Contents

Minister's Message	i
Minister's Message	i
Management Representation Statement	vi
Section I – Introduction	1
Mission	1
Canada's Defence Policy	
Defence Objectives	3
Vision	4
Summary	5
Section II – Issues and Challenges	7
Operational Tempo	7
Reforming the Military Health Care System	8
Recruiting and Retention	9
Communications	11
Meeting Public Expectations for Good Management	12
The Revolution in Military Affairs (RMA)	
Asymmetric Threats and Critical Infrastructure	14
A New U.S. Administration	
Inter-operability, ESDP, and NATO	16
Modern Peace Support Operations	18
Section III – Plans and Priorities, 2001	21
Putting People First	22
Optimizing Canada's Force Structure	25
Maximizing Value-For-Money: Modern Management in Defence	26
Fostering Canada's Defence Relationships	28
Contributing to National Priorities	31
Section IV Conclusion	27



Section V – Planned Results	39
Business Line	39
Service Lines	39
Key Results Commitments and Planned Results	39
Related Activities and Goals	42
Capability Programs	46
Section VI – Financial Information	49
Maximizing Return on Investment	49
Fiscal Context	
Planned Full Time Equivalents (FTE) by Service Line	53
Spending Authorities	56
Capital Expenditure Details By Service Line	58
Capital Spending By Service Line – Equipment (\$ millions)	59
Capital Spending By Service Line – Construction (\$0.00m)	64
Status of Major Capital Equipment Projects	75
Details of Transfer Payments by Service Line	108
Peacekeeping & Humanitarian Operations Cost Estimates	110
Program Planned Spending by Service Line For Estimates Year 2001–2002	111
Listing of Statutes and Regulations	112
The Communications Security Establishment and the National Cryptologic Program	113
Reserve Force	115
Canadian Cadet Program	117
Junior Canadian Ranger Program	118
Office of Critical Infrastructure Protection and Emergency Preparedness Canada	119
National Search and Rescue Program	122
Office of the Ombudsman	126
Section VII – Other Information	128
Departmental Organization	128
Contact Information	129



SECTION I - INTRODUCTION

National Defence and the Canadian Forces make valuable contributions to the quality of life of Canadians. Defence enhances the safety and security of our communities, it contributes to peace stability and international security, and it helps project Canada's core values to the world – peace, tolerance, democracy, justice and respect for diversity and human rights.

Together, National Defence and the Canadian Forces perform core functions of government and are a unique

responsibility of the Federal Government. From monitoring and patrolling Canada's coastline and aerospace, to disaster relief, to support to other departments and agencies such as the RCMP, the Canadian Coast Guard, Fisheries and Oceans, and Immigration, they play a vital role in protecting Canadian sovereignty and enforcing Canadian law.



As one of Canada's most visible national institutions, the Canadian Forces also

play an important role in bringing Canadians together and nurturing our unique Canadian identity. They maintain a presence in more than 3,000 communities across the country with the Regular Forces and through the Reserves, Cadets, Rangers, and Junior Rangers. And, from Vimy to Suez to Bosnia, they are part of our history as a country and a shared source of national pride.

Defence also contributes to our prosperity and reputation as a nation. In an interdependent world, our well-being depends on global human security, development, and trade. As a citizen of the world, Canada must be willing and able to contribute to the creation and sharing of opportunities internationally, and to the maintenance of peace and international stability on which our prosperity depends. The Canadian Forces are one of the key instruments through which Canada makes a difference in the world.

Mission

The mission of National Defence and the Canadian Forces is to defend Canada and Canadian interests and values, while contributing to international peace and security.



Canada's Defence Policy

Canada's defence policy is articulated in the 1994 Defence White Paper, which was developed following extensive Parliamentary and public consultations in 1994 and was the first major defence policy tabled in Parliament following the end of the Cold War.

Under the White Paper, Defence is directed to maintain multi-purpose, combatcapable land, sea and air forces to defend Canada, contribute to the defence of North America, and contribute to international peace and security.

While military affairs are under-going significant transformations and changes due to new technologies, the changing nature of peace support operations, and changing international relations, the fundamental tenets or principles of Canada's defence policy remain sound. These principles are:

- as a nation-state, Canada must be able to defend its sovereignty;
- as a member of the North American community, Canada has an obligation to contribute to the defence of North America in co-operation with the United States, and a strategic, national interest in participating as a full partner in the North American Aerospace Defence Command (NORAD);
- as a member of the world community, Canada has an obligation to contribute to international peace and security through organizations like the United

Nations and the North Atlantic Treaty Organization (NATO); and

 while the threat of a major war is minimal with the end of the Cold War, the international system remains unstable and unpredictable and many regions of the world remain torn by ethnic, inter and intra–state conflict, and thus, it remains in Canada's strategic interests to maintain combat-capable forces able to



participate in military operations in a war-fighting capacity when and if necessary to do so – as demonstrated during the Gulf War in 1991 and Kosovo in 1999.

Canadians clearly support these basic tenets. As Defence's last annual baseline survey shows:

 92% of Canadians agree that it is important for Canada to maintain a modern, combat-capable military;



- 88% support the use of force to support peace operations;
- 88% support Canada's continued participation in NORAD;
- 87% support the Canadian Forces role in protecting Canadian sovereignty;
 and
- 85% have a favourable attitude toward NATO.

In short, while there can be no question that National Defence and the Canadian Forces are facing significant challenges in adapting to social, technological and military change, the key principles of the 1994 Defence White Paper remain sound and are supported by Canadians.

Defence Objectives

In implementing Canada's defence policy, the Department of National Defence and the Canadian Forces translate the policy direction provided by the White Paper into defence objectives. These defence objectives articulate key functions which the Department and the Forces must be able to perform to support the Government of Canada and help to align policy direction with resources and with specific tasks.

The defence objectives are:

- provide strategic defence and security advice and information to the Government.
- conduct surveillance and control of Canada's territory, aerospace and maritime areas of jurisdiction.
- respond to requests for Aid of the Civil Power.



- participate in bilateral and multilateral operations.
- assist Other Government Departments and other levels of Government in achieving national goals.
- provide support to broad Government programs.
- provide emergency and humanitarian relief.



 maximize defence capabilities through the efficient and effective use of resources.

Vision

In addition to delivering on Canada's defence policy and performing these core defence objectives, Defence must be able to plan for the future based on a clear vision for the Canadian Forces.

Defence's current vision is articulated in *Shaping the Future of Canadian Defence: Strategy 2020* – a broad framework for long-term defence planning that articulates how best to meet Canada's current defence policy commitments and defence objectives, while adjusting to emerging defence issues.

As part of this vision Defence must:

- enhance strategic decision-making and create an adaptive, innovative and relevant path for the Forces for the future;
- develop and sustain a leadership climate that encourages initiative, decisiveness and trust while improving its leaders' abilities to lead and manage effectively;
- field a viable and affordable force structure trained and equipped to generate advanced combat capabilities that target leading edge doctrine and technologies;
- enhance the combat preparedness, global deployability and sustainability of the Canadian Forces maritime, land and air forces;
- strengthen its military relationships with Canada's principal allies, particularly the United States, by ensuring inter-operable military forces, doctrine, and C⁴I (command, control, communications, computers, and intelligence);



- position itself as a rewarding, flexible and progressive workplace that builds professional teams of innovative and highly skilled men and women dedicated to accomplishing the Defence mission;
- establish clear, strategic partnerships to better position Defence to achieve national objectives; and



 adopt a comprehensive approach to planning, management and comptrollership, focused on operational requirements, that prepares Defence to respond rapidly and effectively to change.

Summary

Canada's defence policy, defence objectives, strategy and vision are all linked. Together, they provide defence planners, leaders, managers and commanding officers with the guidance and strategic direction needed to establish the operational tasks required to meet and sustain current defence commitments and obligations, and evaluate the implications of emerging defence issues and challenges for Defence and the Canadian Forces.

Before discussing Defence's priorities, however, it is important to understand the issues and challenges facing Defence and their implications for defence planning.





SECTION II – ISSUES AND CHALLENGES

There can be no question that over the past few years, the Department of National Defence and the Canadian Forces have made significant progress in building a stronger foundation for Canada's armed forces.

Through leadership, institutional reform, and the financial support of the Government, Defence has moved forward to improve pay and quality of life for Canadian Forces members and their families, enhance the fairness of the military justice system, and to increase openness and transparency. Investments have also been made to modernize the Canadian Forces, including the Clothe the Soldier Project, the acquisition of the LAV III armoured vehicle, Canada's new Victoria Class submarines, and the Maritime Helicopter Project.



Despite the progress, however, Defence continues to face significant challenges.

Operational Tempo

Since 1989, the Regular Force has been cut from 87,000 to 60,000 personnel and the civilian workforce has been cut from 33,400 to 20,000.



At the same time, the men and women of National Defence and the Canadian Forces have been asked to do more than at any time since the Korean War.

The Canadian Forces has sustained its highest operational tempo in years. Between 1948 and 1989, the Canadian Forces deployed on 25 operations. Since 1989, personnel have been deployed 65 times – a

260% increase. From the Saguenay and Red River floods in 1995 and 1997, to the Ice Storm of 1999, to Haiti, Bosnia, East Timor, Kosovo, and the Year 2000 roll-over, the high operational tempo and demands on the Canadian Forces have been continuous.

¹ The 1994 Defence White Paper establishes CF Regular Force strength at 60,000. Current force levels are 58,500. See Recruiting and Retention for more information.



A recent NATO analysis of national contributions to peacekeeping, for example, found that the Canadian Army has provided the largest *relative* commitment of resources to the Bosnia and Kosovo missions (SFOR and KFOR, respectively). To support SFOR and KFOR, Canada has deployed 10.3% of its Army, compared to 5.9% for Britain and 2.5% for the United States.

While the Government's decision to rationalize and reduce Canada's military commitments in the Balkans has definitely helped to ease the pressure caused



by this tempo, the collective impact of sustaining a high tempo remains. Many do not realize, for example, that to sustain most peace support operations, at least four Canadian Forces members must be committed for every CF member deployed. This is known as the sustainment ratio, and it is required to ensure Forces members have the time to train for their mission, serve abroad, and receive leave and professional development upon their return home. At present, the Canadian Forces have

approximately 3,000 members deployed on 18 missions around the world (a reduced tempo). Using a 4:1 sustainment ratio, this still represents a commitment of 15,000 troops over a 30-month period.

In addition to this operational tempo, there has been a simultaneous increase in the non-operational workload carried by the Department and Forces at home. While priority is given to operations, Defence has had to simultaneously deliver on more than 300 institutional reforms, Quality of Life initiatives, and a multitude of small and large capital equipment projects required to help modernize the Forces.

Reforming the Military Health Care System

The Canada Health Act specifically excludes Canadian Forces members from provincial health care insurance plans. Consequently, the Canadian Forces are responsible for ensuring that medical and dental services are provided to full-time Canadian Forces personnel.

Canadian Forces medical services, however, are under significant stress:



 three military hospitals have been closed since 1989 as part of the Forces overall downsizing efforts;



- the operational tempo has increased demands on medical services and medical services professionals within the Forces;
- despite implementation of the Medical and Dental Officer Retention Plan and Recruitment Allowance, the attrition rate for CF medical officers now stands at 80%, a rate that is much higher than that experienced by most comparable militaries; and
- within the Canadian Forces, medical services and medical service delivery is very fragmented.

In addition, several high profile issues and cases have served to further undermine the confidence of CF members in their health care system. Concerns regarding the impact of the use of depleted uranium (DU) in the Balkans on the health of CF members who served there offers a good case in point. DU is a substance used in the tips of anti-tank missiles. Recently, concerns about DU flared in Europe with reports that soldiers from several NATO countries have developed leukaemia following postings to the Balkans. Although there is no scientific evidence that has categorically linked DU exposure to cancer, the very presence of controversy in national and international media has served to reinforce concerns among CF members regarding the dangers of modern operations and the reliability and quality of their health care system.



Against this backdrop, it is vital for Defence to renew CF health services and to rebuild members' confidence in their health care system by implementing the military health care reforms launched by the Minister of National Defence (MND) and the Chief of the Defence Staff (CDS) in January 2000 under the "Rx2000" initiative.

Recruiting and Retention

Defence, particularly the Canadian Forces, is also facing a growing recruitment challenge. As noted above, while the Canadian Forces is authorized under the 1994 White Paper to have 60,000 Regular Force members, it currently employs 58,500. This includes Regular Force personnel plus reservists employed full-time in vacant Regular Force positions. The shortfall reflects both attrition and a shortage in new recruits signed over the past 18 months.

The emerging trend is not and should not be surprising. The Canadian economy has benefited from unprecedented growth, the unemployment rate has fallen, and the competition for younger, skilled labour has and continues to increase



significantly. Indeed, recruitment is a growing problem for many militaries, as well as for most large private and public organizations.

At the same time, the population is ageing. As a result, attrition rates are increasing, while the pool of young Canadians available to fill jobs is shrinking. Put differently, although the number of youth entering the job market over the



next ten years is projected to grow marginally, the rate of attrition and retirement is expected to increase significantly. The net result is that the competition for human resources among both private and public sector organizations will increase dramatically in the years ahead.

Just as importantly, the values and expectations of young Canadians towards employment are also changing. While "baby boomers" were more likely to seek

security, stability and life-time employment in choosing their careers, young Canadians today tend to be more interested in flexibility, learning opportunities, and job mobility, and are also more likely to move between jobs for more pay or better skills development opportunities. This is significant, particularly for the Canadian Forces and Department, which must be prepared to be as flexible as possible in the future in aligning career opportunities and terms of service to the expectations of Canada's youth.

Canada is also becoming more diverse, with more and more women, Aboriginal peoples and visible minorities joining the workforce. And, while Defence and the Forces reflect the country in terms of Canada's regional diversity and bilingualism, more must be done to ensure Defence reflects the population it serves. Defence and the Forces must do more to capitalize on Canada's cultural diversity.

Finally, Defence must do what it can to retain its people. Close to 50% of people who leave the Forces cite conditions of service as their primary reason for leaving. The terms of service for Forces members must be modernized, without jeopardizing operational requirements.





The implications of failing to address the recruiting and retention challenge for Defence and the Canadian Forces are serious. If Defence fails to meet the challenge, declining Force and personnel levels will erode Defence's ability to sustain operations and deliver on Canada's defence commitments.

Communications

Defence has made significant progress in its efforts to increase openness and transparency, strengthen communications with Canadians and Parliamentarians, and better engage Canadians in defence issues. Over the past few years, for example, Defence has:

- introduced one of the most progressive public affairs policies in the federal government;
- revamped its Internet site, creating D-Net a web site that currently averages
 8 million hits per month;
- enhanced its public affairs imagery program to make better use of video and digital images to showcase and profile CF operations and the contributions of CF members to Canadians;
- revamped its public information materials and major reports to Parliament;
 and
- developed a Parliamentary Outreach program to provide Parliamentarians with more and better opportunities to visit and learn more about Canadian Forces Bases, Wings, training, and operations.

Some progress has also been made to improve internal communications. Defence, for example, has introduced an internal national newspaper – *The Maple Leaf* – which is produced and distributed weekly to Defence employees and Canadian Forces members across Canada and worldwide. Bases and Wings also run local newspapers. Information is continuously provided to CF members through the Chain of Command. In



addition, the institution actively uses Intranet technologies and other techniques to facilitate the internal sharing and distribution of defence related news and information within the organization.



Despite this, however, more needs to be done. Effective internal communications remains a vital component of any well-led and well-managed organization. Admittedly, Defence has undergone and continues to deal with major change, which makes internal communications more difficult. Change, however, also makes internal communications more important. Change needs to be explained and understood to be properly implemented. Too often, however, internal communications has been a secondary priority.

Meeting Public Expectations for Good Management

Defence's annual baseline survey shows that National Defence and the Canadian Forces have performed extremely well over the past few years. The fall 2000 baseline survey, for example, shows that:

- 93% of Canadians agree that the Canadian Forces are an important national institution;
- 88% of Canadians think CF members are doing a good job;



- 83% believe that the Canadian Forces is a source of pride; and
- 80% agree the Forces are well-trained.

Unfortunately, the survey also reveals areas where improvements can be made:

- only 61% agree that the CF leadership is doing a good job; and
- only 37% agree that Defence spends its budget wisely (31% disagree; 32% had no opinion).

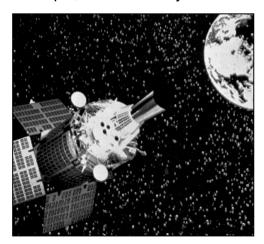
Against this backdrop, public opinion survey data clearly show that over the past decade, Canadian taxpayers have become more critical of government in general, and more demanding of government in terms of its ability to demonstrate that tax dollars are being managed efficiently and effectively.

Taken together, the data and trends suggest that the Defence leadership needs to demonstrate to Canadians and Parliament that resource stewardship and management is a priority, that it is managing the resources it controls wisely, and, lastly, that it is working hard to improve the efficiency and effectiveness of its management practices.



The Revolution in Military Affairs (RMA)

A Revolution in Military Affairs (RMA) is a major change in the nature of warfare brought about by the innovative application of new technologies which, combined with dramatic changes in military doctrine and operational and organizational concepts, fundamentally alters the character of military operations.



Today's RMA is being powered by the same technologies that are transforming global commerce. From the information highway, to satellite communications, to the ongoing growth in computing power, the information revolution is transforming the nature of modern military operations. The implications of the RMA for Canada and Canadian defence are enormous.

On one hand, today's RMA represents an opportunity for Defence to support the Government's efforts – as articulated in the

recent Speech From The Throne – to brand Canada as one of the most innovative nations in the world by encouraging innovation and research and development. Defence Research and Development Canada (DRDC) – part of National Defence – is one of the federal government's leading contributors to research and development in Canada and can play a vital role in leveraging its work in partnership with the private sector to nurture Canadian innovation.

On the other hand, the RMA presents Defence with some very real challenges. Defence cannot afford the luxury of dedicating resources across the full spectrum of military capabilities. At the same time, it must ensure that it remains interoperable with its principal allies as they move forward with RMA investments. As a result, Defence will have to choose wisely when selecting RMA technologies and capabilities.

The future effectiveness of the Canadian Forces, and its ability to operate in coalitions of like-minded nations, will depend on these choices.



Asymmetric Threats and Critical Infrastructure



Another key set of issues that Canada and Defence must address in the years ahead involves the growth in what are called asymmetric threats. Asymmetric threats are the potential threats posed to Canadians, Canadian Forces members on operations, and Canadian interests or infrastructure, by non-state actors such as terrorists, organized crime or, in the case of some Internet hackers, vandals.

As the Canadian economy becomes more reliant on communications networks and the information highway, and the potential for weapons proliferation grows among non-state actors, so does the potential threat to Canadian interests posed by these asymmetric threats.

This is particularly true in the area of critical infrastructure. Canada's critical infrastructure includes key components of the energy and utilities,

communications, services, transportation, safety and government sectors, all of which are increasingly dependent on information technology. In the years ahead, our prosperity as a nation will be intricately linked to our ability to enhance our critical infrastructure, and protect it. As the Prime Minister noted recently, "the protection of Canada's critical infrastructure from the risks of failure or disruption is essential to assuring the health, safety, security and economic well-being of Canadians".

To help assure our ability to protect Canada's critical infrastructure, the Prime Minister announced the creation of the Office of Critical Infrastructure Protection and Emergency Preparedness on 5 February 2001. Under the leadership of the Minister of National Defence, the new office will work collaboratively with the Solicitor



General of Canada, other government departments, the provinces, territories, and municipalities, the private sector and other countries, to provide national leadership on critical infrastructure protection.



A New U.S. Administration

One of the most important sets of issues for Canada and Canadian defence in the next few years follows from the election of President George W. Bush and the appointment of a new United States administration.

The U.S. is the world's only remaining superpower. Its military and economic predominance will likely remain unchallenged in the foreseeable future. While few defence analysts believe a major war is likely to occur in the immediate or near future, many regional sources of conflict around the world remain. In this context, while the degree of U.S. involvement in international peace operations may vary, the U.S. can be expected to play a major role in any major coalition operation in the years ahead.



Canada and the United States are also the closest of military allies. There are over 80 treaty-level defence agreements between the two countries, 250 memoranda of understanding, and numerous military exchanges between the two countries on an annual basis. In addition to being NATO partners, the two

countries work together to protect continental aerospace through NORAD, conduct numerous training exercises together, and cooperate on defence research and development.

Over the past year, Canada and the U.S. have extended the NORAD agreement, and negotiated an agreement to strengthen national regulatory and legislative measures to strengthen defence trade controls in both countries. Under the agreement, announced in June 2000, the U.S. agreed to revise its regulations and reinstate most of Canada's pre-April 1999 exemptions allowing for the license-free transfer of most U.S. origin unclassified defence goods and technology to Canadians. Canada's exemptions had been curtailed by the U.S. in 1999 under the International Traffic in Arms Regulations (ITAR) in response to U.S. concerns regarding the illegal re-transfer of controlled goods and technology from North America, and had negatively affected the competitiveness of Canada's defence, aerospace and satellite sectors.

Canada, in turn, agreed to harmonize its Export Control List with the U.S. Munitions List (USML), strengthen controls on USML items, and introduce new, tougher penalties for violations. Both countries also agreed to meet at least annually to review their export control systems, actively explore opportunities for expanding the list of defence goods and technology subject to ITAR, and facilitate cooperation in research, development, and production of defence goods and technology.



The ITAR issue and resulting new agreement demonstrate how inter-linked Canada-U.S. defence relations have become. In this instance, U.S. concerns about its security had an impact on Canada's economic interests. Clearly, in the



future, it will continue to be important for both countries to be sensitive to each other's concerns, while working together to address and resolve issues.

While the new U.S. administration has indicated that it plans to proceed with the development and deployment of a National Missile Defence system, no firm decision has yet been taken, and Canada has not been asked to participate in the system. However, Canadian political,

civilian and military officials are participating in discussions with the U.S. on the implications of the proposed NMD system on international and Canada-U.S. defence relations.

Inter-operability, ESDP, and NATO

Another key set of issues involves the growing importance of inter-operability as a pre-condition to coalition operations, the European Security Defence Policy (ESDP), and the future of NATO.

Inter-operability is a military term that deals with the ability of coalition forces to work together on military operations toward common objectives. When coalition forces are inter-operable, the technology, training, doctrine and procedures they use are sufficiently coordinated that they can function together seamlessly. With the RMA, the inter-operability challenge has increased significantly, as new technologies are producing parallel and related changes to the organization, structure, doctrine, and training of military organizations.



In looking to the future, it is imperative that the Canadian Forces remain interoperable with Canada's key allies. The rationale is straightforward – as a middle power, it is unlikely that Canada would engage in support of peace operations unilaterally. As a result, to make a meaningful contribution, Canada must be able to inter-operate with potential coalition partners, most notably those in NATO.

Against this backdrop, the ESDP is a key development. Under the ESDP, the European Union (EU) has announced its intention to develop a new military structure outside of NATO, based on a European rapid reaction force of up to 60,000 troops. As currently proposed, the new structure and rapid reaction



capability would enhance the EU's ability to deal with European defence and security issues, such as those related to supporting peace in the Balkans.

Canada has traditionally supported a stronger European role, both within NATO and within Europe. Nevertheless, the ESDP raises important issues for Canada and for NATO, including:

- the potential duplication of capabilities and structures between NATO and the EU;
- EU access to NATO assets and capabilities; and
- the role and participation of non-EU allies, such as Canada, in EU-led peace operations.

While there are unanswered questions and significant issues in each of these areas, the most important is the need to ensure that Canada can participate in and influence decisions that affect the deployment of the Canadian Forces. If an

EU-led operation escalated or prompted an attack on an EU country in the future, for example, Canada could be drawn into the conflict automatically under the terms of the NATO treaty.²

In short, while the ESDP appears to be a logical next step for European integration, it also raises the possibility of two major Western defence organizations and the possible weakening of the NATO alliance. As Art



Eggleton, the Minister of National Defence, recently stated at the February 2001 Munich Conference on Transatlantic Relations, "to be excluded from (ESDP) strategic planning would be politically unacceptable to Canada". At the same time, the Minister has clearly argued in favour of a joint NATO-EU planning mechanism, noting that, "a single defence planning process is the key to an effective, transparent, and mutually supportive relationship ... it makes sense that we – NATO and EU members alike – try to increase flexibility and interoperability among our armed forces".

