



# **National Defence**

**2000-2001  
Estimates**

Part III – Report on Plans and Priorities

## 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 ten 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

Défense  
nationale

# **NATIONAL DEFENCE**

## **2000-2001 REPORT ON PLANS AND PRIORITIES**

**Canada**



## Minister's Message

In the recent Speech from the Throne, the Government of Canada made a clear commitment to ensure that the Canadian Forces have the capacity they need to advance a more secure world.

As a member of the Government and as Minister of National Defence, it is with great pride that I can say the Government has delivered on this commitment. For the second consecutive year, the Defence budget has been increased.



This decision was not made lightly. Canada has many important public priorities – from tax cuts to debt reduction to renewed investment in health care and social spending.

While these priorities are high on the Government agenda, Canadians also expect their country to be able to make a meaningful contribution to international peace and security. We live in a global village, and our quality of life is affected by what happens elsewhere. Canadians take enormous pride in the contributions we make to international peacekeeping and the promotion and protection of basic human rights – including the right to freedom, justice and the rule of law.

Canadians also expect their Government to be able to defend our territory and interests as a country. We must ensure that we always have the capacity to safeguard our borders and environment, protect our fisheries, control our airspace and coastal approaches, and come to the aid of Canadians in need. These Defence roles are core functions of Government.

Put simply, Defence is a vital national institution. From defending Canadian interests and values, to contributing to international peace and security, to helping achieve national priorities in areas such as innovation, research and development and youth training, Defence makes important contributions to the overall safety, security and well-being of Canadians.

Like other Canadian institutions and other areas of government, however, Defence continues to face significant challenges. The world is changing. Threats to international peace and security are more diverse and unpredictable. While the threat of global war has decreased, regional ethnic and intra-state conflict has increased. Threats to peace, stability and human security are more complex and modern military operations are becoming more dangerous and demanding.

Defence has made great strides over the past few years in its efforts to meet these challenges and lay the groundwork needed to position the Canadian Forces to deliver in this emerging security environment.



Though more needs to be done, the Canadian Forces are now more combat-capable than they were ten years ago. Major acquisitions over the past few years include the purchase of modern submarines, light armoured vehicles and the *Cormorant* search and rescue helicopters. The Government is also moving forward on its commitment to replace Canada's aging *Sea King* fleet with a new maritime helicopter as quickly as possible.

Significant strides have also been made in implementing the recommendations of Parliament's Standing Committee on National Defence and Veterans Affairs to improve the quality of life of Canadian Forces members. Defence has increased salaries for Canadian Forces personnel, enhanced its support to injured and retired members and their families, and is moving ahead with new initiatives to improve the quality and effectiveness of its medical services.

Defence has also implemented more than 300 institutional reforms. These initiatives are strengthening the Canadian Forces by making the military justice system more effective, improving leadership, management and corporate administration, and helping Defence be more open and transparent with Canadians.

This is not to say, however, that the process of change and renewal is complete. Defence must continue to adapt. It must continue to re-invest in its people, see through reforms and make the investments needed to maintain the defence capabilities Canada needs for the future.

This will require continued adjustments in the mix of capabilities that the Canadian Forces currently maintain. Some are becoming more relevant, while others are becoming less so. And though the recent budgetary increase helps, resources remain scarce. Canadians will continue to expect best value-for-money from their defence investment, and Defence must therefore continue to make choices about what to invest in.

In the year ahead, my priorities as Minister will be to continue to entrench institutional reforms, increase openness and transparency, strengthen the quality of life of our military and civilian personnel, and focus thinking and investment on the core capabilities that Canada needs for the future.

We must ensure the defence of Canada. We must make a meaningful contribution to the defence of North America. And internationally, we must build on those areas where Canada can best make a difference. This includes strengthening our global deployability and rapid response capabilities, while ensuring we maintain our ability to interoperate with Canada's principal allies. Much work remains to be done, but we have a strong foundation upon which to build. Canada's defence policy is sound. We have a long-term strategy to help guide defence planning. And above all, the Government has articulated and



demonstrated its commitment to ensuring the Canadian Forces has the capacity it needs to deliver.

The men and women of the Department of National Defence and the Canadian Forces have also demonstrated time and again that they will rise to any challenge. In Bosnia-Herzegovina, Kosovo, East Timor, or right here at home, it is the military and