² The NATO treaty states that an attack against one member is an attack against all members, and obligates all members to come to the defence of the attacked.



Modern Peace Support Operations

Peacekeeping has been a core task of the Canadian Forces since former Prime Minister Lester B. Pearson helped to create the first United Nations peacekeeping force in 1956 to respond to the Suez Crisis.

As the Government indicated in the 2001 Speech From the Throne, it is clearly committed to continuing Canada's proud record of peacekeeping. Canadians have also



made it clear that they want Canada to play an active and positive role in the world and that they want the Canadian Forces to be able to promote and protect Canadian values and interests abroad.

Peacekeeping, however, has changed significantly since its inception. Intra-state conflicts have become increasingly more common. Human security issues and the desire to protect and promote basic human rights have gained prominence. As we have seen in Bosnia, Kosovo and East Timor, "classical" peacekeeping operations – often characterized by the United Nations missions in Suez and Cyprus – no longer reflect the type of missions that have become prominent since the end of the Cold War. In many ways, the term "peacekeeping" no longer applies to many peace support operations, which often involve "peace building" and "peace enforcement".

In fact, when deployed on operations today, Canadian Forces members often find themselves in virtual war zones, facing multiple and well-armed adversaries,



ill-defined lines of demarcation, uneasy or non-existant cease-fires, and un-predictable operational environments. In addition, during operations, Canadian Forces leaders at all levels find themselves at the centre of a large network of players involved in conducting enforcement operations, maintaining peace, supporting law and order, and providing emergency relief and humanitarian aid.

Another consideration is that, over the past few years, the Canadian Forces have been called upon to provide peace support simultaneously across different missions. At present, for example, there are 3,000 Canadian Forces members deployed on 18 operations world-wide. This has increased pressure on selective military trades in high demand, such as combat engineers, medical officers, and electronic communications specialists.



Collectively, these developments are making modern peace support operations more complex, demanding and dangerous, and have profound implications for Canada and the Canadian Forces. Further, the conditions that have generated these pressures – regional instability, intra-state and ethnic conflict, the rise of human security and human rights on the international agenda – show no signs of abating. The demand for peace support and humanitarian assistance in multiple theatres is expected to continue, if not deepen, as social, political, economic, demographic, and environmental pressures increase in many parts of the world over the next decade.

If Canada is to continue to play an active role in contributing to international peace and security, given these conditions and pressures, the Canadian Forces

must be able to respond to crises rapidly, deploy globally, and operate across the full spectrum of conflict – from traditional peacekeeping, to peace building, to peace enforcement and war-fighting.

To this end, Defence must strengthen the Canadian Forces' rapid reaction and deployment capabilities on a priority basis. Despite positive developments³, more must be done as the Canadian Forces



lacks the depth of capability required in these areas to meet demands, military requirements, and public expectations. At the same time, Defence must work to optimize its force structure, strengthen the Forces' ability to support operations in multiple theatres, and reduce pressure on military trades most in demand.

³ Defence has moved forward with the creation of the Joint Force Headquarters in Kingston. The Disaster Assistance Response Team (DART) has performed admirably – providing disaster relief in Honduras in 1998 and Turkey in 1999. And, Canada is contributing to the multinational Stand-By High Readiness Brigade (SHIRBRIG) – currently deployed with the UN mission in Ethiopia and Eritrea and a key part of the UN's efforts to strengthen its rapid reaction capabilities.





SECTION III – PLANS AND PRIORITIES, 2001

If Defence is to successfully address the issues and challenges it is facing — from tempo and workload pressures, to the recruiting challenge, to how best to respond to the RMA and the changing nature of peace support operations — it must be selective in what it does. Tough decisions are needed, including decisions on what Defence can afford not to do in the short term, and what capabilities to invest in over the longer term.



The Defence leadership must set an achievable pace for its people, based on clear priorities that balance the demands of delivering on Canada's defence commitments with the need to transform and prepare the Canadian Forces for the future. To this end, Defence must continue to focus its time, energy and investments on what matters most, maximize efficiencies wherever possible, and reduce capabilities in some areas in

order to re-invest in others. Above all, it must turn inward to some extent and increase its efforts to nurture its human resources to position Defence as a career of choice.

To start this process, the defence leadership has deliberately set fewer priority areas for 2001 than in recent years, and has identified specific areas of focus for major initiatives. Within this context, the priorities for the 2001–2004 planning period are:

- Putting People First;
- Optimizing Canada's Force Structure;
- Maximizing Value-for Money; Modern Management in Defence;
- Fostering Canada's Defence Relationships; and
- Contributing to National Priorities.



Putting People First

Defence must put the human resource needs of the institution – military and civilian alike – first. Put simply, it must continue its efforts to create a more positive, nurturing career environment that builds skills, offers unique opportunities, and is attractive to existing personnel and potential new recruits.

To do this in practice, Defence needs to enhance its recruiting and retention efforts, deliver on the Rx2000 CF Health Services Reform initiatives, modernize its leadership development and human resource management practices, reach out to potential recruits across Canada and encourage employment equity and diversity, and improve internal communications. Defence must also see through implementation of the



CF Quality of Life recommendations put forward by the Standing Committee on National Defence and Veterans Affairs (SCONDVA).

Against this backdrop, Defence will move forward on the following human resource priorities in fiscal year 2001–02.

To enhance its recruiting efforts, Defence will:

- streamline the recruit application process to reduce recruit paperwork and application processing delays, while maintaining standards;
- introduce a new recruit advertising campaign based on modern advertising and "branding" practices, and update related Defence public relations materials as appropriate;
- target advertising to support specific recruiting needs, including the Reserves, medical officers and other selective trades under pressure;
- put in place the organizational adjustments and mechanisms to train increased recruits over the next few years, as required; and
- integrate employment equity and diversity objectives into Defence's long-term recruit advertising strategy.



To deliver on the Rx2000 CF Health Services Reform initiatives, Defence will:



- complete the re-organization of Canadian Forces Health Services, including bringing the Medical Reserve under the command of the new Director General Health Services;
- modernize CF medical policies;
- establish a national standard for military health care services across Canada;
- establish standards for medical care for deployed CF members comparable with the care received by the majority of Canadians;
- re-organize medical material management to create a more cost-effective, efficient, and operationally ready system of managing medical supplies and equipment;
- develop and implement a national program aimed at preventing injury and illness, and protecting the health of CF members; and
- promote the recruitment and retention of clinically experienced, fully deployable health services personnel.

To modernize its leadership development and human resource management practices and to begin the process of transforming itself into a full learning organization, Defence will:

- begin implementation of Officership Professional Development 2020, the Canadian Forces' new blueprint for building on and institutionalizing reforms to enhance leadership and professional development of both the Regular and Reserve Force officer corps;
- continue to move towards competencybased management of Defence's civilian human resources by systematizing job

competencies, performing capacity checks identifying skill gaps, and linking recruiting, learning, and professional development strategies to identified needs, and by developing performance agreements for senior military and civilian officials;



- continue with the Terms of Service Review and Reserve Force Employment Policy Projects to identify ways to enhance the flexibility of military careers and align related policies as required; and
- complete development of the Non-Commissioned Member Professional Development strategy (NCM PD 2020) to guide future NCM training, education and professional development.

To reach out to potential recruits across Canada and encourage employment equity and diversity, Defence will:

- continue to support the Defence Advisory Groups for Women, Aboriginal Peoples, Visible Minorities and Person with Disabilities that have been established to provide advice and support to the Department and the Forces on identifying and removing barriers to employment equity objectives;
- further develop the Department's Employment Equity Plan, which targets recruitment, representation, retention and promotion of employment equity groups;
- conduct a human rights and official languages review to identify issue-areas where action is required to better align human resource management practices with human rights and official languages legislation; and



 integrate employment equity and diversity objectives into Defence's long-term recruit advertising strategy.

To improve internal communications, Defence will:

 conduct and complete a review of internal communications in order to identify ways and means to better align internal communications resources and practices in support of corporate priorities and objectives.

In addition, Defence will:

 see through implementation of the CF Quality of Life recommendations put forward by the Standing Committee on National Defence and Veterans Affairs (SCONDVA).



Optimizing Canada's Force Structure

Defence must continue to modernize the Canadian Forces' overall force structure and focus its time, energy and resources in the capabilities most relevant for the future. This includes working to optimize Canada's military force structure and strengthening the Canadian Forces' ability to sustain operations, increasing capital investment, and proceeding with ongoing and announced procurement projects.



Against this backdrop, Defence's specific force structure modernization priorities for fiscal year 2001–02 are as follows:

- develop options to enhance deployability, including strategic lift;
- continue to transform the Joint Force Headquarters into a deployable C⁴I (command, control, communications, computers and intelligence) organization;
- further develop C²ISR (command, control, intelligence, surveillance and reconnaissance) capabilities;
- continue to lay the groundwork required to design the future force structure of the "Army of Tomorrow", emphasizing medium weight, mechanized forces;
- conduct a military occupational structure analysis, redesign and tailoring project (MOSART), to assess occupational policy and groupings, confirm core personnel requirements, maximize career flexibilities, and better align occupational standards with future force structure requirements; and
- implement the first phase of the Land Force Reserve Restructuring Strategic Plan, as announced by the Minister of National Defence on 6 October 2000.



In addition, Defence will proceed with its ongoing procurement projects and priorities, including:

- the Maritime Helicopter Project;
- the 2001–02 delivery of the new Cormorant Search and Rescue Helicopters;
- the 2001–02 delivery of Canada's four new Victoria Class submarines from Britain, the first of which has been received;
- CF-18 fighter aircraft modernization;
- the Aurora long range patrol aircraft modernization;
- the protected military satellite communications project; and
- the Light Utility Vehicle Wheeled (LUVW) project.

Maximizing Value-For-Money: Modern Management in Defence

Like all public institutions, Defence has a responsibility to meet the highest standards when managing and administering public funds. Defence and the



Canadian Forces exist as a direct result of the support and confidence they have from taxpayers. It is for this reason that Defence clearly identifies effective resource stewardship as a vital strategic objective for the institution.

To achieve its objective of adopting a comprehensive approach to planning, management and comptrollership, and to continue to modernize Defence's

management practices, the defence leadership has launched the Defence Modern Management initiative.

Modern Management in Defence builds on several existing initiatives and the Government of Canada's broader efforts to modernize management within the federal public service. It is based on a simple premise: good management flows from good decision-making, which follows from integrated systems that bring





together an organization's people, information, accountabilities, and values in a coherent, organized manner.

Defence's modern management efforts are divided into four main areas of activity: modern comptrollership, information management, corporate management, and human resource management.⁴ Defence has developed strategies in each of these areas and will move forward in 2001–02, as follows.

To improve corporate management, Defence will move forward with implementation of the Integrated Defence Management Framework and:

- move from "threat-based" to "capability-based" defence planning in order to contribute to Defence's ongoing efforts to identify the future capabilities most relevant to the future structure of the Canadian Forces;
- further simplify and streamline business planning, and integrate priority setting and defence planning guidance processes;
- implement a new planning, reporting, and accountability structure for reporting to Parliament in 2002–03; and
- continue to refine its performance measurement indicators and measures.

To implement its information management strategy, Defence will:

- implement a corporate information management investment framework;
- implement information management enablers to support integrated resource management;
- initiate implementation of an integrated data-management capability;
- initiate implementation of Electronic Service Delivery in partnership with other government departments, military allies and other Defence stakeholders; and
- continue development of a secure and adaptive Integrated Defence Enterprise Architecture (IDEA).

⁴ Note that while Defence's human resource management initiatives form a key element of the modern management initiative, Defence's human resource management priorities have been articulated in Section III, part 1, under "Putting People First".



To implement modern comptrollership, Defence will:

- revitalize comptroller roles and responsibilities, training, and professional development based on a clear departmental standard; and
- continue implementation of the Government's Financial Information Strategy (FIS) to better link financial and operational information, and lay the groundwork – including training approximately 8,000 people – for the transition to accrual accounting.

In addition to these initiatives, Defence will move forward in 2001-02 to:

- continue to implement reforms to the procurement process with a view to reducing the acquisition cycle for approved projects;
- strengthen its capital equipment program⁵; and
- continue development of a Realty Asset Strategic Plan with a view to improving Defence's long term infrastructure maintenance costs⁶.

Fostering Canada's Defence Relationships

To successfully achieve its objectives of ensuring that the Canadian Forces remain inter-operable with Canada's principal military allies and able to contribute to coalition operations, Defence must:

- continue to foster transatlantic cooperation and support military cooperation within NATO;
- strengthen its defence relationship with U.S. Forces; and
- work to identify leading-edge RMA technologies and doctrine which advance both the inter-operability of the future Canadian Forces, and capitalize on and nurture Canadian innovation and technological expertise in areas such as

⁵ As the Auditor General has noted, significant portions of the Canadian Forces equipment inventory are ageing rapidly. Without increased investment, the Canadian Forces face eventual "rust out". ⁶ More than 44% of Defence's realty assets are now over 40 years old. Like the capital program, however,

Defence has been unable to devote sufficient funds to adequately maintain this infrastructure in the longer term. As a result, a growing portion is ageing beyond its useful economic life. Roughly 50% of the Defence infrastructure will be unusable within 10 years unless maintenance is improved. The cost of addressing this maintenance backlog is estimated at approximately 500 million dollars.



space, satellite communications, remote sensing, telecommunications, and information management.

Within this broader context, there are specific reasons for National Defence and the Canadian Forces to focus on the need to strengthen Canada's defence relationship with the United States:

- the U.S. is the world's only superpower and will remain so for the foreseeable future;
- the U.S. is leading the RMA, and thus, by remaining inter-operable with U.S. Forces, Canada will remain inter-operable with any major, future coalition force led by the U.S.; and
- Canada and the U.S. share defence of the continent through NORAD, as well as a wide range of related defence and security concerns that require enhanced cooperation, particularly with respect to defence against asymmetric threats and the protection of critical North American infrastructure.

At the same time, Defence can and should continue to play a positive role in NATO, and use the research and development it conducts on RMA technologies to support the Government's broader efforts to make Canada one of the most innovative countries in the world.

To pursue these objectives, Defence will advance the following priorities and initiatives in 2001–02.

To strengthen Canada-U.S. defence relations Defence will:

 move forward, as noted above, with the Canadian Military Satellite Communications Project to strengthen C⁴I available to deployed Canadian Forces personnel, and continue work on space cooperation through the Canada-U.S. Space Cooperation Working Group;



 expand Outreach's efforts to promote understanding of Canada-U.S. defence issues by doing the following: arrange for Canadian opinion leaders to view joint Canada-U.S. training exercises and military facilities (e.g., NORAD); and initiate a proactive strategy targeting Canadian and American media to encourage discussion of Canada-U.S. defence issues;



- work to develop and integrate inter-operability benchmarks into the design and implementation of the "Army of Tomorrow";
- work with the U.S. to identify areas of cooperation to defend against asymmetric threats and protect critical North American infrastructure;
- continue to participate in discussions and consultations with the U.S.
 regarding the new U.S. administration's stated intent to develop and deploy a
 National Missile Defence system, and its implications for international arms
 control, Canada-U.S. defence relations, the future of NORAD and other
 defence arrangements; and
- continue to participate in joint Canada-U.S. exercises, while developing a comprehensive program by 2002–03 to develop and adopt new doctrine and equipment, and expand joint and combined Canada-U.S. exercises and training.

To nurture transatlantic cooperation and support military cooperation within NATO, Defence will:

- continue to support efforts to enhance NATO inter-operability through participation in the NATO Defence Capabilities Initiative; and
- push for the establishment of a joint NATO-EU defence planning mechanism to foster an effective, transparent, and mutually supportive relationship between NATO and the evolving ESDP, and to ensure Canadian access to decision-



making by the EU on matters affecting Canadian NATO assets.

To identify leading-edge RMA technologies and doctrine which advance the inter-operability of the Canadian Forces and support the Government's broader efforts to encourage innovation, research and development in Canada, Defence will:

- establish a Concept, Development and Experimentation Centre to accelerate
 the introduction of new capabilities into the Canadian Forces, and, as part of
 this effort, link the Centre to U.S. battle labs to facilitate mutual learning and
 doctrine development;
- explore opportunities to partner with Canadian industry, the U.S. and others to field new technologies under the Technology Demonstration Program; and



 increase the Defence's science and technology capacity, while continuing to lay the foundation required to support the DRDC's efforts to fully implement its Technology Investment Strategy by 2004.

Contributing to National Priorities

In moving forward to address its unique challenges, National Defence and the Canadian Forces also have an important role to play in contributing to the achievement of broader national priorities. Indeed, as one of Canada's most



visible and respected national institutions, the Forces are an important part of our national identity. Members of the Canadian Forces help to remind us everyday – through their activities, national presence, and international missions and operations – of the shared values and talents that make us Canadian.

In the Speech From The Throne, the Government clearly articulated its priorities for the years ahead: to create opportunity for all; to foster research and development; to foster skills and learning; to connect Canadians to the digital economy; to support children and families; to protect Canada's environment; to promote safer communities; to nurture a vibrant Canadian culture; and to create and share opportunity globally.

In 2001 and beyond, National Defence and the Canadian Forces will continue to make valuable contributions to most, if not all, of these national priorities.

Creating and Sharing Opportunity Globally

Canadian Forces personnel are currently deployed on 19 missions around the world and will continue to make Canadians proud of their peacekeeping and peace support efforts.

Defence will also continue to work with Canada's international partners to support international peace and security, and the development of the United Nations rapid reaction initiatives.



Research and Development

Unbeknownst to many, Defence makes vital contributions to the Government's efforts to foster research and development in Canada and to help brand the country as the most innovative in the world.

Defence recently created a new science and technology agency, Defence Research and Development Canada (DRDC), to support the research and development needs of the Canadian Forces.



DRDC is playing a critical role:

- assessing the implications of new RMA technologies for the Canadian Forces;
- establishing the new Canadian Forces Experimentation Centre;
- establishing partnerships with other research stakeholders, such as universities and private sector partners, to collaborate on joint ventures, leverage R&D investments, encourage innovation, and enhance Canada's technical knowledge infrastructure; and
- cooperating with other nations in a variety of bi-lateral and multi-lateral agreements to provide the Department of National Defence and the Canadian Forces with global access to advanced defence technology, information and expertise, and to facilitate inter-operability with our allies.

After extensive consultation, DRDC also recently published a comprehensive Technology Investment Strategy (2000) which identifies critical technology areas that need to be created or nurtured to support Defence's ability to capitalize on the RMA. The strategy will help advance critical technologies in collaboration with the Canadian private sector, and will likely generate economic benefits for Canada through foreign sales.



Promoting Safer Communities and Critical Infrastructure Protection

As the recently appointed lead for Critical Infrastructure Protection, Defence has a major role to play in supporting the Government's efforts to combat asymmetric

threats and help promote safer communities for Canadians. Indeed, Defence will assist the Government in everything from identifying emerging asymmetric threats, to protecting Canada's critical infrastructure against these threats, to nurturing and building partnerships with the Solicitor General, RCMP, provinces, territories and other governments such as the United States.



To this end, in 2001, Defence will:

- establish the Office of Critical Infrastructure Protection and Emergency Preparedness; and
- begin to put in place the foundation required to help deal with asymmetric threats and protect Canada's critical infrastructure.

Fostering Skills and Learning

As the second largest employer in Canada, National Defence and the Canadian Forces can also play an important role in building and developing the skills of Canadians across the country.

There are close to 100,000 Regular Force, Reserve Force, and civilian members in the organization. A further 60,000 young Canadians participate every year in the Canadian Cadet Organization. As well, there are more than 5,000 Canadians who are members of the Canadian Rangers and Junior Canadian Rangers.

Across all of its activities, Defence is putting people first by investing in skills development and training, and by nurturing a learning culture.

Indeed, Defence invests close to \$2 billion per year in personnel and training, making it one of the largest investors in skills development and training in the country.



Children and Families

Children are the foundation of Canada's future and the Government has made a specific commitment in the Speech From the Throne to help all Canadian



children get a good start in life. As part of these commitments, the Government has signalled that a special effort will be made to help Aboriginal children and provide young Aboriginal Canadians with the tools they need to take advantage of the opportunities Canada has to offer.

Defence is a strong supporter of Aboriginal youth through its Junior Canadian Rangers organization. The Junior Canadian Rangers program was created in 1996 and provides youth programs that work closely with the Canadian Rangers in remote

communities. The Junior Canadian Rangers program teaches life skills and promotes traditional lifestyles and culture to Aboriginal youth.

Defence reviewed the relevance and impact of the Canadian Rangers and Junior Canadian Rangers in *CAN RAN 2000: A Review of the Canadian Rangers and of the Junior Canadian Rangers*. The report examined the performance of Canadian Rangers and Junior Canadian Rangers and recommended that:

- Ranger personnel be increased from 3,500 to 4,800; and
- Canadian Junior Rangers limits be increased from 2,100 to 3,900 youth over seven years;

Defence will increase spending on the Canadian Rangers and Junior Canadian Rangers program by \$7 million in 2001–02 to enhance training, instructors, equipment and staff.

Protecting the Environment

Defence is committed to ensuring that its activities and Canadian Forces operations are conducted in an environmentally sustainable manner.

Indeed, as one of the Government's largest landholders, Defence has been working for years to minimize the impact of its activities and operations on the environment. Since 1992, the Department has had a dedicated program in place to deal with major environmental issues, and has put more than \$400 million into supporting the program.



The Department has also produced an environmental strategy, *Environmentally Sustainable Defence Activities*, *Sustainable Development Strategy 2000*, which will be implemented between 2001 and 2004. The strategy addresses ecosystem health, pollution, resource stewardship, and changes associated with climate change, ozone depletion, and diminishing air quality.

Despite resource pressures, Defence will make a concerted effort to meet its environmental goals and the challenges posed by emerging environmental legislation, including new standards for environmental cleanup, as part of its efforts to protect our shared environment.

Connecting Canadians

As a major user of the Internet and electronic communications systems, Defence is moving forward aggressively to support the Government On-Line initiative through Defence On-Line. D-Net, Defence's Internet site, averages 8 million hits per month.

To help meet its targets on this front, Defence has established a project office and is moving forward to:

- update on-line information resources;
- deliver key Defence services on-line, securely, by 2004; and
- define opportunities to establish partnerships to support electronic service delivery with other levels of government.







SECTION IV - CONCLUSION

In the year ahead, it is vital for National Defence and the Canadian Forces to focus on their immediate priorities – putting people first, optimizing Canada's force structure, modernizing management, fostering Canada's defence relationships, and contributing to national priorities.

While much has been accomplished over the past few years, Defence continues to face significant challenges – from workload pressures, to recruiting and retention, to how best to adapt to a rapidly changing world.

It is also clear that Defence continues to face ongoing fiscal pressures. While true, the challenges confronting the Department and the Forces cannot be addressed solely through resources. The force structure needs to be modernized; Human resource and corporate management practices need to be strengthened; and Defence must unequivocally demonstrate that it is managing its resources effectively and efficiently.

To this end, Defence must make the decisions required to reduce these pressures, sustain Canada's defence commitments, and, simultaneously, make the investments in the people and equipment needed to ensure the future operational effectiveness of the Forces. Parliamentarians and Canadians, in turn, need to accept that there are real limits to what the Department and the Canadian Forces can sustain and do with its current resources.

Having said this, it is also important to recognize that Defence has a strategy for the future and is building on a much stronger foundation today than it had a few years ago:

- the fundamental tenets of Canada's defence policy remain sound;
- the Department has received two consecutive budget increases, in 1999 and 2000, totalling more than \$2.5 billion in new funding;
- pay and benefits for CF members has been substantially increased, and quality of life has improved, although more remains to be done;
- more than 300 institutional reforms have been put in place; and
- several major acquisitions from the Clothe the Soldier Project, to the Cormorant helicopter, to the new Victoria Class Submarines, to the LAV III – are on-line or arriving for use by the Canadian Forces.





Clearly, Defence is heading in the right direction: it has a strategy, it is making progress, and it is achieving results.

In 2001, it will build on these results, increase public awareness of the issues and challenges it is facing, and continue to demonstrate the value of its contributions to the quality of life and wellbeing of Canadians.

At the same time, it will look inward, and aggressively move forward in its efforts to nurture the careers, professional development and work environment provided to the men and women – military and civilian – who have consistently delivered when called upon to serve.



SECTION V – PLANNED RESULTS

The 2001–2002 Report on Plans and Priorities is based upon the Defence Objectives listed below. However, it should be noted that the Department of National Defence is adopting a new Capability Program based Planning, Reporting, and Accountability Structure, which will be fully in place for the 2002–2003 fiscal year.

For the Department of National Defence's 2001-2002 Report on Plans and Priorities the following planning terms will be used:

Business Line

The Business Line of the Department of National Defence and the Canadian Forces is its mission: to defend Canada and Canadian interests and values while contributing to international peace and security.

Service Lines

The following Service Lines will be used:

- 1. Maritime Forces
- Land Forces
- Air Forces
- 4. Joint Operations and Civil Preparedness
- 5. Communications and Information Management
- 6. Support to Personnel
- 7. Materiel, Infrastructure and Environmental Support
- 8. Department/Forces Executive

Key Results Commitments and Planned Results

The Business Line/Mission is divided into eight Defence Objectives that broadly describe what is to be accomplished. These Defence Objectives, and their associated Defence Tasks, are the Department of National Defence's Key Results Commitments and Planned Results.

Defence Objective 1: To provide strategic defence and security advice and information to the Government.

This Defence Objective will be met by providing advice and information to government.



Defence Objective 2: To conduct surveillance and control of Canada's territory, aerospace and maritime areas of jurisdiction.

This Defence Objective will be met by:

- protecting Canadian sovereignty through surveillance and control of Canada's territory, airspace and maritime areas of jurisdiction; and
- mounting an immediate, effective and appropriate response for the resolution of terrorist incidents that affect, or have the potential to affect, national interests.

Defence Objective 3: To respond to requests for Aid of the Civil Power.

This Defence Objective will be met by providing an effective response for requests for Aid of the Civil Power.

Defence Objective 4: To participate in bilateral and multilateral operations.

This Defence Objective will be met by:

- participating in multilateral operations in concert with United Nations member states, NATO member states or in coalitions with other like-minded countries;
- maintaining the ability to operate effectively at sea, on land, in the air and in space with the military forces of our allies, and in particular, the United States;
- contributing to the provision of aerospace surveillance and control and to the collection, processing and dissemination of missile warning information through the North American Aerospace Defence Command (NORAD);
- maintaining Canada's participation in the Canada-United States Test and Evaluation Program, the Defence Production and Development Sharing Arrangements and other bilateral arrangements;
- with the US, develop options for Government consideration on possible Canadian participation in a ballistic missile defence program;
- expanding bilateral and multilateral contacts and exchanges with selected partners in Central and Eastern Europe, the Asia-Pacific region, Latin America, and Africa; and
- participating in Arms Control and Verification activities under the umbrella of the Organization for Security and Cooperation in Europe in Vienna, the Conference on Disarmament, the North Atlantic Treaty Organization and the United Nations.



Defence Objective 5: To assist Other Government Departments and other levels of Government in achieving national goals.

This Defence Objective will be met by:

- maintaining the capability to assist the Department of Foreign Affairs and International Trade in the protection and evacuation of Canadians from areas threatened by imminent conflict; and
- assisting Other Government Departments and other levels of Government, at their request, in achieving national goals in areas such as fisheries protection, drug interdiction and environmental protection.

Defence Objective 6: To provide support to broad Government programs.

This Defence Objective will be met by:

- ensuring that the Department of National Defence and Canadian Forces fulfil their role as a national institution;
- ensuring that the Department of National Defence and Canadian Forces comply with Government legislation, policies and management practices; and
- facilitating Government-wide initiatives.

Defence Objective 7: To provide emergency and humanitarian relief.

This Defence Objective will be met by:

- contributing to emergency preparedness, humanitarian assistance and disaster relief; and
- providing a National Search and Rescue program.

Defence Objective 8: To maximize defence capabilities through the efficient and effective use of resources.

This Defence Objective will be met by:

- ensuring that corporate administration activities are carried out in an effective and efficient manner;
- ensuring a comprehensive leadership development program is in place for members of the Department of National Defence and the Canadian Forces;



- providing a work environment that supports organizational and individual performance and learning; and
- ensuring that departmental strategies address the short and long term workforce requirements of the Department of National Defence and the Canadian Forces.

Related Activities and Goals

Shaping the Future of Canadian Defence: A Strategy for 2020 sets eight strategic objectives to guide and direct defence planning over the next twenty years. They encompass both the development of Defence's capabilities and the evolution of the organization. These strategic objectives are called Change Objectives in Defence Planning Guidance 2001. Within the broad policy framework set out in 1994, these change objectives will guide Defence decision-making across the whole range of Defence endeavours. Each of the change objectives have five-year targets that will be translated into shorter-term goals that will underpin Defence's agenda for change and the planned results during the planning period. These change objectives are outlined below:

Change Objective 1: Innovative Path – Create an adaptive, innovative and relevant path into the future.

This Change Objective is divided into the following goals:

- enhance the collective strategic decision-making ability of the senior leadership team;
- complete the force-planning scenarios and use them to provide coherent and focused advice to government;
- provide value-added reporting to government, parliament and the public on our progress towards 2020 through the adoption of a results-oriented performance-measurement system;
- define the long term strategy in five year increments and review and update periodically; and
- support stakeholders' awareness of our strategic progress-through a focused information program.



Change Objective 2: Decisive Leaders – Develop and sustain a leadership climate that encourages initiative, decisiveness and trust while improving our leaders' abilities to lead and manage effectively.

This Change Objective is divided into the following goals:

- define and apply high standards for the selection, development and assessment of military and civilian leaders at all levels;
- introduce a focused program to impart the skills and knowledge required by senior personnel to conduct strategic level planning and decision-making as well as providing advice to the Government; and
- strengthen professionalism and accountability by integrating a values framework for the Defence institution.

Change Objective 3: Modernize – Field a viable and affordable force structure trained and equipped to generate advanced combat capabilities that target leading-edge doctrine and technologies relevant to the battlespace of the 21st century.

This change objective is divided into the following goals:

- design a viable and affordable force structure;
- conduct a focused, paced and innovative modernization program, aiming towards a minimum of 23% of the Defence Services Program in capital;
- develop new task-tailored capabilities to deal with asymmetric threats and weapons of mass destruction;
- re-focus defence research and development on the operational needs of the Department, capitalizing on leading-edge technologies, while exploiting Canadian technical expertise, especially in the areas of space, remote sensing, telecommunications and information management; and
- complete the introduction of a program of joint experimentation, maximizing the effectiveness of new doctrines, organizations and systems.



Change Objective 4: Globally Deployable – Enhance the combat preparedness, global deployability and sustainability of our maritime, land and air forces.

This change objective is divided into the following goals:

- design land forces so that the vanguard and main contingency forces are fully deployable to an offshore theatre of operations within 21 and 90 days respectively;
- enhance our strategic airlift and sealift capability; and
- complete the conversion of the Joint Force Headquarters to a deployable Command, Control, Communications, Computers and Intelligence (C⁴I) organization capable of national command and logistic support at the operational level of war.

Change Objective 5: Interoperable – Strengthen our military to military relationships with our principal allies, ensuring interoperable forces, doctrine and Command, Control, Communications, Computers and Intelligence.

This change objective is divided into the following goals:

- manage our interoperability relationship with the United States and other allies to permit seamless operational integration at short notice;
- develop a comprehensive program to adopt new doctrine and equipment compatible with our principal allies; and
- expand the joint and combined exercise program to include all environments and exchanges with the United States.

Change Objective 6: Career of Choice – Position Defence as a rewarding, flexible and progressive workplace that builds professional teams of innovative and highly skilled men and women dedicated to accomplishing the mission.

- This change objective is divided into the following goals:
- reduce the number of military support occupations and refocus on broader career fields;
- develop flexible career policies to meet changing requirements;



- examine and adapt new training strategies to provide all Canadian Forces members with the common knowledge and skills required to operate in the battlespace of the 21st century;
- develop and implement a recruitment and retention program that better meets future Defence Team requirements; and
- implement the parliamentary Quality of Life recommendations.

Change Objective 7: Strategic Partnerships – Establish clear strategic, external partnerships to better position Defence to achieve national objectives.

This change objective is divided into the following goals:

- undertake joint planning with other Government departments wherever appropriate to achieve synergies and efficiency;
- undertake a program to foster greater understanding and cooperation with the unions representing the many members of the Defence Team;
- support a coordinated approach to a national security strategy;
- reformulate key domestic, public and private sector partnerships to lever defence capabilities; and
- in cooperation with Canadian industry, field technology demonstrators that provide capability to respond to asymmetric threats.

Change Objective 8: Effective Resource Stewardship – Adopt a comprehensive approach to planning, management and comptrollership, focused on operational requirements, that prepares us to respond rapidly and effectively to change.

This change objective is divided into the following goals:

- design and implement an integrated defence management system linking strategy to outputs;
- revitalize the departmental acquisition process with the aim of reducing acquisition time for capital projects by 30%;
- establish a joint mechanism to prioritize and sustain our capital program on an annual basis;



- develop a realty asset management system to facilitate investment and disposal decisions;
- reduce departmental holdings of infrastructure (such as buildings, structures and jetties) by 10%; and
- start the integration of departmental-level enterprise management information systems.

Capability Programs

Defence is moving to a Capability Program Based Strategic Planning Process. In Fiscal Year 2002–03, we will adopt a new system based on five Capability Programs:

1. Command and Control

The Department will collect, analyze and communicate information, plan and coordinate operations, and provide the capabilities necessary to direct forces to achieve assigned missions.

2. Conduct Operations

The Department will provide the ability to employ the range of military capabilities required to achieve its assigned missions, when and where directed.

3. Sustain Forces

The Department will repair and maintain equipment, shelter and sustain personnel, and produce the infrastructure and capabilities necessary to support military operations.

4. Generate Forces

The Department will recruit and train personnel, research, test and procure equipment, and design force structure to produce multi-purpose combat-capable military forces.

5. Corporate Policy & Strategy

The Department will produce and implement corporate policies and strategies to achieve broad Government objectives, manage Departmental activities, and provide defence and security advice.



By financially grouping all of the capability-producing elements in this manner, the Department will be able to better reflect the macro-level processes by which it manages and allocates the resources provided. More importantly, the Department will be able to link (at the strategic level) dollar resource inputs with Results.





<u>SECTION VI – FINANCIAL INFORMATION</u>

Maximizing Return on Investment

Fiscal Context

The 2000 Federal Budget announcement ended several years of budget reductions with the following declaration:

Funding for the next three years has also been increased to improve National Defence's ability to participate in peacekeeping activities, upgrade capital equipment and address quality of life issues within the military.

This announcement added significantly to the Defence Services Program, providing annual funding increases of \$550, \$600 and \$650 million from fiscal year 2001–2002 through fiscal year 2003–2004. Defence remains committed, however, to streamlining its operations, and to working with private sector partners to maximize its ability to deliver services.

Partnerships with the Private Sector: Alternative Service Delivery

Since 1995, Defence's Alternative Service Delivery Program has been a key contributor to the broader Government effort to improve the delivery of programs and services to Canadians. This program analyzes and implements the most cost-effective ways of providing support services to operational forces.

Maximizing the Efficient Use of Resources

As part of its pledge to maximize resources, Defence will review its performance in meeting Alternative Service Program objectives in spring 2001. As of December 2000, Defence completed 22 Alternative Service Delivery projects, saving approximately \$62 million. A further 16 initiatives are ongoing and are expected to increase total program saving to \$175 million by 2004.

Two major Alternative Service Delivery reviews will take place in the next few years: the Supply Chain Project, and the Site Support Services Reviews.

The Supply Chain Project will allow the formation of a business alliance with a third-party logistics provider.

The Site Support Services Reviews will evaluate non-core services at all Canadian Forces bases and wings by comparing the delivery of services against public and private sector benchmarks. This process will also introduce Canadian



Forces Common Service Standards. The application of these standards will lead to more effective resource management.

The Defence Industrial Base

Defence Research and Development Canada (DRDC) relies on industrial partners to help deliver the Defence Research and Development Program. In turn, DRDC contributes to national wealth generation by transferring technology and knowledge out of its laboratories for use in Canadian industry.

Increasingly, the Department is engaging industry in cost-sharing, collaborative projects. For instance, Defence is attempting to increase the capacity of the oversubscribed Defence Industrial Research Program. This highly successful program divides costs equally with industry to develop promising defence applications. DRDC has also established Business Development Office to help ensure that results of government funded defence research generate wealth for Canadians and increase capabilities for the Canadian Forces.

In addition, DRDC's New Technology Demonstration Program is proving to be an important vehicle for industry collaboration. This program brings together the Canadian Forces Operational Community, Defence Scientists, and Canadian industry. The program provides a forum to examine the capabilities being considered for use by the Canadian Forces in the future, and to evaluate the potential to market new technologies internationally.

<u>Defence Industry Advisory Committee</u>

The Defence Industry Advisory Committee is a consultative body designed to bring together Defence's Materiel experts, senior industry representatives, and participants from academe. The committee provides a forum for discussion, and gives Defence broad insight into industry's thinking on defence acquisition. The terms and conditions that determine the use of national security exemptions from Canada's international and domestic trade agreements will be one of the key issues under discussion.

<u>United States Army Interim Armoured Vehicle Acquisition</u>

Defence has strongly supported the United States Army's move towards a wheeled vehicle to serve as an interim armoured vehicle. The United States choice of the General Motors LAV III will significantly enhance our future interoperability with our American colleagues. We will have to ensure that we remain closely linked to the United States Army as they develop this vehicle and its associated tactics and doctrine to maximize the resultant benefits to the Canadian Forces.



Joint Strike Fighter Program

The Joint Strike Fighter will be the first international cooperative program to design and build an affordable, multi-role fighter aircraft. Canada stands to benefit greatly from what will likely be the only fighter development program in the world in the next 20 years. The program will not only develop new technologies and manufacturing techniques, but it will also introduce new acquisition models into the United States Department of Defence. As we work towards signing up to the next phase, Defence expects significant benefits to accrue to Canada's industrial base. In addition, the engineering and development work will produce valuable information for the Department of National Defence. These benefits should stand the Canadian Forces in good stead as we approach a CF-18 replacement decision toward the end of this decade.

The program marks the first time that DND will be levering Industry Canada funding in support of defence needs.

Lease Arrangements with the Private Sector

In 2001–2002, Defence will continue to explore partnerships with the private sector to economize on realty support. For example, a private sector owner might lease armoury space to the Canadian Forces. To defray ownership costs, the private sector owner would be allowed to attract other clients to use the armouries. These types of arrangements would reduce overall Departmental costs.

NATO Flying Training in Canada

The NATO Flying Training in Canada (NFTC) program is essential to the Air Force mission to generate and maintain combat-capable, multi-purpose air forces to meet Canada's defence needs by providing trained pilots.

The program was originally conceived as an alternative means of training Canadian Forces pilots and as a way to avoid the capital cost of replacing the Tutor training aircraft. The program consists of three major components: Basic Flying, Advanced Jet and Fighter Lead in Training.

By the end of 2001, the NFTC contractor will be operating 24 Harvard II aircraft and three Flying Training Devices in support of Basic Flying Training. Pilots from Denmark and Italy began participating in June 2000.

By April 2001, the NFTC contractor at 15 Wing Moose Jaw will be operating a minimum of 10 (of the 18 to be procured) Hawk 115 aircraft and an eight channel flying training device in support of Advanced Jet Training. The first course will start April 2001 with foreign participation by Denmark, Italy, and Singapore.



By April 2001, the NFTC contractor at 4 Wing Cold Lake will be operating up to eight (of the 18 to be procured) Hawk 115 aircraft and a second eight channel flying training device in support of Fighter Lead-in-Training. The first course will start in April 2001 with foreign participation by UK, Singapore, Denmark and Italy.

Contracted Flying Training and Support

The Contracted Flying Training and Support (CFTS) Project is integral to the generation and maintenance of combat-capable, multi-purpose air forces to meet Canada's Defence needs.

This project makes a major contribution to Force Generation by providing primary Flying Training and Phase III Multi-engine and Rotary Wing Training to all pilots employed in Canada's Air Force.

The project activity comprises two parts: the on-going management of the current contract with Bombardier International, and the efforts required for re-tendering a new contract for flying training and support.

In Fiscal Year 2001–2002 the Air Force will continue to manage the existing pilot training contract with Bombardier by exercising the 'year ten' option on the current contract, and by finalizing the new contract for the provision of training services.

International Training Programs

The aim of the International Training Programs (ITP) is to support Canadian Forces objectives by developing innovative revenue generating training solutions and opportunities. ITP is a business initiative to achieve greater efficiencies by marketing Air Force training capabilities. Initiated in 1993, ITP has achieved approximately \$18 million in accumulated gross sales and is operated on a self-sustaining basis. Over this period, ITP has brought in an increasing number of international customers, in addition to clients from Other Government Departments and the Canadian private sector. Products marketed range from space on existing Air Force courses and use of simulators, to training consultant services.

In Fiscal Year 2001–2002 ITP will continue to diversify its customer and product base, support production by finding alternate sources of instructors, forge new partnerships, and join with other branches of the Canadian Forces to coordinate marketing and business development efforts.



Planned Full Time Equivalents (FTE) by Service Line

(see Note following Figure 5)

Figure 1: Details of Civilian Personnel Requirements by Services Line/Activity (FTEs)

Service Line	Actuals	Actuals	2000-01	2001–02	2002-03	2003-04
Service Line	1998–99	1999-00	Estimated	Planned	Planned	Planned
Maritime Forces	3,787	3,799	3,618	3,572	3,522	3,522
Land Forces	4,452	4,465	4,557	4,499	4,437	4,437
Air Forces	2,462	2,469	2,364	2,334	2,301	2,301
Joint Operations and Civil						
Emergency Preparedness	1,120	1,124	1,246	1,230	1,213	1,213
Communications and						
Information Management	578	580	492	486	479	479
Support to Personnel						
Function	2,120	2,126	2,721	2,686	2,649	2,649
Materiel, Infrastructure and						
Environment Support	3,539	3,550	3,257	3,216	3,172	3,172
Department/Forces Executive	1,130	1,133	745	736	726	726
Total	19,188	19,246	19,000	18,758	18,500	18,500

Figure 2: Details of Military (Regular Force) Personnel Requirements by Service Line/Activity (FTEs)

Service Line	Actuals 1998–99	Actuals 1999–00	2000-01 Estimated	2001-02 Planned	2002-03 Planned	2003-04 Planned
Maritime Forces	10,336	10,104	9,900	9,850	9,850	9,850
Land Forces	22,325	21,823	22,994	22,876	22,876	22,876
Air Forces	14,967	14,631	14,809	14,734	14,734	14,734
Joint Operations and Civil Emergency Preparedness	2,029	1,983	1,609	1,600	1,600	1,600
Communications and Information Management	2,886	2,821	1,911	1,902	1,902	1,902
Support to Personnel Function	5,486	5,363	4,273	4,251	4,251	4,251
Materiel, Infrastructure and Environment Support	1,945	1,901	1,990	1,980	1,980	1,980
Department/Forces Executive	752	734	1,314	1,307	1,307	1,307
Total	60,726	59,360	58,800	58,500	58,500	58,500



Figure 3: Details of Personnel Requirements by Service Line/Activity (FTEs) – Combined Workforce

Service Line	Actuals	Actuals	2000-01	2001–02	2002-03	2003-04
Service Line	1998–99	1999-00	Estimated	Planned	Planned	Planned
Maritime Forces	14,123	13,902	13,518	13,421	13,372	13,372
Land Forces	26,777	26,289	27,551	27,375	27,313	27,313
Air Forces	17,429	17,100	17,173	17,067	17,035	17,035
Joint Operations and Civil Emergency Preparedness	3,149	3,107	2,855	2,831	2,814	2,814
Communications and Information Management	3,464	3,401	2,403	2,387	2,381	2,381
Support to Personnel Function	7,606	7,489	6,994	6,937	6,900	6,900
Materiel, Infrastructure and Environment Support	5,484	5,451	5,247	5,196	5,152	5,152
Department/Forces Executive	1,882	1,867	2,059	2,043	2,033	2,033
Total	79,914	78,606	77,800	77,258	77,000	77,000

Figure 4: Summary by Professional Category (Civilian) – FTEs

Drofossional Cotogony	Actuals	Actuals	2000-01	2001–02	2002-03	2003-04
Professional Category	1998–99	1999-00	Estimated	Planned	Planned	Planned
OIC Appointments	1	1	1	1	1	1
Executive	83	83	78	77	76	76
Scientific and Professional	1,395	1,499	1,556	1,536	1,515	1,515
Administrative and						
Foreign Service	2,514	2,772	3,169	3,129	3,086	3,086
Technical	1,838	1,844	1,882	1,858	1,832	1,832
Administrative Support						
other than Clerical	1,307	1,131	962	949	936	936
Clerical and Regulatory	3,123	3,213	3,332	3,290	3,245	3,245
Operational other than						
General Labour and						
General Services	2,517	2,475	2,284	2,255	2,224	2,224
General Labour and						
Trades	3,473	3,384	3,126	3,086	3,043	3,043
General Services	2,936	2,845	2,611	2,577	2,542	2,542
Total	19,187	19,246	19,000	18,758	18,500	18,500



Figure 5: Summary by Rank (Military – Regular Force) – FTEs

Rank	Actuals	Actuals	2000-01	2001–02	2002-03	2003-04
Ralik	1998–99	1999-00	Estimated	Planned	Planned	Planned
General/Lieutenant-						
General	9	10	10	10	9	9
Major-General	18	20	20	20	20	20
Brigadier-General	43	47	46	46	46	46
Colonel	249	280	278	276	276	276
Lieutenant-Colonel	869	955	946	941	941	941
Major	3,000	3,057	3,028	3,013	3,013	3,013
Captain	6,173	6,052	5,995	5,964	5,964	5,964
Lieutenant	1,320	1,418	1,405	1,398	1,398	1,398
Officer Cadet	1,386	1,680	1,664	1,656	1,656	1,656
Chief Warrant Officer	605	607	601	598	598	598
Master Warrant Officer	1,764	1,716	1,700	1,691	1,691	1,691
Warrant Officer	3,836	3,610	3,576	3,558	3,558	3,558
Sergeant	7,146	6,741	6,678	6,644	6,644	6,644
Corporal	28,677	27,784	27,522	27,381	27,382	27,382
Private	5,631	5,382	5,331	5,304	5,304	5,304
Total	60,726	59,360	58,800	58,500	58,500	58,500

Note: In above tables, figures by Activity do not equate to CC/L1 structure shown by Defence Planning Guidance and Business Plans due to proportional distribution of unassigned personnel on training, holding lists, and operations. Adjustments in Fiscal Year 2000/01 reflect organizational restructuring over two years and revised system reporting. Future Years do not consider the impact of the Universal Classification System on civilian numbers.

Also note that the 1994 Defence White Paper authorizes approximately 60,000 for the Regular Forces. While the Canadian Forces are currently facing a significant recruiting challenge (see main report, page 5), the Forces are also modernizing, improving efficiencies, and introducing innovative business practices (such as contracting out support for non-core activities) to maximize Canada's return on its defence investments and reduce pressure on core Forces. Within this context, while the forecast strength of the Regular Forces for the current planning period is 58,500, there is no reduction in the Forces ability to meet its White Paper commitments.



Spending Authorities

With the changes to the Expenditure Management System under the aegis of the Improved Reporting to Parliament Project, Government departments are to report Expenditure Information against their respective Business Lines. The Department is currently undergoing a review of its strategic management and reporting framework, with the aim of adopting a results-based planning and management structure. The Department will then be able to make explicit linkages between internal planning, resource allocation, and desired results. Until such time as the proposed reporting structure is approved, Treasury Board Secretariat has agreed that the Department should continue reporting to Parliament based on our Service Lines, as described in the Main Estimates. This is the same structure as previously reported in Part III of the Main Estimates. The Department will continue to report against these Service Lines until the new Planning, Reporting and Accountability Structure has been approved by Treasury Board and implemented internally.

Table 1: Financial Requirements by Authority

	Vote (thousands of dollars)	2000–2001	2001–2002
	vote (thousands of donars)	Main Estimates	Main Estimates
1	Operating Expenditures	7,724,106	7,964,877
5	Capital Expenditures	2,081,733	2,143,289
10	Grants and Contributions	602,845	402,139
S	Minister of National Defence		
	 Salary and Motor Car Allowance 	52	52
S	Pensions and annuities paid to civilians	100	100
S	Military Pensions and benefit plans	637,050	717,996
S	Contributions to employee benefit plans	153,114	161,547
	Total Department	11,199,000	11,390,000

Note to Table 1:

A number of largely technical items will either increase or decrease the level of funding to the Department in 2001-02 over that of 2000-01. These adjustments, which do not represent any real change to the Defence funding, include the following:

- a 1.5 percent adjustment to compensate the Department for inflation;
- compensation for the costs of previously approved economic adjustments to salaries and wages for military and civilian personnel;
- the termination of incremental funding for a number of initiatives, such as the Canadian Forces presence in Kosovo which was completed during 2000-01, and for which dedicated additional funding had been provided; and
- a reduced (by approximately \$200 million) allocation, in anticipation of claims for compensation to the Provinces under the Disaster Financial Assistance Arrangements.



Absolute dollar spending on Capital Expenditures will increase only slightly from 2000–01 to 2001–02, with the percentage share of total spending remaining stable at approximately 19 percent. This modest start to the five-year plan to increase capital spending to 23 percent is indicative of facts such as the redefinition of some types of re-investment from Capital Expenditures to Operating Expenditures, and the necessary and prudent slow start to new capital spending initiatives.

(\$ Millions) Service Line	Forecast 2000-01	Planned 2001–02	Planned 2002–03	Planned 2003-04
Maritime Forces	1,996.4	1,891.6	1,930.9	2,017.7
Land Forces	3,352.2	3,151.4	3,109.1	3,090.2
Air Forces	2,928.8	3,024.4	3,124.8	3,312.4
Joint Operations and Civil Emergency Preparedness	1,209.9	978.5	743.5	742.1
Communications and Information Management	366.9	453.4	452.2	423.4
Support to the Personnel Function	766.5	750.0	765.0	761.6
Material, Infrastructure and Environment Support	724.8	713.3	773.7	753.1
Department/Forces Executive	430.3	433.7	430.8	427.5
Total Net Planned Spending	11,775.8	11,396.3	11,330.0	11,528.0

Note to Table 2:

Net planned spending figures, although different than the Financial Spending Authorities in the Main Estimates for 2001–02, are consistent with the planned spending levels approved by Treasury Board. The difference is composed of technical adjustments that are pending Parliament's approval.



Table 3: Net Cost of the Program

(\$ Millions)	Forecast Spending 2000–01	Planned Spending 2001–02	Planned Spending 2002–03	Planned Spending 2003–04
Gross Planned Spending	12,067.0	11,734.9	11,670.8	11,856.2
Revenue to the Vote	(291.2)	(338.6)	(340.8)	(328.2)
Total Planned Spending	11,775.8	11,396.3	11,330.0	11,528.0
Revenue Credited to the Consolidated Revenue Fund	(9.7)	(5.6)	(4.0)	(4.0)
Estimated Cost of Services by other Departments	263.6	277.3	276.0	275.6
Net Cost of the Department	12,029.7	11,668.0	11,602.0	11,799.6

Capital Expenditure Details By Service Line

(\$ Millions)	Forecast 2000-01	Planned 2001-02	Planned 2002–03	Planned 2003–04
Maritime Forces	382.1	303.6	307.5	392.9
Land Forces	905.4	770.9	679.2	651.2
Air Forces	609.6	769.2	802.3	982.8
Joint Operations and Civil Emergency Preparedness	71.0	29.4	34.3	31.5
Communications and Information Management	97.0	177.8	170.8	141.6
Support to the Personnel Function	42.1	37.1	42.1	37.4
Materiel, Infrastructure and Environment Support	78.4	49.7	94.5	72.5
Department/Forces Executive	18.6	11.9	7.8	8.0
Total	2,204.2	2,149.6	2,138.5	2,317.9



Capital Spending By Service Line – Equipment (\$ millions)

PROJECT TITLE	Currently Estimated Total Cost	Forecast Expendi- tures to 31 March 2001	Planned Expendi- tures 2001–02	Planned Expendi- tures 2002-03	Planned Expendi- tures 2003-04	Future Years Require- ments				
Maritime Forces										
Manufille Forces										
TOWED ARRAY SONAR SYSTEM	113,650	106,479	5,592	1,579	-	-				
CANADIAN PATROL FRIGATE	8,999,763	8,912,625	59,779	27,359	-	-				
TRIBAL CLASS UPDATE & MOD										
PROGRAM	1,416,758	1,405,538	8,781	2,439	-	-				
NAVAL COMBAT TRAINER	40,075	27,024	8,304	4,747	-	-				
VESSELS – MARITIME COASTAL										
DEFENCE VESSELS	682,615	642,580	15,004	12,817	9,452	2,762				
BLIND PILOTAGE TRAINER	3,844	3,683	161	-	-	-				
JUNIOR OFFICERS BRIDGE										
SIMULATOR	16,811	14,163	1,094	1,554	-	-				
CANADIAN SUBMARINE	044 070	246 254	405.004	00 077	04.450	040.000				
CAPABILITY LIFE EXTENSION	811,973	316,351	135,221	82,277	64,456	213,668				
PHALANX CLOSE-IN WEAPONS SYSTEM	22 110	20.070	410	729						
POLLUTION CONTROL SYSTEMS	32,118	30,979	410	129	-	-				
FOR SHIPS	39,547	28,741	4,965	5,334	507	_				
ACTIVE PHASED ARRAY RADAR	55,740	54,196	1,544	3,334	301					
EVOLVED SEA SPARROW MISSILE	480,572	171,855	42,158	42,071	40,162	154,709				
MESSAGE HANDLING AND	400,012	17 1,000	42,100	42,011	40,102	104,100				
DISTRIBUTION	7,234	5,606	1,628	-	-	_				
ADVANCED ELECTRO-OPTIC	1,201	0,000	1,020							
SENSOR	30,804	25,692	2,301	2,811	-	-				
SHIPBOARD ELECTRO-A53OPTIC										
SURVEILLANCE	24,462	35	4,211	8,994	11,222	-				
REMOTING OF NAVAL RADIO										
STATIONS	38,055	31,246	6,809	-	-	-				
COMMUNICATION – DATA LINK 16	20,409	16,164	4,245	-	-	-				
COMMUNICATION – DATA LINK 22	6,834	6,737	97	-	-	-				
SEASEARCH PROJECT	28,110	25,200	1,666	469	775	-				
NETWORKING COMINT										
CAPABILITY OF IROQUOIS AND	44.007	44 004	2.504	202						
HALIFAX CLASS SHIPS	14,867	11,081	3,584	202	-	-				
SHIPBOARD INTEGRATED NAVIGATION & DISPLAY SYSTEM	4,622	4,490	132							
IROQUOIS CLASS TRACK	4,022	4,490	132	-	-	-				
MANAGEMENT SYSTEM	14,165	11,031	3,134	_	=	_				
SUB - SONIC TARGET	4,595	4,400	195	-	-	-				
TOWED TORPEDO	7,000	7,700	133	-	<u>-</u>	_				
COUNTERMEASURES	23,915	2,493	10,969	2,264	1,700	6,489				
NAVY WINTER PARKA	3,563	2,335	1,228	-,-51	.,	-				



PROJECT TITLE	Currently Estimated Total Cost	Forecast Expendi- tures to 31 March 2001	Planned Expendi- tures 2001–02	Planned Expendi- tures 2002-03	Planned Expendi- tures 2003-04	Future Years Require- ments
SHIPBOARD AREA LOCAL NETWORK	12,535	1,925	6,159	3,835	616	-
Land Forces						
Land Forces						
LIGHT ARMOURED VEHICLE LIFE						
EXTENSION	53,665	19,041	14,827	15,097	3,282	1,418
TACTICAL COMMAND CONTROL &	55,555	10,011	,•=:	10,001	0,202	1,110
COMMUNICATION SYSTEM	1,927,800	1,769,296	136,588	21,916	-	
LAND FORCES COMMAND SYSTEM	171,155	142,828	21,187	7,140		
LIGHT SUPPORT VEHICLE	,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	, -	, -		
WHEELED	268,650	266,474	2,176	-	-	
GRENADE PROJECTOR	13,253	10,576	2,677	-	-	
SHORT RANGE ANTI-ARMOUR	,	,	,			
WEAPONS	185,984	179,393	5,907	684	-	
WEAPONS EFFECT SIMULATION	123,251	1,767	1,674	19,117	31,265	69,428
LAND TACTICAL ELECTRONIC			·			
WARFARE IMPROVEMENTS	77,197	76,128	1,069	-	-	
NUCLEAR DETECTION,						
IDENTIFICATION AND DOSIMETRY	15,470	1,675	8,715	4,239	841	
SURFACE MUNITIONS CLEARANCE						
DEVICE	5,732	5,317	228	187	-	
LIGHT UTILITY VEHICLE WHEELED	209,107	3,036	8,530	90,039	89,691	17,811
NUCLEAR EMERGENCY						
RESPONSE TEAM (NERT)	7,088	6,975	113	-	-	
CENTRAL POWER VEHICLE	11,230	2,999	7,012	1,219	-	
ROLE THREE HEALTH SUPPORT	40,425	4,860	13,911	9,282	12,372	
UNIT WEAPONS TRAINERS	38,839	27,557	11,282	-	-	
LYNX REPLACEMENT PROJECT	884,505	846,795	37,710	-	-	
ARMOURED PERSONNEL						
CARRIERS	2,094,356	1,295,362	355,670	298,977	144,347	
OLOTHE THE OOLDIED DDG LEGT						
CLOTHE THE SOLDIER PROJECT	F 70.4	4.647	050	404		
DEFINITION WIDE DRIMMED COMPATILIAT	5,784	4,647	953	184	-	-
WIDE BRIMMED COMBAT HAT WET WEATHER BOOT	959	526	433	185	<u>-</u>	-
WET WEATHER BOOT COMPAT SOCK SYSTEM	21,587	3,361	18,041		4 000	-
COMBAT SOCK SYSTEM LIGHT THERMAL HEADWEAD	9,074	1	7,073	1,000	1,000	-
 LIGHT THERMAL HEADWEAR LIGHTWEIGHT THERMAL 	2,350	-	2,350	-		-
UNDERWEAR	5,677	4,327	1,350			
BALLISTIC EYEWEAR	6,060	257	2,116	3,687	<u>-</u>	_
FRAGMENTATION VEST	18,022	1	2,399	11,622	4,000	_
TACTICAL VEST	16,760	1	5,536	11,022	4,000	_
IMPROVED ENVIRONMENTAL	10,700	1	3,330	11,223	<u> </u>	-
CLOTHING SYSTEM	62,589	61,472	932	185		_
COMBAT VEHICLE CREWMAN	52,550	3.,2	772	.50		
GLOVE	738	19	719	-	-	-



		Forecast				
DDG ISST TITLE		Expendi-	Planned	Planned	Planned	-
PROJECT TITLE	Currently	tures to	Expendi-	Expendi-	Expendi-	Future Years
	Estimated	31 March	tures	tures	tures	Require-
- COLD WET WEATHER OLOVE	Total Cost	2001	2001–02	2002–03	2003–04	ments
COLD WET WEATHER GLOVE (CMM/C)	E 0.40	E 470	272			
(CWWG)	5,843	5,470	373	1,800	-	-
TEMPERATE COMBAT GLOVE MILL TOOL	4,100	2,300	2,300	1,800	-	-
MULTI-TOOL BULLET RESISTANT PLATE	2,300 4,065	2,300	3,005	1,060	-	-
CLOTHE THE SOLDIER	4,000	-	3,003	1,000	-	-
OMNIBUS TOTAL	168,466	84,440	48,080	30,946	5,000	
LEOPARD THERMAL SIGHT	138,439	117,501	20,938	30,940	3,000	-
IONIZING RADIATION SAFETY	6,114	5,842	20,930		<u>-</u>	
POSITION DETERMINATION &	0,114	3,042	ZIZ	-	<u>-</u>	
NAVIGATION SYSTEM	74,363	66,574	7,789	_	_	
IMPROVED LANDMINE DETECTION	74,303	00,374	1,109	-		
CAPABILITY	31,489	23,188	7,616	685	_	
HEAVY DUMP TRUCK	31,403	23,100	7,010	000	<u> </u>	
REPLACEMENT	11,861	11,781	80	_	_	
ARMOURED PERSONNEL	11,001	11,701		_	<u> </u>	
CARRIERS LIFE EXTENSION	326,129	76,168	51,285	50,423	56,995	91,258
RELOCATABLE TEMPORARY	020,123	70,100	01,200	00,420	00,000	31,200
CAMP	9,874	1,804	4,463	3,607	_	
O7 (1711)	0,014	1,004	4,400	0,001		
Air Forces						
CF18 – MODERNIZATION	1,079,960	44,114	99,123	111,916	164,635	660,172
NORTH AMERICAN AIR DEFENCE	, , , , , , , , , , , , , , , , , , , ,	,	,	,	,	,
MODERNIZATION	1,053,830	1,052,019	1,811	-	-	
CF18 – ADVANCED AIR-TO-AIR	, ,	, ,	,			
WEAPONS (SHORT RANGE)	17,955	15,180	2,308	467	-	
CC130 – HERCULES TACTICAL	·	·	·			
TRANSPORT	348,580	345,080	3,500	-	-	
MILITARY AUTOMATED AIR						
TRAFFIC SYSTEM	149,362	75,245	20,168	19,731	23,826	10,392
AURORA COMMUNICATIONS						
MANAGEMENT SYSTEM						
REPLACEMENT	62,215	-	5,000	20,934	27,319	8,962
AURORA ADDITIONAL ULTRA HIGH						
FREQUENCY RADIO ACQUISITION	12,293	-	2,867	7,343	2,083	-
AURORA ACOUSTIC TAPE						
RECORDER PROJECT	17,827	-	2,821	8,940	6,066	-
CC130 – AVIONICS UPDATE	94,880	75,126	19,754	-	-	-
ADVANCED AIRCRAFT						
NAVIGATION SYSTEM	84,130	4,885	9,683	29,021	20,097	20,444
UTILITY TACTICAL TRANSPORT						
HELICOPTERS	1,163,176	1,010,165	40,605	55,203	34,282	22,921
MARITIME HELICOPTERS						
(DEFINITION)	10,072	5,776	4,296	-	-	-
REGION/SECTOR AIR OPERATIONS						
CENTRE PROJECT	140,540	109,924	8,394	13,229	6,863	2,130
STRATEGIC AIRLIFT AIRCRAFT	434,645	433,157	1,488	-	-	



PROJECT TITLE	Currently Estimated	Forecast Expendi- tures to 31 March	Planned Expendi- tures	Planned Expendi- tures	Planned Expendi- tures	Future Years Require-
	Total Cost	2001	2001–02	2002-03	2003-04	ments
CF18 – [EWOSC] INTEGRATED						
SUPPORT STATION	6,562	6,226	336	-	-	
HERCULES REPLACEMENT						
ACQUISITION	108,691	98,528	10,163	-	-	
AIR COMBAT MANOEUVERING						
RANGE INSTRUMENTATION	13,834	8,245	4,701	627	261	
ADVANCED AIR-TO-SURFACE						
MISSILES	93,837	92,646	1,191	-	-	
8 AIR COMMUNICATION &						
CONTROL SYSTEM	46,541	10,287	27,577	7,985	692	
CANADIAN SEARCH AND RESCUE						
HELICOPTER	765,300	432,398	264,071	66,418	2,413	-
AIRCRAFT COLLISION AVOIDANCE						
SYSTEM (ACAS) CC130	24,900	12,100	9,100	3,700	-	
AIR FORCE ENVIRONMENTAL						
CLOTHING STANDARDIZATION	10,745	7,305	3,440	-	-	
Joint Operations and Civil E	mergency Pre	paredness				
JOINT COMMAND, CONTROL AND						
INTELLIGENCE SYSTEM	24,875	16,523	5,852	2,500	-	
Communication and Informa	ation Managen	nent				
OF A DOLL AND DECOME DEDEATED			1	ı		1
SEARCH AND RESCUE REPEATER	45.050	200	5 457	4 0 4 0	0.505	4 0 4 0
REDESIGN	15,250	600	5,157	4,010	3,535	
DEFENCE SERVER UPGRADE	7,500	1,071	2,000	2,000	2,429	
MARCOM OPERATIONAL	04.400	04 504	0.070			
INFORMATION NETWORK (MCOIN)	34,400	31,524	2,876	-	-	
CF SUPPLY SYSTEM UPGRADE	304,100	261,416	27,884	14,800	-	
CENTRAL COMPUTATION PAY						
SYSTEM	36,251	36,072	179	-	-	
LAND SOFTWARE ENGINEERING						
FACILITY	6,586	5,821	765	•	-	
SEARCH AND RESCUE SATELLITE	65,026	64,950	38	38	-	
QUALITY ASSURANCE						
MANAGEMENT INFO. SYSTEM	6,918	6,875	43	-	-	
MATERIAL ACQUISITION SUPPLY						
INFORMATION SYSTEM	81,920	47,036	34,884	-	-	
DEFENCE INTEGRATED HUMAN						
RESOURCES	59,640	36,078	15,759	7,803	-	
HIGH ARCTIC DATA						
COMMUNICATION SYSTEM	29,056	21,457	4,522	3,077	-	
DEFENCE MESSAGE HANDLING						
SYSTEM	130,486	36,258	37,022	29,473	27,733	
SECURITY AND MILITARY POLICE						
INFORMATION SYSTEM	8,699	981	7,718	-	-	



		- (
		Forecast				
		Expendi-	Planned	Planned	Planned	
PROJECT TITLE	Currently	tures to	Expendi-	Expendi-	Expendi-	Future Years
	Estimated	31 March	tures	tures	tures	Require-
	Total Cost	2001	2001–02	2002–03	2003–04	ments
CLASSIFIED ELECTRONIC KEY						
MANAGEMENT SYSTEM	33,278	20,526	12,018	734	-	
ITERIM ELECTRONIC WARFARE						
OP. SUPPORT CENTRE	20,511	20,062	449	-	-	
FINANCIAL MANAGERIAL						
ACCOUNTING PROJECT	21,573	17,233	4,340	-	-	
DWAN EXTENSION AND						
CONSOLIDATION	7,846	5,846	2,000	-	-	
DEFENCE VIRTUAL PRIVATE						
NETWORK INFRASTRUCTURE	15,422	-	8,542	6,880	-	
G2773	24,074	24,059	15	-	-	
CANADIAN FORCES HEALTH						
INFORMATION SYSTEM	4,645	198	4,447	-	-	
ULTRA HIGH FREQUENCY						
MILITARY SATELLITE						
COMMUNICATION	7,532	431	2,371	2,682	1,922	126
PROTECTED MILITARY SATELLITE						
COMMUNICATIONS	232,565	3,003	52,034	61,998	50,779	64,751
SURVEILLANCE OF SPACE						
PROJECT	6,985	500	3,193	2,685	607	



Capital Spending By Service Line – Construction (\$0.00m)

Project Title	Base	Current Estimated Total Costs	Past Expendi- tures	Fore- casted Expendi- tures 01/02	Planned Expendi- tures 02/03	Planned Expendi- tures 03/04	Planned Expend- itures 04/05	Future Req'ts
Maritime Forces								
Jetty Upgrade NJ & NK	Halifax	38.19	0.19	1.00	2.00	5.00	12.00	18.00
Community Centre	Halifax	4.60	0.13	4.47	2.00	0.00	12.00	10.00
VICTORIA – Trainers	Halifax	4.80	0.13	4.28				
Ammo Maint Fac	Halifax	3.00	0.10	1.20	1.70			
Ammo Transit Facility	Halifax	3.00	0.10	0.30	2.70			
Replace Ammo Storage Fac/Heating CFAD	Halifax	11.00		0.00	2.10	0.70	10.30	
CPO Mess/Qtrs	Halifax	13.04	0.29	0.75	3.60	8.40		
Construct Dockyard Sewage	Halifax	0.10		0.10				
Consolidate TEME/35 SVC Bn	Halifax	9.00						9.00
HMCS Donnacona	Montreal	7.00	4.00	3.00				
Replace HMCS Hunter	Windsor	6.00						6.00
Offr Accommodations MARPAC HQ	Esquimalt	14.68	14.18	0.50				
Consolidation	Esquimalt	7.65	4.85	0.90	1.90			
Renovate Pool/Gym	Esquimalt	3.25	0.10	3.15	1.50			
Replace B Jetty	Esquimalt	28.08	0.10	2.00	13.00	12.00	0.80	
VICTORIA Class Berthing	Esquimalt	2.00	0.20	1.90	10.00	12.00	0.00	
VICTORIA Class Bertilling	Loquinian	2.00	0.10	1.50				
Shore ccn	Esquimalt	2.00	0.20	1.80				
Consolidate FDU	Esquimalt	5.00		-				5.00
Const Jr NCM Single Qtrs		10.10	0.20	4.00	5.90			
Replace ``A`` Jetty	Esquimalt	25.00					0.25	24.75
Seismic Upgrades	Esquimalt	4.20		0.20			2.00	2.00
Construct Fire								
Support Svs.	Esquimalt	4.50				2.00	2.50	
Construct BOTC Facility	Esquimalt	2.15						2.15
Replace Dockyard Firehall	Esquimalt	3.02					0.30	2.72
Consolidate NCM Trg Facility	Esquimalt	16.00						16.00
Constuct Language Trg Facility	Esquimalt	6.35						6.35



Project Title	Base	Current Estimated Total Costs	Past Expendi- tures	Fore- casted Expendi- tures 01/02	Planned Expendi- tures 02/03	Planned Expendi- tures 03/04	Planned Expend- itures 04/05	Future Req'ts
Land Forces								
Gym Addition	Gagetown	10.98	4.00	6.98				
Camp Petersville	Gagetown	12.80	0.50	0.00				12.30
4 ESR Facility	Gagetown	20.44	0.14		0.30	2.00	7.00	11.00
2 RCR Facility	Gagetown	41.20	0.50	2.50	12.00	14.20	12.00	11.00
Upgrade Bivouac	Gagetown	2.00	0.00	2.00	12.00	2.00	12.00	
Renovate Tank								
Hangar, K-17	Gagetown	2.00				2.00		
Kitchen/Dining Fac	Gagetown	24.33	14.90	9.43				
	- Jones III			00			1	
5 Svc Bn	Valcartier	28.59	24.63	3.21	0.75			
Shawingan Armoury	Valcartier	26.90	3.80	1.11	1.12	1.17	1.19	18.51
Reinforce Flat Roof Structures	Valcartier	4.40	0.40	1.50	2.50		0	10.01
Replace Steam Network – Phase 8 of 8	Valcartier	1.95		1.95				
Elec/Struc/Sprinkler System	Valcartier	2.00		0.15	1.85			
Accommodation 5 Bde	Valcartier	43.00		2.00		1.00	10.00	30.00
Insulate/Heat Cdt Camp Dormitories	Valcartier	2.00						2.00
Make the Citadelle walls safe	Valcartier	1.20		1.20				
Construct new ammunition site	Valcartier	11.00						11.00
Fusilier St Laurent	Valcartier	1.25	0.50	0.75				2.00
Replace Switching System	St-Jean	3.90		0.30	1.80	1.80		
Fitness Centre (LP)	Montréal	4.05	0.10	3.95				
Squash/Racketball Courts (St. Jean)	Montréal	1.00			1.00			
Replace MEGA Alarm System	Montréal	2.00		0.15	1.85			
4 Classroom Complex – Estrie	Montréal	6.20		0.50	4.00	1.70		



Project Title	Base	Current Estimated Total Costs	Past Expendi- tures	Fore- casted Expendi- tures 01/02	Planned Expendi- tures 02/03	Planned Expendi- tures 03/04	Planned Expend- itures 04/05	Future Req'ts
	1_	1						
2 Fd Amb Facility	Petawawa	8.78	8.74	0.04				
2 Sigs Sqn Facility	Petawawa	16.58	1.28		0.30	10.00	5.00	
2 Svc Bn Facility	Petawawa	20.10	0.10					20.00
RCD – Construct Coyote Sqn Facility	Petawawa	2.17			0.21	1.96		
RCD-Upgrade HQ								
Sqn Facilities	Petawawa	1.83					0.13	1.70
Construct Vehicle Wash								
Rack	Petawawa	3.80						3.80
Municipal Svcs	Petawawa	15.39		2.36	2.36	1.71	1.79	7.18
Community Centre	Kingston	2.36	0.36	2.00				
Construct Base Security	Ū							
Facility	Kingston	2.42	1.30	1.12				
Medical/Dental Facility	Kingston	4.70		0.40	4.30			
Const. CFSCE Line	Ū							
Trg Fac.	Kingston	1.20					1.20	
Sawyer Bldg RMC	Kingston	1.80	0.60	1.20				
Replace Base Steam	Ū							
Lines	Kingston	3.00					1.00	2.00
Sports & Fitness Complex		7.31	6.76	0.55				
'							L	
CFRB Garage, Hamilton	London	1.37	0.06	1.31				
Replace Simcoe Armoury	London	2.00		2.00				
Windsor Armoury/HMCS								
Hunter	London	8.60				0.50	7.50	0.60
							'	
Fitness Centre/Pool								
(Meaford)	CFSU(T)	2.60	0.16	2.44				
Toronto Consolidation	Toronto	8.40	1.00	2.20	5.20			
					- 10			
Replace Sudbury Armoury	Nor Ont	2.30					0.30	2.00
- pract tables, ramoury							0.00	
ASG Consolidation	Edmonton	15.54	10.99	4.55				
Service Detention		10.01	10.00	1.50				
Barracks	Edmonton	4.82	2.45	2.37				
Renovate Arena	Edmonton	1.40	0.02	1.38				
Land Forces Western		1.10	0.02	1.50				
Area HQ	Edmonton	5.75		0.30	5.45			
Relocate Minor Units	Edmonton	2.50		0.25	2.00	0.25		
408 Sqn Hangar	Edmonton	29.35	7.15	13.00		0.50		
Storm Sewer System	Edmonton	29.33		2.48		0.50		
Otolili Oewel Oystelli	Lumonton	2.40		2.40				



Project Title	Base	Current Estimated Total Costs	Past Expendi- tures	Fore- casted Expendi- tures 01/02	Planned Expendi- tures 02/03	Planned Expendi- tures 03/04	Planned Expend- itures 04/05	Future Reg'ts
Consolidate DRES	Suffield	5.30	5.20	0.10				•
		l.	Į.		<u> </u>			
Renovate Gym	Wainwright	2.30	0.23	2.07				
Medical/Dental Facility	Wainwright	2.50	0.23	2.27				
Ammo. Transit Bldg								
Wk Shp	Wainwright	1.50	0.15	1.35				
Extension to Bldg 562	Wainwright	1.10		0.10	0.80	0.20		
Western Area Trg Ctr HQ	Wainwright	2.70				0.25	2.45	
Officer/Sr NCO Qtrs	Wainwright	4.20					0.42	3.78
Structure Repairs Bldg B591,B592	Wainwright	1.00		0.09	0.91			
Earth Covered								
Bar 7 Igloos	Wainwright	7.00						7.00
Modernization LFWATC	Wainwright	1.39		1.39				
	T						<u> </u>	
Community Centre	Shilo	1.00	0.05	2.22	0.95			
Medical/Dental Facility	Shilo	2.37	0.10	0.08	2.19			
Relocate RCA Museum	Shilo	2.50		0.25	2.25			
Air Forces								
Renovate PSP Facilities	Goose Bay	2.00	1.07	0.93				
Construct 103RU								
Extension	Gander	1.58	1.58					
Construct Multi-Purpose								
Complex	Gander	5.47			0.18	2.45	2.17	0.68
Replace Ops Side Steam	Crosmussed	2.32	2.02	0.20				
Sys	Greenwood		2.02	0.30				
Resurface Runway 08/26	Greenwood	17.33	13.00	4.33	4.00			
Hgr 11 Mid-Life Recap Connect Domestic Sys to	Greenwood	8.88	0.62	4.17	4.09			
CHP2	Greenwood	9.70	0.10	0.40	3.03	2.47	3.70	
Resurface Runway 13/31	Greenwood	5.50	0.15	5.35		0.75	0.04	4.00
Hgr 10 Mid-Life Recap	Greenwood	7.96		0.50		0.75	2.94	4.28
Re-construct Ward Road	Greenwood	2.50		2.50				
Construct New Transit	Croonwood	E E 4				0.20	E 00	
Facility Construct New Trg Facility	Greenwood	5.54 3.41			0.21	0.32 3.20	5.22	
					0.21		24 05	2 00
Consolid Wing Log Infra	Greenwood	27.86			0.52	1.60	21.85	3.89
Hangar 9 Periodic Recap	Greenwood	2.17				0.27	1.90	



Project Title	Base	Current Estimated Total Costs	Past Expendi- tures	Fore- casted Expendi- tures 01/02	Planned Expendi- tures 02/03	Planned Expendi- tures 03/04	Planned Expend- itures 04/05	Future Reg'ts
New Control Tower	Bagotville	7.76	0.40	4.91	2.45			
Renovate Electrical	J							
System	Bagotville	3.28	0.20	1.54	1.54			
Resurface Portion of								
Tarmac	Bagotville	1.54		0.05		1.49		
Resurface Taxis 11-29 &	_							
Rpice Panel	Bagotville	1.62		0.13		1.49		
Replace lights 18-36 and								
Approaches	Bagotville	1.61		0.15	1.46			
Renovate Infra/Runway								
11-29	Bagotville	2.12		0.19	1.93			
Replace Municipal								
Facilities	Bagotville	6.06				0.54	1.09	4.44
Replace 3 Wing Hospital	Bagotville	1.74				0.11	1.63	
Construct Wing								
Accommodation Facility	Trenton	4.23	3.65	0.58				
Mid-Life Upgrade								
to Hgr 10	Trenton	5.27		0.41	4.86			
Resurface Taxiway PAPA	Trenton	1.64		1.64				
Construct Engine								
Wkshop Infill	Trenton	1.61	1.61					
Upgrade Fire Supp Sys								
Hgr 10	Trenton	4.80		0.10	4.70			
Rehab Airfield Drainage	Trenton	3.58		3.58				
Construct 2nd Wing								
Acc Fac	Trenton	4.09		4.09				
Construct RCAF Mem								
Museum	Trenton	4.50						4.50
Renovate Rec Ctr – North								
Bay	North Bay	2.10		0.26	1.15	0.69		
Replace Curtain Wall –								
B25	Winnipeg	3.64	0.08	3.56				
Barrack Block 65								
Renovation	Winnipeg	1.65	1.65					
Roads Upgrade Ph IV, V								
& VI	Winnipeg	1.89	0.05	1.84				
Relocate 2PPCLI To 17								
Wing	Winnipeg	75.50	0.50					75.00
Long Term Ramp Repairs	Winnipeg	2.29		0.21	2.09			



		Current Estimated	Past	Fore- casted Expendi-	Planned Expendi-	Planned Expendi-	Planned Expend-	- .
Project	Deer	Total	Expendi-	tures	tures	tures	itures	Future
Title	Base	Costs	tures	01/02	02/03	03/04	04/05	Req'ts
•	Winnipeg	2.90		0.20	2.70	2.42		
Decomm ASD/AVPOL	Winnipeg	2.34			0.21	2.13		
Renovate B66 for Trg &		0.40			0.40	0.00		
Conf Ctr	Winnipeg	2.13			0.10	2.03		
	Τ							
Replace Water & Sewer		0.00		0.04	0.50	2.24	4 00	
Dist Lines	Dundurn	3.00		0.21	0.52	0.64	1.63	
D 1 0 " 1	Т		1	:1	:1	ı	ı	
Replace Sanitary/		10.10			2.22	2 = 2	4.00	
Storm/Upgrade Rds	Cold Lake	13.16	1.05	4.77	3.30	2.72	1.32	
Upgrade Utilities – PMQ		0.40	4.50		4.50	0.00	0.40	
Areas	Cold Lake	8.40	1.50		1.50	3.00	2.40	
Upgrade PLER Facility	Cold Lake	3.66	0.29	1.72	1.65			
Upgrade CLAWR								
Power Grid	Cold Lake	2.11	0.21	1.90				
New MP Facility	Cold Lake	2.08	0.15	1.93				
Replace Hangar 1 Doors	Cold Lake	7.60	7.40	0.20				
Rehab Runway 13L – 31L,								
Taxiways & Replace								
Concrete Slabs At 13L								
Button	Cold Lake	1.99		0.15		1.84		
Rehab Runway 13L –								
31R, Taxiways & Replace								
Concrete Slabs At 13L								
Button	Cold Lake	3.91		0.13	3.78			
Rehab Runway 4-22 &								
Taxiways	Cold Lake	3.87		0.13		3.74		
New Refueling Tender				. .=				
Garage	Cold Lake	3.47		3.47				
Upgrade Approach		2.12		2.42	2.22			
Lighting	Cold Lake	2.19		0.10	2.09			
Construct New Barrack		- 00			0.00	- 00		
Block	Cold Lake	5.98			0.62	5.36		
Upgrade Medley Terminal		4.05		0.40	4 4-			
Ramp	Cold Lake	1.25		0.10	1.15			
Const Curling & Golf		4.0=			4.0=			
Facility	Cold Lake	1.05			1.05			
Runway Surfacing Sealing	Cold Lake	1.50	1.50					
Construct Addition to Wing								
HQ	Cold Lake	1.76			0.16	1.60		
Construct Air Movement		4.00			4.40			
Facility	Cold Lake	1.60		0.11	1.49			
AVPOL Upgrade Phase 2	Cold Lake	4.58			0.41	4.17		



Project Title	Base	Current Estimated Total Costs	Past Expendi- tures	Fore- casted Expendi- tures 01/02	Planned Expendi- tures 02/03	Planned Expendi- tures 03/04	Planned Expend- itures 04/05	Future Reg'ts
Realign Intersec Hangar	Cold Lake	1.76	turoo	01/02	0.16	1.60	04/00	110910
Construct New Chapel	COIG LUNG	1.70			0.10	1.00		
Complex	Cold Lake	2.18				0.22	1.96	
Construct Extension to						-		
B177	Cold Lake	3.91		0.31	3.60			
Construct Addition Mag –								
X Area	Cold Lake	1.15		0.10	1.05			
Renovate Barrack								
Block 43	Cold Lake	2.76		2.76				
	•							
Retrofit B105 Combined								
Kitchen & Mess	Comox	4.89			0.42	4.47		
Construct MIR/Dental								
Clinic	Comox	4.40			0.32	4.08		
Reconstruct 11 End								
Hammerhead	Comox	3.75	0.21	3.54				
Upgrd Airfield Lgt 11/29 &								
Rpl SSALR	Comox	2.14	0.15	1.99				
Hgr Extension 422 Sqn		_						
Fixed Wg	Comox	8.77			8.77			
Rwy 18-36 Overlay	Comox	2.62			0.10	2.52		
Military Quarters	Comox	11.71			0.32	6.34	5.06	
Hgr 7 Mid-life Retrofit	Comox	6.14			0.72	5.42		
Upgrade POL Jetty	Comox	1.63				0.16	1.47	
WG Ground & Air Trg Bldg	Comox	4.26			0.21	4.05		
Retrofit Airfield Lighting								
Struct	Comox	2.12		0.15		1.97		
Reconstruct Apron H3 &								
H7	Comox	1.00				1.00		
Support to Pers	onnel Functi	on						
••								
Const Drill Hall	St-Jean	4.20			4.20			
Renovate Classroom/								
Offices	St-Jean	4.58		4.58				
	•						<u> </u>	
Military Community Sports								
Complex	Kingston	8.58	7.93	0.65				
Construct RMC Dormitory	Kingston	11.83	11.83					
RMC QTRS Recap	Kingston	34.72		6.52	9.40	9.40	9.40	
RMC – Const						-		
Academy/Library	Kingston	6.00						6.00
RMC – Renovate								
Currie/Mackenzie	Kingston	8.50						8.50



Project Title	Base	Current Estimated Total Costs	Past Expendi- tures	Fore- casted Expendi- tures 01/02	Planned Expendi- tures 02/03	Planned Expendi- tures 03/04	Planned Expend- itures 04/05	Future Req'ts
New Gym	Borden	6.00	6.00					
Const New CFMPA	Borden	8.20						8.20
Const Trainee Qtrs	Borden	16.00						16.00
Const CMED Detachment	Trenton	1.60		1.60				
South Side Expansion CFC	Toronto	4.80	0.20	4.60				
Canadian Force	s Housing A	gency						
Rehabilitate San Sew	Ottawa	TBD						
Rebuild Rds/Ditches	Ottawa	TBD						
Rebuild Water Lines	Ottawa	TBD						
Rebuild Rds/Ditches	Ottawa	TBD						
Military Housing	Ottawa	42.00		1.50	2.00	1.50		37.00
Recap MQs Downsview	Toronto	22.00			5.50	5.50	5.50	5.50
Military Housing	Edmonton	37.00		2.00	6.00	6.00	10.00	13.00
Upgrade Utilities PMQ	Cold Lake	8.40	0.60	1.50	1.50	1.50	1.50	1.80
Military Housing	Esquimalt	34.00			6.00		6.00	22.00
Small Level 1 V			m					
New Accommodation	Alert	17.00						17.00
Deputy Chief of the Defend	e Staff				I I			
Joint HQ	Kingston	16.00	0.90	8.00	7.10			
Associate Assistant Deputy	/ Minister (Fin	ance and Cor	porate Servic	es)				
Food Svcs Facility New Water & Sewer	CFSU(O)	6.74		0.60	6.04	0.10		
System	CFSU(O)	4.71	0.64	4.07				
HMCS Carleton	Ottawa	7.00			0.50	3.00	3.50	
Quarters/Connaught	Ottawa	3.00			3.00			



Project Title	Base	Current Estimated Total Costs	Past Expendi- tures	Fore- casted Expendi- tures 01/02	Planned Expendi- tures 02/03	Planned Expendi- tures 03/04	Planned Expend- itures 04/05	Future Req'ts
Trg Bldg/ Connaught	Ottawa	2.50				2.50		
Sports Facility	Ottawa	12.50						12.50
Leitrim Sports Facility	Leitrim	0.59		0.08	0.44	0.07		
Joint Operations and Civ	il Emergency P	reparedness						
CEPC	Arnprior	3.70					3.70	
Associate Assistant Depu	uty Minister (Sci	ence and Tec	chnology)					
Upgrade Bldg #4	DREA	1.78		0.28	1.00	0.50		
Fac Dockyard Lab	DREA	3.00		0.40	1.50	1.10		
Lab Facilities	DREO	7.30		1.00	2.50	3.00	0.80	
Expand Lab (Bldg 6)	DREO	1.33						1.33
Consol of Radioact	DREO	2.50						2.50
Const Lab guerre ele	CRDV	4.00			0.60	2.40	1.00	
Upgr Lab (bldg 201)	DCIEM	2.80			0.40	1.40	1.00	
Biotech Centre	DRES	6.00				0.60	4.40	1.00
Upgr EPG Muni Svcs	DRES	4.00		0.30	2.40	1.30		
Associate Assistant Depu	uty Minister (Ma	teriel)						
PIN-3 Radar Site	North Canada	10.00						10.00
Vice Chief of the Defence	e Staff							
CSTC Revamp	Various	25.00		5.00	8.00	8.00	4.00	
Associate Assistant Depu	uty Minister (Po	licy)						
MTAP Quarters	Borden	12.50						12.50
Associate Assistant Depu	uty Minister (Infi	rastructure an	d Environme	nt)				
Construction in Support t	o Equipment Pr	ogram .						
CSH-CDN SAR Helicopte	er Various	18.16	3.07	13.15	1.89	0.05		
MAATS	Various	6.93						
LAV APC	Various	1.70	1.70					



Project Title	Base	Current Estimated Total Costs	Past Expendi- tures	Fore- casted Expendi- tures 01/02	Planned Expendi- tures 02/03	Planned Expendi- tures 03/04	Planned Expend- itures 04/05	Future Reg'ts
CF Joint Experiment	Dase	00313	เนเธอ	01/02	02/03	03/04	04/03	ived is
Centre	Ottawa	11.00		1.00	9.00	1.00		
CF Intel Surv & Recc	Ottawa	50.00		5.00	15.00	25.00	5.00	
National Military Support	Ottawa	00.00		0.00	10.00	20.00	0.00	
Capability	Kingston	28.62		2.55	26.07			
ROCC Air Def Ctl System	North Bay	21.00		1.00	19.00	1.00		
1 Field Hospital	Petawawa	9.52	7.12	2.40	10.00	1.00		
Direct Fire Targetry	Petawawa	2.70	2.70	2.10				
NFTC Trainee	Ctawawa	2.70	2.10					
Accommodation	Moose Jaw	10.00	0.30	9.70				
NRD London	London	2.16	2.16	00				
THE EDITION		2.10	2.10					
Legacy Projects								
HMCS CABOT	St. John's	15.04	14.54	0.50				
SRU(A) Elect Repair	Su som s	10.01	11.01	0.00				
Facilities	Halifax	22.00	3.00	17.00	2.00			
Main Base Supply	Halifax	42.61	42.11	0.50				
Const Shipboard FF Tnr	Halifax	15.25	15.00	0.25				
CFSEME Mat Trg Bldg	Borden	10.00	10.00	0.20				10.00
	Cold Lake	23.05	21.05	2.00				
BEME Facility	Cold Lake	7.00	6.50	0.50				
FMF Cape Breton	Esquimalt	91.88	13.43	8.30	21.20	25.40	23.30	0.25
Refuelling Facility		000		0.00				0.20
Upgrade	Esquimalt	43.25	6.00	24.00	11.25	2.00		
Colwood HazMat Storage	Esquimalt	4.96	0.26	0.40	2.50	0.90	0.90	
FF Trn / Smoke								
Abatement	Esquimalt	19.16	18.45	0.71				
Venture NOTC Facs	Esquimalt	9.15	4.15	5.00				
		<u>. </u>			<u> </u>	<u> </u>	J.	
IRP 94, IRP 95 and ADM(II	Ξ)							
Farnham Range –								
St-Jean	Montreal	11.38	10.38	1.00				
DCC Contracting Services		15.80	6.00	1.80	2.00	2.00	2.00	2.00
Relocate Canadian	=(<i>1</i> =)	10.00	0.00	1.00	2.00	2.00	2.00	2.00
Para Ctr	Trenton	15.10	14.75	0.35				
Close CFB London	London	33.74	0.06	15.00	18.68			
Toronto Consolidation	Toronto	40.90	7.50	26.60	6.80			
Range and Training					5.50			
Area Fac	Edmonton	8.00	7.82	0.06	0.06	0.06		
MTSC West	Wainwright	45.28	45.28	3.30	2.30	2.20		
MTSC West (Army)	Wainwright	0.50		0.50				
Close Jericho Beach	Chilliwack	3.00		3.30				3.00
Nanaimo Reserve Acc	Esquimalt	2.40		1.75	0.65			0.00





Status of Major Capital Equipment Projects

This sub-section contains information on the following significant Department of National Defence capital equipment projects:

Canadian Search and Rescue Helicopter	76
Military Automated Air Traffic System	78
Canadian Forces Utility Tactical Transport Helicopter	80
Protected Military Satellite Communications	82
Armoured Personnel Carrier Replacement	84
Canadian Forces Supply System Upgrade	86
Tactical Command, Control and Communications System	88
Submarine Capability Life Extension	90
Light Utility Vehicle Wheeled	92
Clothe the Soldier	94
CF-18 Engineering Change Proposal 583	98
Maritime Helicopter	100
M113 (Armoured Personnel Carrier) Life Extension	102
Weapon Effects Simulation	104
Evolved Sea Sparrow Missile	106



Canadian Search and Rescue Helicopter Project

1. Description

Maintaining a national search and rescue capability is a direct departmental objective. The purpose of the Canadian Search and Rescue Helicopter (CSH) project is to replace the CH-113 Labradors with a fleet of 15 new helicopters. The new helicopters will address the operational deficiencies of the CH-113 Labrador fleet, eliminate the supportability difficulties of these older airframes, and provide a fleet size sufficient for continuous operations well into the 21st century.

2. Leading and Participating Departments and Agencies

LEAD DEPARTMENT	Department of National Defence		
Contracting Authority	Public Works and Government Services Canada		
Participating Departments and Agencies	Industry Canada and its regional agencies		

3. Prime and Major Sub-Contractors

PRIME CONTRACTOR	E.H. Industries Ltd. (EHI),		
PRIME CONTRACTOR	Farnborough, United Kingdom		
	GKN Westland Helicopters, United Kingdom		
Major Sub-Contractors	Agusta Spa, Italy		
	General Electric Canada Inc., Canada		

4. Major Milestones

Treasury Board Effective Project Approval	April 1998
Contract Award	April 1998
First Aircraft Delivery (at plant in Italy)	February 2001
Final Aircraft Delivery (at plant in Italy)	October 2002
Project Completion	July 2006

5. Progress Report and Explanation of Variances

Treasury Board (TB) granted original Preliminary Project Approval on 8 February 1996, providing Expenditure Authority for \$3,335,000 for Definition Phase activities and approval-in-principle for \$704,177,000. An amendment to the Preliminary Project Approval was granted on 24 April 1997, providing Expenditure Authority for \$6,380,000 for total Definition Phase activities and approval-in-principle for \$708,242,000.

Effective Project Approval was provided by Treasury Board on 2 April 1998 including Expenditure Authority for \$787,954,000.



On 6 April 1998, E. H. Industries was contracted to supply 15 AW511 Cormorant search and rescue helicopters, along with initial logistics support to the Canadian Forces.

The initial support package includes training, publications, warranty, a repair and overhaul program providing coverage until October 2004, and software support until 2006.

The project has identified and is procuring the required aircraft spares, maintenance and support equipment, a Cockpit Procedures Trainer and facilities for the four Canadian Forces search and rescue bases. The project has also established and is funding the first two years of an in-service support contractor for follow-on support.

Costs greater than estimated during the Definition phase resulted in an increase in project cost.

6. Industrial Benefits

The contractor (E.H. Industries) has committed to providing direct and indirect industrial benefits valued at \$629.8 million, to be completed within the period ending eight years from the date of contract award. It is estimated that these benefits will create or continue roughly 5,000 person-years of employment in Canada. Canadian industry in all regions of Canada will benefit from the project.

Atlantic Canada	\$43.1 million
Quebec	\$317.7 million
Ontario	\$146.5 million
Western Canada	\$86.2 million
Unallocated	\$36.3 million
Total	\$629.8 million

Small businesses in Canada will also benefit from the project by the placing of \$67 million in orders.

	Planned	Planned	Planned	
Expended as at	Spending	Spending	Spending	Currently Estimated Total
31 Mar 01	2001–2002	2002–2003	2003–2004	Expenditure
432.5	264.1	66.4	2.4	765.3



Military Automated Air Traffic System (MAATS) Project

1. Description

A national air traffic system project that will automate air traffic services has been initiated by Transport Canada (now Nav Canada). To ensure that military air operations continue to function effectively, remain compatible with the national system, and keep pace with these enhancements, the Department of National Defence and the Canadian Forces has established the Military Automated Air Traffic System (MAATS) Project. The project directly supports the defence objective of conducting air traffic control operations.

The MAATS project will provide the essential system interfaces and equipment to remaining interoperable and compatible with Nav Canada's Canadian Automated Air Traffic System (CAATS). Where equipment or system interfaces are not currently available, new equipment will be installed. All existing Defence radar systems will be retained and interfaced to the MAATS as appropriate.

2. Leading and Participating Departments and Agencies

LEAD DEPARTMENT	Department of National Defence
Contracting Authority	Public Works Government Services Canada
Participating Departments and Agencies	Industry Canada and its regional agencies

3. Prime and Major Sub-Contractors

PRIME CONTRACTOR	Raytheon Systems Canada Limited Richmond, BC
Major Sub-Contractors	Raytheon Systems Company, California, USA Macdonald Dettwiler and Associates Limited, Richmond, BC Hewlett Packard Canada Limited Ottawa, ON

Treasury Board Effective Project Approval	July 1993
Contract Award	January 1994
Preliminary Design Review	March 2000
Critical Design Review	January 2001
Factory Acceptance Test	August 2001
Initial Delivery	April 2002
Contract Complete	November 2003



5. Progress Report and Explanation of Variances

Treasury Board initially approved the project with an estimated cost of \$179,214,000. The cost of the project was reduced by \$15 million following departmental review.

Due to delays in the Canadian Automated Air Traffic System, reporting to Treasury Board on the MAATS project has been deferred until 2002. MAATS is linked to progress of the CAATS project, which until recently had experienced delays. MAATS is now scheduled for closure in 2004–2005 rather than the planned date of July 2000.

6. Industrial Benefits

Canadian industry in the following regions of Canada will benefit from the MAATS project

Atlantic Canada	TBD
Quebec	\$1.9 million
Ontario	\$1.2 million
Western Canada	\$43.6 million
Unallocated	TBD
Total	\$45.99 million

	Planned	Planned	Planned	Currently
Expended as at	Spending	Spending	Spending	Estimated Total
31 Mar 01	2001–2002	2002–2003	2003–2004	Expenditure
75.2	20.2	19.7	23.8	149.4



Canadian Forces Utility Tactical Transport Helicopter (CFUTTH) Project

1. Description

The purpose of the Canadian Forces Utility Tactical Transport Helicopter (CFUTTH) Project is to acquire helicopters in support of national and international tactical transport roles. The project supports the Land Forces, Air Forces, Joint Operations and Civil Emergency Preparedness, as well as a wide range of defence objectives.

The Canadian Forces Utility Tactical Transport Helicopter, or the CH146 Griffon, replaces three aging helicopter fleets – the CH118 Iroquois, the CH135 Twin Huey and the CH136 Kiowa. The primary task of the aircraft is the tactical lift of troops and equipment. Other tasks include base rescue flight, inland search and rescue, support to United Nations peacekeeping missions and the Government's emergency response team, medical evacuation, major air disaster response, surveillance, drug interdiction, fire fighting, assistance to civilian authorities, Aid of the Civil Power and command, liaison and communications assistance.

The project is to deliver 100 CH146 Griffons, a flight simulator, composite maintenance trainer, facilities, mission kits (including defence electronic warfare suites), as well as other equipment, documentation and services.

2. Lead and Participating Departments and Agencies

LEAD DEPARTMENT	Department of National Defence
Contracting authority	Public Works and Government Services Canada
Participating Departments and Agencies	Industry Canada and its regional agencies

3. Prime and Major Sub-Contractors

PRIME CONTRACTOR	Bell Helicopter Textron Canada, Mirabel, QC
	Pratt & Whitney Canada, Montreal, QC
Major Sub-Contractors	BAE Systems Canada Inc., Montreal, QC
	CAE Ltd, Montreal, QC



4. Major Milestones

Contract Award	September 1992
Critical Design Review	April 1993
First Helicopter Delivery	March 1995
Simulator Acceptance	June1996
Last Helicopter Delivery	December 1997
Project Completion	December 2004

5. Progress report and Explanation of Variances

This project was approved by Cabinet on 7 April 1992 and by Treasury Board on 8 September 1992, at an estimated total cost of \$1.293 billion. All 100 helicopters and mission kits were delivered on schedule. Project objectives will be met for approximately \$130 million less than the approved estimated total cost.

6. Industrial Benefits

Bell Helicopter Textron Canada has committed to achieving \$505.9 million in Canadian value-added industrial regional benefits. To date, Bell Helicopter has claimed \$289.5 million direct and \$252.1 million indirect industrial regional benefits, totalling \$541.6 million, representing 107% of the overall commitment.

Expended as at 31 Mar 01	PLANNED Spending 2001–2002	Planned Spending 2002–2003	Planned Spending 2003–2004	Currently Estimated Total Expenditure
1010.1	40.6	55.2	34.3	1,163.1



Protected Military Satellite Communications Project

1. Description

The Department of National Defence and the Canadian Forces require global communications that are secure, guaranteed and directly interoperable with our allies. The aim of the Protected Military Satellite Communications Project (Protected MILSATCOM) is to overcome current Canadian Forces interoperability and global command and control limitations. Upon completion, this project will enable long-range communications to deployed forces and facilitate their interoperability with allies.

2. Leading and Participating Departments and Agencies

LEAD DEPARTMENT	Department of National Defence
Contracting Authority	Public Works and Government Services Canada
Participating Departments and Agencies	Industry Canada and its regional agencies

3. Prime Contractor and Major Sub-Contractors

PRIME CONTRACTOR	United States Department of Defense
Major Sub-Contractors	TBD

4. Major Milestones

Preliminary Project Approval	25 August 1999
Effective Project Approval	Fall 2003
Initial Terminal Delivery	Spring 2005
Initial Satellite Delivery	Summer 2006
Terminal Delivery Completed	Spring 2007
Project Complete	Summer 2009

5. Progress Report and Explanations of Variances

The Protected MILSATCOM project will be implemented in two phases. Under Phase 1, a Memorandum of Understanding (MOU) with the United States Department of Defense (DOD) will guarantee Canadian participation in their Advanced Extremely High Frequency (AEHF) system. Definition studies for the terminal segment will also be completed in Phase 1. Under Phase II, the terminal segment will be procured, installed and tested.

On 25 August 99, Treasury Board granted preliminary project approval for the Protected MILSATCOM Project. Treasury Board also provided expenditure authority for the implementation of Phase 1 at an estimated cost of \$254 million



and granted approval for the Department of National Defence to enter into a MILSATCOM MOU with the United States Department of Defense. The MOU was signed 16 November 99.

6. Industrial Benefits

Under Phase 1, the United States Department of Defense has committed to work towards a work share with Canadian industry proportional to our contribution. Suppliers from both nations will be permitted to bid on project work. In Phase II, the acquisition of the ground terminal segment will be obtained via competitive tender. The Department of National Defence will work with Canadian industry to optimize opportunities for Canadian content.

Ī	Expended as at	Planned	Planned	Planned	Currently
	31 Mar 01	Spending 2001–	Spending	Spending	Estimated
	31 Mai 01	2002	2002–2003	2003–2004	Total Expenditure
	\$3.0	\$52.0	\$62.0	\$50.8	\$232.6



Armoured Personnel Carrier Replacement Project

2. Description

The Armoured Personnel Carrier (APC) is essential for all foreseeable Canadian Forces roles, including territorial defence, UN peacekeeping and peace enforcement operations, other international commitments, and Aid of the Civil Power. The existing APC fleet does not meet the minimum operational requirements when compared to the modern, technically sophisticated weapons and vehicles Canadian soldiers encounter during operations. They suffer shortcomings in protection, self-defence capability, mobility, carrying capacity and growth potential. Their continued use would further deteriorate the Land Forces' ability to carry out assigned missions effectively without exposing Canadian soldiers to undue risk.

2. Leading and Participating Departments and Agencies

LEAD DEPARTMENT	Department of National Defence
Contracting Authority	Public Works and Government Services Canada
Participating Departments and Agencies	Industry Canada and its regional agencies

3. Prime and Major Sub-Contractors

PRIME CONTRACTOR Diesel Division General Motors, London, ON

Treasury Board approval	December 1995
Contract award	December 1996
First vehicle delivery	July 1998
Exercise of first option	November 1998
Exercise of second option	July 1999
Exercise of third option	December 1999
Last vehicle delivery	February 2004
Project completed	July 2005



5. Progress Report and Explanation of Variances

In August 1995, the Government gave approval in principle to the Department of National Defence to procure up to 651 APCs. In January 1997, the Government announced the award of a contract to Diesel Division General Motors (DDGM) to build 240 new eight-wheel-drive APCs. The contract contained three options for an additional 120, 120 and 171 APCs. All three options have been exercised. A total of 370 vehicles have been delivered to date.

Cash flow restrictions with the Department, which have since been removed, placed final delivery at March 2003. Subsequently, the need to install a new subsystem due to obsolescence issues will now place final delivery at February 2004.

The vehicles are equipped and configured to meet the demands of operational employment at the battle group level by Land Force infantry elements. The APC vehicle will provide a rapid response capability, both strategic and tactical, allowing the Canadian Forces to meet all tasks currently envisaged.

6. Industrial Benefits

This project includes the following regional commitments:

Atlantic Canada	\$152 million
Quebec	\$152 million
Western Canada	\$152 million
Small Business	\$207 million

Expanded as at	Planned	Planned	Planned	Currently
Expended as at	Spending	Spending	Spending	Estimated Total
31 Mar 01	2001–2002	2002–2003	2003–2004	Expenditure
1,295.6	355.6	298.9	144.3	2,094.4



Canadian Forces Supply System Upgrade Project

1. Description

The Canadian Forces Supply System Upgrade (CFSSU) project will meet the future supply requirements of the Canadian Forces during all operational situations while effectively and economically managing the Department of National Defence inventory. The system will have an inherent flexibility to manage changes in force structure, size and all types of missions. The CFSSU project will employ information technology to modernize Canadian Forces military supply operations. Not only will this technology dramatically improve productivity, it will also enhance the capability for performance measurement, greatly increase asset visibility, and provide a powerful management tool for provisioning. Additionally, the new supply system will have a deployed capability. Implementation to Bases and Wings will commence August 2001.

2. Leading and Participating Departments and Agencies

LEAD DEPARTMENT	Department of National Defence
Contracting authority	Public Works and Government Services Canada
Participating Departments and Agencies	Industry Canada and its regional agencies

3. Major Contractors

EDS Canada Inc.,	Ottawa, Ont.
Mincom Pty. Ltd.	Brisbane, Australia

MAJOR MILESTONE	DATE
Contract Award	January 1995
Initial Site Installation	December 1995
Warehouse Management Information System Delivery	July 1997
Test Development Centre Delivery	October 1999
Commence System Development	November 1999
Complete System Development	March 2001
Commence System Pilot	April 2001
Complete System Pilot	June 2001
Commence System Rollout	July 2001
Complete System Rollout	July 2002



5. Progress Report and Explanation of Variances

Treasury Board initially approved the CFSSU project with an estimated cost of \$289.3 million. The April 2000 Treasury Board approved the de-scoping of certain functionality and an increase to project contingency funding of \$9.8 million. In addition, \$5 million was approved in order to permit DND the option of restoring the Distribution Resource Planning (DRP) component. This will result in an overall project budget of \$304.1 million.

To date, the Warehouse Management Information System has been delivered and installed at Montreal and Halifax. Canadian Forces Base Borden has been fitted with hardware and communications infrastructure and MIMS 4.4 has been installed at the Canadian Forces School of Administration and Logistics. The MIMS 4.4 has also been installed in the Material Management Training Centre classrooms in Ottawa. The Test and Development Centre (TDC), located at the Directorate of Material Management and Distribution, has been activated and is currently testing Western Region data in the production-like environment. Communications infrastructure is being delivered to all logistics sites.

6. Industrial Benefits

The CFSSU project will benefit Canadian industry in the following regions:

Atlantic Canada	\$51 million
Quebec	\$48 million
Ontario	\$26 million
Western Canada	\$105 million
Unallocated	\$10 million
TOTAL	\$240 million

To date, all Industrial Regional Benefits commitments have been achieved; most cases have in fact seen significant over-achievement. However, due to the change in the contractual focus and responsibilities there will likely be a shortfall of \$2.8 million (of \$27 million) in the small business commitment.

Expended as at	Planned	Planned	Planned	Currently Fatimented
31 Mar 01	Spending 2001–2002	Spending 2002–2003	Spending 2003– 2004	Currently Estimated Total Expenditure
261.4	27.9	14.8	0	304.1



Tactical Command, Control and Communications System Project

1. Description

The aim of the Tactical Command, Control and Communications (TCCCS) Project is to replace the current Land Forces tactical communication system with a fully integrated system that will be secure, survivable, responsive and easily maintained under current and anticipated future battlefield conditions. Current Land Forces radio and area communications equipment is deficient in several areas, largely due to obsolescence.

The project will deliver a number of critical communications systems, including 15,000 radios installed in approximately 5,500 vehicles.

2. Leading and Participating Departments and Agencies

LEAD DEPARTMENT	Department of National Defence
Contracting Authority	Public Works and Government Services Canada
Participating Departments and Agencies	Industry Canada and its regional agencies

3. Prime and Major Sub-Contractors

PRIME CONTRACTOR	Computing Devices Canada, Calgary, AB
Major Sub-Contractors	- Canadian Marconi Company, Saint Laurent, QC
	- Computer Sciences Canada, Inc., Kanata, ON
	- EDS Defence, Hampshire, United Kingdom
	- ATCO/Frontec Logistics Corp., Calgary, AB
	- Harris Corp., Rochester, NY, USA
	- KB Electronics, Bedford, NS
	- Logican Technologies Inc., Edmonton, AB
	- Motorola, Scottsdale, AZ, USA
	- Prior Data Sciences Ltd., Halifax, NS
	- Racal-Tacticom Ltd., Reading, United Kingdom
	- TRW, Fairfax, VA, USA



4. Major Milestones

Treasury Board Approval	April 1991
System Design Review	June 1992
Start Fielding Initial Fielding Component (IFC) (Unit)	June 1999
Start Fielding IFC (Very Long Range Communications System)	September 1999
Start Fielding IFC (Formation)	June 2001
Complete System Delivery to DND	August 2001
Project Completion	March 2002

5. Progress Report and Explanation of Variances

Delivery and fielding of 4,633 portable lightweight assault radios, 253 air-ground-air radios and 1,125 battery charging systems occurred between 1996 and 1998. A Force Structure Amendment to the prime contract to match Canadian Forces reductions was signed in March 1996. In November 1998, a Schedule Change Amendment rescheduled the completion of the equipment installation until September 2001. This amendment will delay official project completion until March 2002. The change was due to the contractor's inability to maintain the equipment qualification schedule. Contract amendment 12 removed the Single Channel Radio Access (SCRA) subsystem as well as several obsolete interfaces.

6. Industrial Benefits

As of 30 June 1999, total direct and indirect industrial regional benefits are:

Atlantic Canada	\$ 31.4 million
Ontario	\$ 105.5 million
Quebec	\$ 42.2 million
Western Canada	\$ 1051.5 million
Undefined	\$ 141.7 million
Total	\$ 1372.3 million

Evpanded as at	Planned	Planned	Planned	Currently
Expended as at	Spending	Spending	Spending	Estimated Total
31 Mar 01	2001–2002	2002–2003	2003–2004	Expenditure
1769.3	136.6	21.9	0	1927.8



Submarine Capability Life Extension Project

1. Description

The Submarine Capability Life Extension (SCLE) project will replace the *Oberon* class submarine fleet with four existing British *Upholder* class (to be renamed Canadian *Victoria* class) submarines. The project will ensure that Canada preserves its submarine capability within the existing capital budget. The project supports Canada's ability to conduct surveillance and control of its territory, airspace and maritime areas of jurisdiction, as well as Canada's ability to participate in bilateral and multilateral operations.

The project will deliver four functional *Victoria* class submarines with up-to-date, safe-to-dive certificates, four crew trainers (including a combat systems trainer, a ship control trainer, a machinery control trainer, and a torpedo handling and discharge trainer), and four trained crews.

2. Leading and Participating Departments

LEAD DEPARTMENT	Department of National Defence
Contracting Authority	Public Works & Government Services Canada
Participating Departments and Agencies	Industry Canada and its regional agencies

3. Prime and Major Sub-Contractors

PRIME CONTRACTOR	The Government of the United Kingdom of Great Britain and Northern Ireland, Ministry of Defence, UK
Major Sub-Contractors	BAE Marine Systems (formerly VSEL/Marconi Marine) Cumbria, UK

Treasury Board Approval	4 June 1998
Main Contract Award	2 July 1998
Support Contract Award	2 July 1998
Commence lease 1st submarine	6 Oct 2000
Commence lease 2 nd submarine	July 2001
Commence lease 3 rd submarine	Jan 2002
Commence lease 4th submarine	May 2002
Relocate trainers to Canada	April 2002
Lease completed, submarines purchased	March 2007



5. Progress Report and Explanation of Variances

The project is now well into the implementation phase. Canada has accepted delivery (in situ, in the UK) of the submarine trainers, and training for the last crew commenced in November 2000. Modifications to the submarine fire-control system are under contract with Lockheed Martin Canada. The first submarine, HMCS VICTORIA, has been accepted by Canada and is currently alongside in Halifax undergoing essential Canadian modifications.

Due to reactivation difficulties, the delivery dates of the last three submarines have been delayed between 6 to 10 months from the original milestone dates.

6. Industrial Benefits

This project will provide an estimated \$200 million in direct and indirect industrial benefits. This includes Canadian modifications to the submarines and the relocation of the simulators and trainers to Canada. A further \$100 million in industrial benefits has taken the form of waivers to provide industrial offsets in the United Kingdom for Canadian companies bidding on defence contracts.

Expanded as at	Planned	Planned	Planned	Currently
Expended as at 31 Mar 01	spending 2001–	spending 2002-	spending 2003-	Estimated Total
31 Mai 01	2002	2003	2004	Expenditure
316.4	135.2	82.3	64.5	\$812



Light Utility Vehicle Wheeled Project

1. Description

Light utility vehicles are highly mobile and essential to facilitating the tactical command of combat, combat support and combat service support units, to assist in the gathering and dissemination of information and to liaison within and between field formations.

The aim of the Light Utility Vehicle Wheeled (LUVW) Project is to acquire up to 802 standard military pattern vehicles and associated logistics support, as well as up to 861 militarized commercial off-the-shelf vehicles to replace the *Iltis* fleet.

2. Leading and Participating Departments and Agencies

LEAD DEPARTMENT	Department of National Defence
Contracting Authority	Public Works and Government Services Canada
Participating Departments and Agencies	Industry Canada and its regional agencies

2. Prime and Major Sub-Contractors

PRIME CONTRACTOR	TBD
Sub-Contractor	TBD

Major Milestone (Phase 1)	Date
Release of Standard Military Pattern RFP	Oct 2000
Bid Closure	Mar 2001
Evaluation of Bids	Jul 2001
Testing of Proposed Vehicles	May 2002
Award of Contract	July 2002
First Full Production Delivery	Jan 2003
Project Completion	Aug 2005

Major Milestone (Phase 2)	Date
Release of Militarized COTS RFP	Feb 2001
Evaluation of Bids	Sep 2001
Testing of Vehicles	Sep 2001
Award of Contract	Dec 2001
First Full Production Delivery	Apr 2002
Project Completion	Aug 2005



Progress Report and Explanation of Variances

Treasury Board approved the revised procurement strategy on 16 December 1999. The project will be conducted in two phases. In Phase 1,802 Standard Military Pattern vehicles will be purchased; in Phase 2,861 militarized commercial off-the-shelf vehicles will be purchased.

6. Industrial benefits

The industrial benefits are required for Phase 1 for a value 100% of the contract value. The industrial benefits of phase 2 of this program are to be determined.

Expanded as at	Planned	Planned	Planned	Currently
Expended as at	spending	Spending	Spending	Estimated Total
31 Mar 01	2001–2002	2002-2003	2003-2004	Expenditure
3.0	8.5	90.0	89.7	209.1



Clothe the Soldier Project

1. Description

Land Force personnel must be clothed and equipped to conduct war and operations other than war world-wide, year-round and in all types of weather conditions. Much of the current suite of individual clothing and equipment is based on old technology and designs that have become obsolete. Over the years, a number of operational deficiencies have been identified in specific items, and it has been noted that many of the items are not fully compatible with each other, thereby reducing their capability, effectiveness and comfort.

Taking advantage of improvements in material technology and assisted by human factors engineering, the Clothe the Soldier (CTS) omnibus project will introduce 24 separate items of compatible footwear, clothing, handwear, headwear, ballistic protection and load carriage. The introduction of these items will resolve the most pressing operational deficiencies of individual environmental and battlefield protective clothing and equipment. Sufficient numbers of each item will be acquired for Canadian Forces personnel conducting land operations to cover initial issue and the first two years of anticipated usage.

The currently approved sub-projects are:

- i. Definition funding for the CTS omnibus project, which includes all development and definition work required for the 24 unique items.
- ii. The Improved Environmental Clothing System sub-project, which consists of Sweatshirts, Sweatpants, Combat Coat, Combat Overpants, Parka and Overalls.
- iii. The Lightweight Thermal Underwear sub-project.
- iv. The Drawers Temperate Underwear sub-project.
- v. The Cold Wet Weather Glove sub-project.
- vi. The Temperate Combat Glove sub-project.
- vii. The Combat Vehicle Crew Glove sub-project, which provides crews of Armoured Fighting Vehicles with fire-retardant gloves.
- viii. The Wide Brimmed Combat Hat sub-project.
- ix. The Lightweight Thermal Headwear sub-project.
- x. The Wet Weather Boot sub-project.
- xi. The Combat Sock System sub-project.
- xii. The Ballistic Evewear sub-project.
- xiii. The Multi-Tool sub-project, which provides the soldier with increased sustainability in all field conditions.
- xiv. The Fragmentation Protective Vest sub-project.
- xv. The Bullet Resistant Plate sub-project.
- xvi. The Tactical Vest sub-project, which improves accessibility and weight distribution for ammunition and combat stores carried by the soldier.



2. Leading and Participating Departments and Agencies

LEAD DEPARTMENT	Department of National Defence
Contracting Authority	Public Works & Government Services Canada
Participating Departments and Agencies	Industry Canada and its regional agencies

3. Prime and Major Sub-Contractors

SUB-PROJECT	PRIME CONTRACTOR
Improved Environmental Clothing System	Peerless Garments, Winnipeg, MB
Cold Wet Weather Glove	Les Entreprises Albert Cloutier Ltee, Saint
Cold Wet Weather Glove	Raymond, QC
Lightweight Thermal Underwear and Drawers	Stanfield's Ltd., NS
Temperate Underwear	
Wet Weather Boot	HH Brown Canada Ltd, Oakville, ON
Wide Brimmed Combat Hat	Apparel Trimmings Inc, Scarborough, ON
Multi-Tool	Légère Industrial Supplies, Ottawa, ON

TB Preliminary Project Approval	19 Sep 1996
Contract Award (Multi-Tool)	23 Sep 1996
Amended Treasury Board Preliminary Project Approval	24 Jul 1997
Contract Award (Improved Environmental Clothing System)	1 Jun 1998
Contract Award (Cold Wet Weather Glove)	9 Oct 1998
Contract Award (Lightweight Thermal Underwear)	8 Jan 1999
Contract Award (Drawers Temperate Underwear)	29 Dec 1999
Contract Award (Wet Weather Boot)	8 Jun 2000
Amended Treasury Board Preliminary Project Approval	27 Jul 2000
Contract Award (Wide Brimmed Combat Hat)	30 Oct 2000
Deliveries Complete all CTS sub-projects	April 2004
Project Completion	2004-2005



5. Progress Report and Explanations of Variances

The initial funding and schedule estimates for CTS were based on the premise that commercial off-the-shelf technology or allied military equipment would be able to meet the needs of the Canadian Forces. However, with the exception of the multi-tool and sock systems, commercial off-the-shelf technology and allied military equipment have failed to meet departmental requirements in terms of compatibility with in-service equipment and durability. As a result, extensive definition and development work was required to produce items that were deemed acceptable to soldiers. This additional work has led to unforeseen delays and significant cost increases from initial estimates. Treasury Board approved this revised scope and cost in Jul 2000.

6. Industrial Benefits

Canadian industry in the following regions of Canada will benefit from the currently approved and contracted CTS items. More benefits will be incurred as contracts are awarded, through the competitive bidding process, for the remaining CTS sub-projects:

Atlantic Canada	\$10 million
Quebec	\$33 million
Ontario	\$1.5 million
Western Canada	\$59 million
Total	\$103.5 million



7. Summary of Non-recurring Expenditures (\$ Millions)

	Expended as at	Planned Spending	Planned Spending	Planned Spending	Currently Estimated Total
Sub-Project	31 Mar 01	2001–2002	2002–2003	2003–2004	Expenditure
CTS Omnibus definition	4.6	1.0	0.2	-	5.8
Improved Environmental					
Clothing System	61.4	1.0	.2	ı	62.6
Light Weight Thermal Underwear	4.3	1.4	ı	ı	5.7
Drawers Temperate Underwear	2.1	0.5	ı	ı	2.6
Cold Wet Weather Glove	5.4	.4	ı	ı	5.8
Temperate Combat Glove	-	2.3	1.8	-	4.1
Combat Vehicle Crew Glove	-	0.7	-	-	0.7
Wide Brimmed Combat Hat	0.5	.4	-	-	.9
Lightweight Thermal Headwear	ı	2.4	ı	ı	2.4
Wet Weather Boot	3.4	18.0	.2	ı	21.6
Combat Sock System	ı	7.1	1.0	1.0	9.1
Ballistic Eyewear	0.2	2.1	3.7	ı	6.0
Multi-Tool	2.3	-	-	-	2.3
Fragmentation Protective Vest	-	2.4	11.6	4.0	18.0
Bullet Resistant Plate	-	3.0	1.1	-	4.1
Tactical Vest	-	5.6	11.2	-	16.8
Total	84.4	48.1	30.9	5.0	168.5



CF-18 Engineering Change Proposal (ECP) 583

1. Description

The Omnibus CF-18 Incremental Modernization Project (CF-18 IMP) consists of a number of stand-alone projects aimed at modernizing the mission computers, software, radar, radios, aircraft identification system, armament system and defensive electronic warfare systems. ECP 583 Project is an engineering change proposal, developed by The Boeing Company for the US Navy and is the cornerstone project within the CF-18 IMP.

The aim of the CF-18 ECP 583 Project is to procure, integrate and install, at minimum risk, the major components required for the modernization of the CF-18, and establish the avionics foundation for follow-on projects.

2. Leading and Participating Departments and Agencies

LEAD DEPARTMENT	Department of National Defence
Contracting Authority	Public Works and Government Services Canada
Participating Departments and Agencies	Industry Canada and its regional agencies

3. Prime and Major Sub-Contractors

PRIME CONTRACTOR	Boeing, USA
Sub-Contractor	Bombardier, Raytheon

4. Major Milestones

Treasury Board Approval	August 2000
Award of Contract	March 2001
Initial Operational Capability	April 2003
Final Operational Capability	December 2006

5. Progress Report and Explanation of Variances

Contract discussions are currently underway with the Prime Contractor and there have been no variances to the schedule as approved by Treasury Board.



6. Industrial benefits

The industrial benefits of this program are to be determined.

7. Summary of Non-recurring Expenditures (\$ Millions)

Expanded as at	Planned	Planned	Planned	Currently
Expended as at 31 Mar 01	spending	spending	Spending	Estimated Total
31 IVIAI UT	2001–2002	2002–2003	2003-2004	Expenditure
44.1	99.1	111.9	164.6	1,080



Maritime Helicopter Project

1. Description

The 1994 Defence White Paper envisioned replacing the Sea King by the end of the decade. The purpose of this project is to replace the CH124 Sea King with a fleet of 28 new helicopters. This replacement will address the operational deficiencies of the current CH124, eliminate the supportability difficulties of the older airframe, and provide a sufficient fleet size for operations well into the 21st century.

2. Leading and participating Departments and Agencies

LEAD AUTHORITY	Department of National Defence
Service Department	Public Works and Government Services Canada
Participating Departments and Agencies	Industry Canada and its regional agencies

3. Prime and Major Sub-Contractors

PRIME CONTRACTOR	TBD
Sub-Contractors	TBD

4. Major Milestones

Definition Phase	
Government Announcement	17 August 2000
Preliminary Project approval (PPA) will be backdated to	18 August 2000
Request for Proposal (RFP) released for Basic Vehicle (BV)	Fall 2001
Winning Proposal for BV announced by Government	Winter 2001
DND Departmental Approval – SS(PPA)	Winter 2001

Implementation Phase	
TB Effective Project approval (EPA) and Contract for BV	Spring 2001
RFP released for an Integrated Mission System (IMS)	Spring 2001
Winning Proposal for IMS announced by Government	Summer 2002
DND Departmental Approval & SS(EPA) Amendment	Fall 2002
First Aircraft Delivery	2005
Initial Operational Capability (12 Aircrafts)	2007
Final Aircraft Delivery	2008
Project completed and closed	2010



5. Progress Report and Explanation of Variances

The Maritime Helicopter Project has completed the Development Phase and was announced by the Government on 17 August 2000, and approved to proceed with the Definition Phase. The Statement of Operational Requirement (SOR) has already been approved departmentally. The project is seeking Preliminary Project Approval (PPA) from Treasury Board for the purchase of 28 Maritime Helicopters, at a total indicative cost estimate of \$2,984 million (BY) and expenditure authority for the project definition phase of the MHP at a substantive cost estimate of \$12.8 million (BY). A letter of Interest has been sent out to Industry. The development of the Request for Proposal (RFP) is in process.

5. Industrial benefits

The Industrial benefits of this program are to be determined.

7. Summary of Non-recurring Expenditures (\$ Millions)

Expanded as at	Planned	Planned	Planned	Currently
Expended as at	Spending	Spending	Spending	Estimated Total
31 Mar 01	2001–2002	2002–2003	2003–2004	Expenditure
5.8	27.1	118.9	196.4	348.2



M113 (Armoured Personnel Carrier) Life Extension Project

1. Description

The M113 (APC) Family of Vehicle is essential for all foreseeable Canadian Forces roles, including territorial defence, UN peacekeeping and peace enforcement operations, other international commitments, and Aid of the Civil Power. The M113 Life Extension project will address deficiencies in combat support and combat service support capabilities to ensure that this fleet is capable of operating with more modern equipment in the current and anticipated threat environment that Canadian soldiers will encounter during operations. The project will correct shortcomings in protection, self-defence capability, mobility, carrying capacity and growth potential. The M113 production work has been directed to 202 Workshop Depot in Montreal, QC.

2. Leading and Participating Departments and Agencies

LEAD DEPARTMENT	Department of National Defence
Contracting authority	Public Works and Government Services Canada
Participating Departments and Agencies	Industry Canada and its regional agencies

3. Prime and Major Sub-Contractors

PRIME CONTRACTOR	DEW Engineering and Development Limited, Ottawa, ON
Major Sub-Contractor	United Defense LP, San Jose, CA, USA

4. Major Milestones

Treasury Board approval	October 1998
Production Contract award	January 2000
Protected Weapons Station Treasury Board approval	May 2000
Production start at 202 Workshop Depot	September 2000
First fielding	April 2002
Last vehicle delivery	May 2006
Project completed	Mar 2007



5. Progress Report and Explanation of Variances

In August 1995, the Government gave approval in principle to the Department of National Defence for the overall Armoured Personnel Carrier Strategy. In January 2000, the Government announced the award of a sole source contract to DEW Engineering and Development Limited to provide engineering services and to deliver 341 conversion kits with an option for 61 more. The integration of the selected Protected Weapons Station is in progress and a procurement contract should be awarded by May 2001.

The M113 LE project will deliver 11 variants as M113A3 or Mobile Tactical Vehicle Light (MTVL) for employment in combat support or combat service support role and will allow the Canadian Forces to meet all tasks currently envisaged from such a polyvalent vehicle.

6. Industrial Benefits

Canadian content will be maximized for direct and indirect industrial and regional benefits resulting from the prime contracts for the M113 Life Extension project. Based on Government direction that the refurbishment of the M113 will be carried out at DND's 202 Workshop Depot in east-end Montreal, the project will directly benefit regions for which the Government has specific programs to diversify and enhance industry/employment.

7. Summary of Non-recurring Expenditures (\$ Millions)

Expanded as at	Planned		Planned	Currently
Expended as at Spending		Spending	Spending	Estimated Total
31 Mar 01 2001–2002	2002–2003	2003–2004	Expenditure	
\$76.1	\$51.3	\$50.4	\$57.0	\$326.1



Weapon Effects Simulation (WES) Project

1. Description

The Army lacks the ability to measure accurately and objectively the performance of its troops during force-on-force field training exercises. To address this deficiency, the WES project will acquire suites of laser-based training devices and automatic data transfer systems for use during combat team and battle group collective training. WES will (1) provide soldiers with immediate feedback on their actions; (2) provide trainers with the objective data needed to produce effective after-action reviews; and (3) give commanders the ability to efficiently train and objectively evaluate their units. The project will acquire one transportable, instrumented battle group suite of WES equipment for training the Field Force at Canadian Manoeuvre Training Centre (CMTC) Wainwright and one combat team suite of WES equipment for training at the Combat Training Centre (CTC), Gagetown.

2. Leading and Participating Departments and Agencies

LEAD DEPARTMENT	Department of National Defence
Contracting authority	Public Works and Government Services Canada
Participating Departments and Agencies	Industry Canada and its regional agencies

3. Prime and Major Sub-Contractors

4. Major Milestones

Treasury Board approval	June 2000
Anticipated RFP release	July 2001
Anticipated Contract award	March 2002
Anticipated Final Delivery	October 2004
Project completed	October 2006

5. Progress Report and Explanation of Variances

On 8 June 2000, the Government gave approval to the Department of National Defence to procure an instrumented, transportable WES battle group suite and a compatible combat team WES suite. The technologies called for in the WES project are now mature and have been fielded by numerous armies worldwide. There are approximately ten companies interested in bidding on the WES project and costs are well established. A number of these companies have proven their ability to field an integrated, commercial-off-the-shelf turnkey solution. Contract



award will be based on the cost of equipment plus ten years of support. There are a sufficient number of WES system manufacturers to allow for competition through MERX, Canada's official electronic tendering service. Final delivery is intended for October 2004 and project completion is scheduled for October 2006. The aim of WES is to support collective force-on-force training up to Battle Group (BG) level. In achieving this objective WES will provide the maximum training capability to the Land Force within capital and support cost constraints, consistent with the army training tempo.

6. Industrial Benefits

The industrial benefits of this project are yet to be determined.

7. Summary of Non-recurring Expenditures (\$ Millions)

Expanded as at	Expanded as at Planned		Planned	Currently
Expended as at 31 Mar 01 Spending 2001–2002		Spending	Spending	Estimated Total
		2002–2003	2003-2004	Expenditure
1.8	1.67	19.12	31.27	123.38



Evolved Sea Sparrow Missile (ESSM)

1. Description

The ESSM Project will acquire a self defence missile system capable of handling the air threat of the next two decades to the standard specified for the HALIFAX Class ships.

Canada is one of ten countries taking part in the ESSM Project. This project is governed by a series of Memoranda of Understanding signed by the participating nations.

This project will address the increase in threat technology presented by the latest generation of highly manoeuvrable Anti-Ship Missiles (ASM). Concept definition studies conducted by the NATO SEASPARROW Project Office (NSPO) have confirmed that the present NATO Sea Sparrow Missile, with which the Halifax Class is currently equipped, is not able to counter these potential threats.

The project will deliver missiles, launcher modification kits, fire control radar and command and control modifications, spares and training.

2. Leading and Participating Departments

LEAD DEPARTMENT	Department of National Defence
Contracting Authority	Public Works and Government Services Canada

3. Prime and Major Sub-Contractors

PRIME CONTRACTOR	Raytheon Marine
Major Canadian Sub-Contractors	Honeywell Canada, Raytheon Canada

4. Major Milestones

Phase One Start	October 1995
In-Service Support MOU Signed by Canada	October 2000
Phase One Completed	December 2000
Phase Two Implementation	December 2000
Low Rate Initial Production Contract Awarded	February 2001
Phase Two Completed	March 2010



5. Progress Report and Explanation of Variances

Treasury Board approved Phase 1 in fall 1995 for an initial expenditure of \$38.8 Million (net of GST) Vote 5 for the Cooperative Engineering Manufacturing and Development (EMD) work on ESSM. Phase 2 of ESSM was submitted to Treasury Board and approved on October 5, 2000, for at total substantive estimate of \$514.2 Million (BY) net of GST. This figure includes the funding that was previously approved for Phase 1.

6. Industrial Benefits

Phase 2 is for the production of the ESSM and for configuration changes in the HALIFAX Class, starting in fall 2000. This phase is valued at \$475.1 Million (Net of GST) and includes approximately \$23 Million of direct Canadian content. In addition, the MOUs that govern Phase 2 of the project also define significant socio-economic benefits for all participants in the form of workshare that is equivalent to the cost share plus or minus 20%. The Canadian industry workshare estimate is currently about \$250 Million, split 70/30 between the Toronto/Montreal metropolitan areas, with the Canadian contractor being Honeywell Canada.

7. Summary of Non-recurring Expenditures (\$ Millions)

Expended as at Planned		Planned	Planned	Currently
Expended as at 31 Mar 01 Spending 2001– 2002	Spending 2002– 2003	Spending 2003– 2004	Estimated Total Expenditure	
171.9	42.2	42.1	40.2	480.6



Details of Transfer Payments by Service Line

Table 1: Grants by Service Lines

(\$ dollars)	Forecast 2000–01	Planned 2001-02	Planned 2002-03	Planned 2003-04
Joint Operations and Civil Emergency Preparedness				
Research Fellowships - Emergency Planning	54,000	54,000	54,000	54,000
Support to the Personnel Function				
(S) Payments to the dependants of certain members of the				
Royal Canadian Air Force killed while serving as				
instructors under the British Commonwealth Air				
Training Plan (Appropriation Act No. 4 1968)	100,000	100,000	100,000	100,000
Department/Forces Executive				
Civil Pensions and Annuities:				
Mr. R. P. Thompson	13,500	13,800	14,100	14,400
Conference of Defence Associations	50,000	50,000		
Army Cadet League of Canada	250,000	250,000	250,000	250,000
Air Cadet League of Canada	250,000	250,000	250,000	250,000
Navy League of Canada	250,000	250,000		250,000
Royal Canadian Navy Benevolent Fund	10,285	10,285	10,285	10,285
Royal Canadian Air Force Benevolent Fund	12,090	12,090	12,090	12,090
Military and United Services Institutes	24,056	24,056		
Security and Defence Forum	1,700,000	2,000,000	2,000,000	2,000,000
Canadian Institute of Strategic Studies	89,250	89,250	89,250	89,250
Centre for Conflict Studies	60,000	60,000	60,000	60,000
Canadian Institute of International Affairs	40,000	40,000	40,000	40,000
Institute of Environmental Monitoring and Research	1,125,000	1,125,000	1,125,000	1,125,000
Total Grants	4,028,181	4,328,481	4,254,725	4,255,025



Table 2: Contributions by Service Lines

(\$ dollars)	Forecast 2000–01	Planned 2001–02	Planned 2002–03	Planned 2003–04
Joint Operations and Civil Emergency Preparedness				
Contributions to the Provinces and Municipalities				
pursuant to the Emergency Preparedness Act	4,672,100	4,716,680	4,776,417	4,835,599
Contributions to the Provinces for assistance related	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	, -,	.,,	1,000,000
to natural disasters	441,000,000	250,000,000		
Contribution to the International Maritime Satellite	, ,	, ,		
Organization	215,000	215,000	215,000	215,000
Contribution to the Civil Air Search and Rescue	ŕ	·	,	,
Association	1,889,799	2,004,606	2,161,058	2,316,022
CASARA New Initiatives Fund	1,000,000	1,000,000	1,000,000	1,000,000
Support to the Personnel Function				
(S) Payments under Parts I-IV of the Defence Services				
Pension Continuation Act (R.S.C. D-3)	3,500,000	3,500,000	3,500,000	3,500,000
(S) Payments under the Supplementary Retirement				
Benefits Act (R.S.C. 43 - 2nd Supp.)	13,500,000	14,000,000	14,500,000	14,500,000
Material, Infrastructure and Environment Support				
Contributions to Provinces and Municipalities for				
Capital Assistance Projects	4,650,000	4,650,000	4,650,000	4,650,000
Kativik Regional Government	200,000	100,000		
Department/Forces Executive				
NATO Military Budgets and Agencies	79,385,000	89,667,000		
NATO Infrastructure (capital expenditures)	29,500,000	33,000,000	35,000,000	37,000,000
Mutual Aid	3,246,000	2,727,000	1,645,000	
NATO Allied Command Rapid Reaction Corps				
Headquarters	132,000	153,000	160,000	
Reaction Force Air Staff	52,000	48,000	48,500	
Subtotal NATO		125,595,000		
Military Training Assistance Program	3,976,000	3,908,000	4,325,000	4,325,000
Canadian International Peacekeeping Centre	4,801,000	5,357,000		
United Nations Standby Forces High-Readiness				
Brigade	280,000	280,000	280,000	280,000
Biological and Chemical Defence Review Committee	85,000	85,000	85,000	85,000
Joint Strike Fighter	4,433,000			
				
Total Contributions	596,516,899	415,411,286	161,426,975	158,012,621

Table 3: Total Grants and Contributions

(\$ dollars)	Forecast 2000-01	Planned 2001-02	Planned 2002-03	Planned 2003-04
Total Grants and Contributions	600,545,080	419,739,767	165,681,700	162,267,646



Peacekeeping & Humanitarian Operations Cost Estimates

	FY 2000–2001 (\$ millions)				FY 2001–2002 (\$ millions)			
PEACEKEEPING & HUMANITARIAN OPERATIONS	Full DND Cost	Incre- mental DND Cost	Estimated UN Revenue to CRF	Estimated UN/MFO Revenue to DND	Full DND Cost	Incre- mental DND Cost	Estimated UN Revenue to CRF	Estimated UN/MFO Revenue to DND
EUROPE						1	T	1
SFOR – OP PALLADIUM (Bosnia) (NATO)	457.1	173.6			455.1	162.9		
UNMIBH (UNMOP) Op CHAPERONE	0.2	0.1			0.2	0.1		
SFOR – OP ECHO (Aviano)	215.1	9.1			0.5	0.5		
OP KINETIC /OP KINETIC PLUS (Kosovo)	86.1	36.4						
OP QUADRANT (Albania, UNMIK, UNMACC)	0.8	0.4			0.8	0.4		
UNPROFOR (Croatia)			7.8	3.8				13.2
SUB-TOTAL	759.3	219.6	7.8	3.8	456.6	163.9		13.2
ASIA								
CAMBODIA MINE ACTION CENTRE (CMAC)	1.4	0.6						
OP TOUCAN (East Timor and Australia)	0.7	0.7	0.4		0.7	0.7		
SUB-TOTAL	2.1	1.3	0.4		0.7	0.7		
						-		
MIDDLE EAST								
UNDOF - OP DANACA (Golan Heights)	29.6	8.0	3.3	0.3	29.6	8.0	3.6	1.0
MFO (Multinational Force & Observers) OP CALUMET	3.0	0.5		0.6	3.0	0.5		0.6
UNTSO (Middle East)	1.5	0.7			1.5	0.7		
UNSCOM - OP FORUM								
(Special Commission / Iraq)	0.6	0.3			0.6	0.3		
UNIKOM – OP RECORD (Kuwait)	0.9	0.3			0.9	0.3	0.4	
UNFICYP – OP SNOWGOOSE (Cyprus)	0.3	0.1			0.3	0.1	0.1	
OP AUGMENTATION I, II, III – (Arabian Gulf)	90.0	5.8	0.0	0.0	54.0	4.5		4.0
SUB-TOTAL	125.9	15.7	3.3	0.9	89.9	14.4	3.7	1.6
AFRICA								
MINURCA – OP PRUDENCE – (Central African								
Republic			0.2	0.7				
OP MODULE (Mozambique)	0.7	0.3						
UNAMSIL – OP REPTILE (Sierra Leone)	0.4	0.3			0.4	0.3		1.5
IMATT – OP SCULPTURE (Sierra Leone)	0.8	0.2			0.8	0.2		
MONUC – OP CROCODILE (Congo)	0.1	0.0			0.1	0.0		
UNMEE – OP ECLIPSE (Ethiopia/Eritrea)	60.3				37.9	17.3	1.2	1.5
UNMEE – OP ADDITION (Ethiopia/Eritrea)	0.2		0.3		0.2	0.1		
SUB-TOTAL	62.5	28.4	0.5	0.8	39.4	17.6	1.2	3.0
THE AMERICAS								
MIPONUH – OP COMPLIMENT (Haiti)				0.3				6.0
MINUGUA – OP QUARTZ (Guatemala)	0.2	0.1		0.0				0.0
SUB-TOTAL	0.2			0.3				6.0
								
Miscellaneous PK Ops Mission Budgets			0.1	1.3			0.5	0.7
TOTAL - PEACEKEEPING &								
HUMANITARIAN OPERATIONS Note: Figures correct to 31 December 2000.	950.0	265.1	12.1	7.1	586.6	196.6	5.4	24.5



Program Planned Spending by Service Line For Estimates Year 2001–2002

(\$ millions) Service Lines	Operating	Statutory Employee Benefit Plans	Capital	Grants and Contri- butions	Statutory Grants and Contri- butions	Gross Planned Spending	Less: Revenue Credited to the Vote	Net Planned Spending
Maritime Forces	1,465.4	147.7	303.6			1,916.7	(25.1)	1,891.6
Land Forces	2,266.9	237.8	770.9	-		3,275.6	(124.2)	3,151.4
Air Forces	2,225.8	172.0	769.2			3,167.0	(142.6)	3,024.4
Joint Operations and Civil Emergency Preparedness	607.1	88.2	29.4	258.0		982.7	(4.2)	978.5
Communications and Information Management	249.7	26.8	177.8			454.3	(0.9)	453.4
Support to the Personnel Function	608.4	96.9	37.1		17.6	760.0	(10.0)	750.0
Materiel, Infrastructure and Environment Support	596.2	66.7	49.7	4.8		717.4	(4.1)	713.3
Department/Forces Executive	283.9	26.0	11.9	139.4		461.2	(27.5)	433.7
Total	8,303.4	862.1	2,149.6	402.2	17.6	11,734.9	(338.6)	11,396.3



Listing of Statutes and Regulations

The Minister of National Defence is responsible for the administration of the following Acts:

- Aeronautics Act R.S. 1985, c. A–2 (with respect to any matter relating to defence)
- Army Benevolent Act R.S.C. 1970, c. A–16
- Canada Elections Act R.S. 1985, c. E–2 (under the general direction of the Chief Electoral Officer, the Department of National Defence administers the Special Voting Rules, Schedule II to the Act, as they relate to Canadian Forces electors)
- Canadian Forces Superannuation Act R.S. 1985, c. C–17
- Defence Services Pension Continuation Act R.S.C. 1970, c. D–3
- Emergencies Act R.S. 1985, c. 22 (4th Supp.)
- Emergency Preparedness Act, R.S. 1985, c. 6 (4th Supp.)
- Garnishment, Attachment and Pension Diversion Act, R.S. 1985, c. G-2
- National Defence Act R.S. 1985, c. N–5
- Pension Benefits Division Act R.S. 1992, c. 46, s. 107 (with respect to members and former members of the Canadian Forces)
- Visiting Forces Act R.S. 1985, c. V–2.



The Communications Security Establishment and the National Cryptologic Program

Agency Overview and Mandate

The Communications Security Establishment (CSE) is an agency of the Department of National Defence. CSE was established in 1946 and became part of the Department of National Defence in 1975. As Canada's national cryptologic agency, CSE forms part of the intelligence and security infrastructure supporting the Government of Canada. In this capacity, CSE accomplishes its mission through two distinct but related cryptologic program components: Signals Intelligence (SIGINT) and Information Technology Security (ITS).

Signals Intelligence

Signals Intelligence is the collection and study of, and the production of intelligence reports from, foreign communications. Signals Intelligence provides unique and timely information on the intentions, capabilities and activities of foreign states, organizations or persons. Policy makers use this intelligence to resolve issues relating to the defence of Canada, or to the conduct of its foreign affairs. CSE receives assistance in the conduct of signals intelligence activities from the Canadian Forces Information Operations Group, which operates from a number of stations in Canada.

Mission

The mission of the Information Technology Security program is to deliver solutions that help the federal Government achieve an appropriate level of security for its telecommunications and information systems. CSE helps to protect the Government's sensitive information assets and the privacy of citizens. In addition, the Information Technology Security program, through its association with industry, contributes to the development of a national Information Technology Security capability, which provides employment at home and export opportunities abroad. To fulfil its mandate, this program has five specific objectives:

- to furnish advice, guidance and services to the Government on the planning, acquisition, installation, and procedures for use of secure communications systems;
- to supply cryptographic keying material, devices and documentation;
- to conduct research, development and evaluations on the security aspects of automated information and communications systems, with a view to advising clients on the security of these systems and their application in Government;



- to advise and guide Canadian industry in developing secure communications and electronic data processing systems for Government requirements; and
- to provide advice, guidance and services for the protection of the security and privacy interest of Canadians in the transactions of electronic commerce.

Accountability

The Minister of National Defence is answerable to Parliament for all of CSE's activities. The Minister approves CSE's capital spending and its major spending recommendations to Treasury Board. The Minister also approves CSE's key policy initiatives and is responsible for CSE issues in Cabinet.

Two Deputy Ministers, the Deputy Secretary to Cabinet for Security and Intelligence in the Privy Council Office and the Deputy Minister of National Defence are responsible for ensuring that the Minister is fully informed of CSE's activities. The Deputy Secretary is accountable for CSE's policy and operations, and the Deputy Minister of National Defence is accountable for administrative matters affecting CSE.

The Communications Security Establishment responds to foreign intelligence priorities approved by Ministers. CSE also responds to specific event-driven intelligence needs of the Government.

Resource and Financial Table

The following table outlines the Communications Security Establishment's resources profile:

	Current 2000–2001	Estimated 2001–2002	Estimated 2002–2003	Estimated 2003–2004
	\$000	\$000	\$000	\$000
Salary & Personnel	53,233	54,488	55,488	55,488
Operations & Maintenance	18,297	18,571	18,850	19,133
Sub-Total	71,530	74,059	74,338	74,621
Capital	25,758	26,144	26,537	26,935
Total	97,288	100,203	100,875	101,556



Reserve Force

Role

The 1994 *Defence White Paper* defined the primary role of the Reserve Forces to be the augmentation, sustainment and support of deployed forces. The Reserves provide the depth and breadth necessary to achieve the capabilities required in each stage of mobilization. In some cases, however, as with the Naval Reserves, reservists perform tasks that are not performed by Regular Forces.

Description

The Reserve Force is composed of members who are enrolled for other than continuing, full-time military service. The Reserve Force is divided into four subcomponents:

- the Primary Reserve;
- the Supplementary Reserve;
- the Cadet Instructors' Cadre: and
- the Canadian Rangers.

Primary Reserve

The Primary Reserve includes the Naval Reserve, the Army Reserve (Militia), the Air Reserve, and the Communication Reserve. Environmental Chiefs of Staff (Maritime, Land, and Air) command their respective Reserve elements, and the Assistant Deputy Minister (Information Management) controls the Communication Reserve.

Throughout the course of the Reserve Force Employment Project, the Director of Reserve staff will work directly with the project to do the following:

- examine current employment policies and employment differences between Regular and Reserve components of the CF and look at variations between Primary Reserve and other Reserve components;
- change Reserve employment policies, as necessary, to enhance the ability of the Total Force to achieve its mission in the future, while reflecting a pan-Reserve focus;
- incorporate approved changes into existing policies, orders and regulations;
- review the Cadet Instructors' Cadre and make recommendations and changes, as necessary, that will attract and retain leaders for the Canadian Cadet Movement; and



 monitor policy implementation to ensure that any amendments are pan-Reserve.

Specific priorities include those initiatives that will directly enhance recruiting and retention:

- Reserve employment framework;
- · Reserve compensation and associated benefits;
- Reserve relocation benefits:
- Reserve pension plan; and
- Land Force Reserve Restructure designated activities.

Supplementary Reserve

The Supplementary Reserve is composed of the Supplementary Holding Reserve and the Supplementary Ready Reserve. Members of the Supplementary Reserve are not required to perform duty or training except when on active service. They provide a pool of personnel with previous military service who could be recalled in an emergency. Civilian specialists may also enroll when there is a defined need. The future role of the Supplementary Reserve is being reviewed.

Cadet Instructors' Cadre

The Cadet Instructors' Cadre is made up of officers who have undertaken to perform such military duty and training as may be required of them, but whose primary duty is the delivery of the Canadian Cadet Program. Significant plans are underway this year to enhance the relevance and applicability of a Professional Development Structure.

Canadian Rangers

The Canadian Rangers consist of volunteers who hold themselves in readiness for service, but who are not required to undergo annual training. They are obliged to serve only when placed on active service. Rangers must be in good health and must be able to live off the land. The Canadian Rangers provide a military presence in sparsely settled, northern, coastal and isolated areas of Canada that cannot conveniently or economically be covered by other elements of the Canadian Forces. Studies are ongoing to determine the feasibility of expansion.



Canadian Cadet Program

Objective

The objective of the Canadian Cadet Program is to develop in young men and women the attributes of good citizenship and leadership, promote their physical fitness and stimulate their interest in the sea, land and air activities of the Canadian Forces.

Mandate

The Canadian Forces, in accordance with Section 46 of the *National Defence Act*, control and supervise the Canadian Cadet Organizations (Royal Canadian Sea Cadets, Royal Canadian Army Cadets and Royal Canadian Air Cadets) in implementing the Cadet Program. In carrying out this responsibility, the Canadian Forces take into account the known policies and objectives of their partners the Cadet Leagues and local sponsors and cooperate with them to the fullest extent possible.

2001–2002 Specific Objective

The main priority is to continue standard training. Planned or continued improvements to the Cadet Program for this fiscal year include the following:

- continue purchasing marksmanship equipment for the Cadet Program;
- continue the implementation of the Cadet Program Modern Management and Comptrollership Review;
- augment the Cadet population by 5.5% from the previous year;
- enhance communication between members of the Canadian Cadet Organization, the Cadet Instructor Cadre and the general public;
- increase the effectiveness of the Sea, Army and Air Cadet Training programs;
- enhance Cadet Instructor Cadre training and professional development to ensure it meets the requirements of the Cadet Program;
- manage and review the Cadet Instructor Cadre Officer General Specifications, the Occupation Specifications, and the Cadet Instructor Cadre Occupation Specialty Specifications;
- hasten the introduction and use of new information technologies;
- maintain the Cadet Harassment and Abuse Prevention program; and
- maintain the new public affairs and recruiting initiatives.



Junior Canadian Ranger Program

Objective

The objective of the Junior Canadian Ranger Program is to provide a structured youth program, which promotes traditional cultures and lifestyles in remote and isolated communities of Canada. The establishment of a Junior Canadian Ranger patrol is dependent on three items:

- the presence of a Canadian Ranger patrol;
- the absence of a Cadet unit in the community; and
- significant community support.

Mandate

The Canadian Forces, in accordance with Section 46 of the *National Defence Act*, control and supervise the Junior Canadian Rangers, which are formed as a cadet organization, and ensure the implementation of the Junior Canadian Ranger Program. In carrying out this responsibility, the Canadian Forces take into account and cooperate with local, regional, provincial or territorial and federal agencies involved in the Program to the fullest extent possible.

Performance Expectations

Approximately 1,400 Junior Canadian Rangers benefit from the training given in remote and isolated communities across the country. Junior Canadian Rangers patrol in the Yukon, the Northwest Territories, Nunavut, northern Québec, Ontario, British Columbia and Labrador. Training fosters good citizenship, community responsibility, leadership, personal health and welfare, and selfesteem, thereby building a stronger, healthier community for all.

2001–2002 Specific Objectives

Planned or continued improvements to the Junior Canadian Ranger Program for this fiscal year include the following:

- implement, as applicable, the recommendations of the Canadian Rangers 2000 review;
- continue the implementation of the new Junior Canadian Ranger program,
 Preventing Harassment and Abuse through Successful Education;
- complete the introduction, acquisition and maintenance requirements of the new Junior Canadian Ranger marksmanship program;
- · maintain public affairs initiatives; and
- pursue the acquisition and maintenance of equipment in support of the Junior Canadian Ranger program.



Office of Critical Infrastructure Protection and Emergency Preparedness Canada

On 5 February 2001, the Prime Minister has announced the creation of the Office of Critical Infrastructure Protection and Emergency Preparedness. The Minister of National Defence will be the Minister responsible for the organization, which will also encompass the existing functions of Emergency Preparedness Canada.

This Office will develop and implement a comprehensive approach to protecting Canada's critical infrastructure. It will provide national leadership to help ensure the protection of this infrastructure, in both its physical and cyber dimensions, and regardless of the source of threats and vulnerabilities.

This Office will build on the work and consultations of the Critical Infrastructure Protection Task Force (CIPTF) that was established in April 2000, reporting jointly to the Deputy Minister of national Defence and the Deputy Secretary to the Cabinet (Security and Intelligence). The Task Force examined the scope and the nature of the threats and vulnerabilities to the National Critical Infrastructure (NCI) and consulted extensively with the elements of thepublic and private sector that operate, support or protect the NCI. The Y2K legacy and capabilities were very relevant to the CIP initiative. The CIPTF policy framework is now being used by the new Office in the determination of its CIP-related mandate.

The Office also acts as a central coordination point for the government's efforts to deal with threats and vulnerabilities impacting on the Government's networks and systems. This operational capacity will be developed by building on the Government Information Protection Coordination Centre (GIPCC) pilot program located at the RCMP.

The Office's planning and priorities, with respect to CIP and coordination of the protection of government systems, are currently under active devlopment.

Emergency Preparedness Canada

Overview

Operating as a civilian Branch of the Department of National Defence, Emergency Preparedness Canada (EPC) is the federal Government's primary agency through which it seeks to achieve an appropriate level of civil emergency preparedness in Canada.

Mandate

EPC derives its mandate principally from the *Emergency Preparedness Act* and *A Federal Policy for Emergencies*, and has a mission to safeguard lives and reduce damage to property by fostering better preparedness for emergencies in



Canada. EPC supports the Defence objective "to provide emergency and humanitarian relief" by administering disaster financial assistance, and by facilitating the coordination of efforts of federal departments/agencies, other orders of government, the private sector and volunteer organizations to further emergency management goals and objectives.

Plans and Priorities

EPC's plans and priorities for the current fiscal year and beyond have been influenced by various factors:

- · the federal agenda;
- the priorities and funding pressures at federal, provincial, territorial and international levels;
- the increasing frequency and severity of natural disasters; and
- the existence of interdependent and technology-based critical infrastructures.

EPC plans to lead policy, programs and operations in national preparedness for emergencies in a variety of ways, including the following:

- undertake a review of the Disaster Financial Assistance Arrangements by advancing the development of a disaster mitigation policy, and by contributing to the development and implementation of programs and activities for the protection of critical infrastructure;
- strengthen the Federal Government's response management framework by revising, testing and evaluating a new National Support Plan, and by enhancing the capacity of federal departments to meet their emergency management objectives and priorities; and
- improve the program and operational capacities of EPC and its partners to deal effectively with emergencies by designing and delivering a new education and training strategy, by enhancing and developing new partnership arrangements, and by ensuring that the Joint Emergency Preparedness Program continues to be a key tool in improving national emergency preparedness.

The ultimate result of EPC's activities is an enhanced state of emergency preparedness in Canada that will contribute significantly to the safety and security of Canadians. EPC's ability to accomplish this goal will be subject to the availability of an adequate level of funding.



Performance Measurement

Although EPC has a mandate to encourage and coordinate emergency planning by other federal departments and agencies and by other levels of government, organizations other than EPC are ultimately responsible for completed plans and emergency response operations. Consequently, EPC's performance will be measured using the following indicators:

- the range and extent of its interactions;
- the development of policies, programs, tools, exercises and training packages to assist stakeholders in the development of emergency plans in Canada and abroad;
- feedback from stakeholders.

Supplementary information may be obtained by contacting EPC's Communications Directorate at 122 Bank Street, Ottawa, Ontario K1A 0W6, by sending an e-mail to Communications@epc-pcc.gc.ca, or by visiting EPC's web site at www.epc-pcc.gc.ca.



National Search and Rescue Program

Role

The National Search and Rescue Secretariat provides central coordination and leadership to the National Search and Rescue Program. The National Search and Rescue Secretariat reports directly to the Lead Minister of Search and Rescue who is also the Minister of National Defence.

Objective

The objective of the National Search and Rescue Secretariat is to advance the objectives of the National Search and Rescue Program by co-ordinating, supporting, promoting and reviewing the activities of the federal and non-federal agencies which provide Search and Rescue services to people in distress throughout Canada's areas of jurisdiction.

Activities

The National Search and Rescue Program encompasses a broad range of resources and activities related to preventing Search and Rescue incidents and to saving the lives of people at risk. The National Search and Rescue Program involves the participation and interaction of the National Search and Rescue Secretariat with its partners, including six federal government departments with Search and Rescue responsibilities, the provinces and territories, volunteers, non-governmental organizations and the private sector. Member departments include Environment Canada (Meteorological Service of Canada), Department of Fisheries and Oceans (Canadian Coast Guard), Department of National Defence (Canadian Forces), Parks Canada Agency, Solicitor General (Royal Canadian Mounted Police), and Transport Canada. Members of the six federal departments form the Interdepartmental Committee on Search and Rescue that is chaired by the Executive Director, National Search and Rescue Secretariat.

The National Search and Rescue Secretariat also manages the New Search and Rescue Initiatives Fund on behalf of the Lead Minister of Search and Rescue.

The growing challenge facing Search and Rescue providers is to maintain effective Search and Rescue policies and services while implementing new policies in a dynamic environment. The National Search and Rescue Secretariat enters the new millennium focusing on three results and two principal priorities, both of which relate to the continuing need for better communication, coordination and cooperation among stakeholders in the Search and Rescue program.



Result 1: Maintain a cohesive and efficient National Search and Rescue Program.

This result will be achieved by:

- developing a program, policy and planning framework, within Search and Rescue jurisdictions, in keeping with principles espoused through the Deputy Ministers' Task Force on Horizontal Issues, the Search and Rescue Response Review Report, and the Lead Minister's approval of the Strategic Transition Initiative Project (first priority);
- acquiring resources to support policy research and analysis and operational Search and Rescue expertise within the National Search and Rescue Secretariat to provide sound advice to program managers and to develop the rational and constructive decision framework and performance measures to address long term future program challenges;
- developing and managing a national Search and Rescue program that is horizontally structured, and that effectively addresses Canada's geographic, environmental, and demographic challenges;
- improving modern comptrollership of the \$8.1M New Search and Rescue Initiatives Fund through horizontal accountability measures with federal, provincial and territorial sponsors; and
- strengthening the Search and Rescue prevention program by increasing its capacity.

Result 2: Improve information and tools.

This result will be achieved by:

- improving tools to foster communication among national and international agencies involved in Search and Rescue, such as the annual SARSCENE Workshop, SARSCENE magazine and the Search and Rescue program website (second priority);
- improving the effectiveness of the Canadian Beacon Registry through a software upgrade; and
- conducting research and providing information and materials to Search and Rescue clients around the world through the National Search and Rescue Secretariat Resource Centre.



Result 3: Influence international partnerships.

- This result will be achieved by:
- supporting Canadian initiatives to the international COSPAS-SARSAT satellite distress alerting system; and
- supporting potential improvements to the satellite-based distress alerting and locating system through Canadian involvement in the Galileo program.

Personnel Requirements and Program Costs

The following tables detail Search and Rescue personnel requirements and program costs:

Figure 1: Details of Personnel Requirements (FTEs) by Department

	Estimated 2000–01	Planned 2001–02	Planned 2002–03	Planned 2003-04
National Search and Rescue Secretariat	19.5	19.5	19.5	19.5
Environment Canada	14	14	14	14
Department of Fisheries and Oceans *	815	815	815	750
Department of National Defence	733	712	705	705
Parks Canada Agency **	N/A	N/A	N/A	N/A
Transport Canada	7	7	7	7
Total	1,588.5	1,567.5	1,560.5	1,495.5

Notes: * Department of Fisheries and Oceans – FY 2003–2004 differs from previously published actual FTEs due to the availability of more recent information. Lower FTEs for FY 2003–04 due to decrease in Program Integrity funding.

^{**} FTE information is not available for Parks Canada Agency and the Royal Canadian Mounted Police.



Figure 2: Costs (\$000) for National Search and Rescue Program

	Estimated 2000–01	Planned 2001–02	Planned 2002-03	Planned 2003–04
National Search and Rescue Secretariat	10,288	10,377	10,389	10,402
Environment Canada	985	985	985	985
Department of Fisheries and Oceans *	150,318	154,350	143,164	129,425
Department of National Defence **	365,745	363,299	166,741	105,956
Parks Canada Agency	4,929	4,929	4,929	4,929
Transport Canada	955	970	985	985
Total	533,220	534,910	327,193	252,682

Notes: * Department of Fisheries and Oceans figures for FY 00–03 include capital for the ongoing and anticipated Lifeboat Replacement Program (Marine Safety Proposal).

Figure 3: Program Estimates (\$000) for the National Search and Rescue Secretariat

	Estimated 2000–01	Planned 2001–02	Planned 2002-03	Planned 2003-04
Operating and Maintenance (O&M)	1,955	1,967	1,979	1,992
Capital*	6,565	6,962	8,195	8,195
Grants and Contributions (G&C) **	1,768	1,448	215	215
Total	10,288	10,377	10,389	10,402

Notes: * Includes Capital for New Search and Rescue Initiatives Fund (NIF) and National Search and Rescue Secretariat Capital (\$95K). FY 2000/2001 NIF contributions to CASARA (\$91K) and Provinces and Territories (\$1,462 K), and reduction in NIF FY 2000/2001 budget of \$77 K reduced Capital from \$8,195 K to \$6,565 K. FY 2001/2002 NIF contributions to Provinces and Territories (\$1,233 K) reduced Capital from \$8,195 K to \$6,962 K.

^{**} DND FY 2003–2004 – reduction in Canadian Search and Rescue Helicopter Capital/Non-recurring costs: Expended to 31 March 01 \$432.5 M; Planned FY 2001–2002 \$264.1 M; Planned FY 2002–2003 \$66.4 M; Planned FY 2003–2004 \$2.4 M. Costs are not available for the Royal Canadian Mounted Police.

^{**} Includes Canada's share of the costs for the COSPAS-SARSAT Secretariat (approximately \$215K) as required under international agreement, plus anticipated NIF allocations through contributions arrangements for NIF in support of the NSP.



Office of the Ombudsman

Establishment of the Office

On 9 June 1998, the Minister of National Defence appointed André Marin as Ombudsman for the Department of National Defence and the Canadian Forces. The Office was established as a result of recommendations that an independent office should be created to investigate complaints of unfair treatment and to identify the need for systemic changes.

In January 1999, after extensive consultations with Canadian Forces members and other ombudsman offices, Mr. Marin presented his report to the Minister. *The Way Forward* set out Mr Marin's vision for the framework of an effective Departmental Ombudsman's Office. The Office became operational six months later through Ministerial Directives and a Defence Administrative Order and Directive. At that time, it was agreed that these directives would be reviewed within six months and incorporated into regulations under the *National Defence Act*.

In December 1999, the Ombudsman submitted his report to the Minister, *A Regulatory Regime for the Office of the DND/CF Ombudsman*. This report reviews the functioning of the office over its first six months and makes recommendations for changes to the mandate before enshrining the Office in regulations. Since the presentation of that report, the Ombudsman has discussed the new regulations with departmental legal advisors under the guidance of facilitator, Mr. George Thompson.

Mission

The Ombudsman acts as a neutral third party, independent of the military chain of command and civilian management. The role of the Office is to ensure that all Defence members are treated fairly by resolving individual complaints and by contributing to substantial and long-lasting improvements to their welfare.

Operations

Generally, the Office is a mechanism of last resort and individuals should first use existing channels of redress. When dealing with complaints, the Ombudsman's Office endeavours to resolve problems by intervening at the level most appropriate to effect change. If there are compelling circumstances or, if a complainant remains unsatisfied at the end of this process, then the Ombudsman would determine if a further investigation was required.

While the Ombudsman receives complaints on a wide variety of issues, the top four types of complaints concern benefits, releases, harassment and postings. Between January and December 2000, the Office received 1,281 complaints.



This number represents an increase over the previous calendar year's 883 complaints.

The Office has completed several reports with systemic implications. The Ombudsman made recommendations to improve the handling of issues such as conflict of interest, treatment of sexual assault victims, public affairs policies and the disciplinary process in the cadet movement. Other systemic investigations are ongoing and a number of public reports are pending.

Accountability

The independence of the Ombudsman is crucial to the credibility of the Office. With this in mind, the Ombudsman reports directly to the Minister, thereby remaining independent of civilian management and the military chain of command. In addition to submitting an annual report to the Minister, the Ombudsman may report to the Minister as appropriate, and may also report on the implementation of any recommendations.

Contact Information

The office is open and transparent in its operations, while seeking to preserve the confidentiality of individuals who turn to the Office for assistance. Information is made available to the public and members of Department of National Defence and Canadian Forces through Internet (www.ombudsman.dnd.ca) and Intranet sites (ombudsman.mil.ca).

Resource and Financial Tables

The following table outlines the Office of the Ombudsman's resource profile over a four-year period.

	Cur 2000-	rent -2001	Estimated 2001–2002		Estimated 2002–2003		Estimated 2003–2004	
	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE
Salary	1,746	46	3,416	65	3,467	65	3,519	65
O&M	1,850		1,785		1,812		1,839	
Total	3,596		5,201		5,279		5,358	
Capital	200		275		279		283	
Total	3,796	46	5,476	65	5,558	65	5,641	65

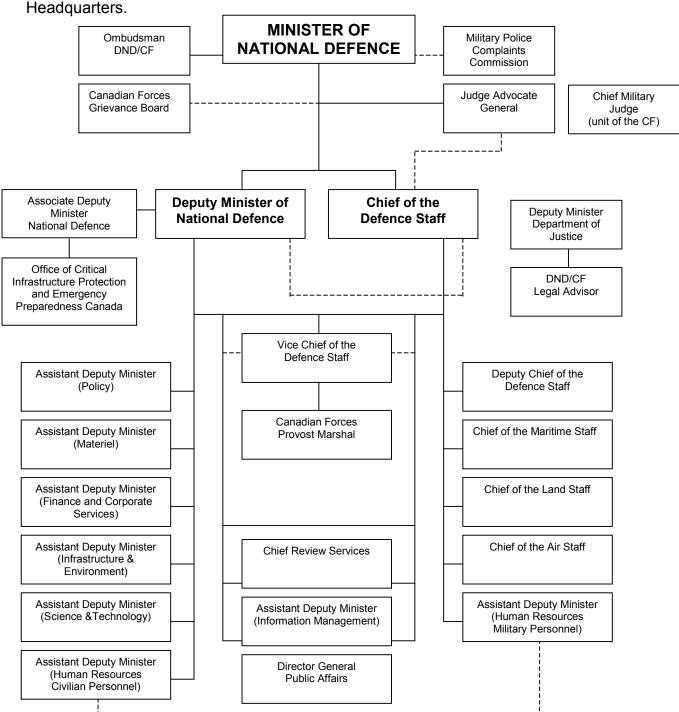
Notes: Contractors and temporary help staff have not been included in the salary or FTE total for fiscal year 2000–2001. These positions and the costs associated with them have been included under O&M for fiscal year 2000–2001. The Office successfully staffed investigator positions through the competitive process in August 2000. These salaries are reflected in the current 2000–2001 figures and the estimated 2001–2002 figures.



SECTION VII - OTHER INFORMATION

Departmental Organization

This diagram reflects the organization of senior management at National Defence Headquarters





Contact Information

This document, as well as other information on the Canadian Forces, is available on the Department of National Defence Web Site (D-NET) at www.dnd.ca.

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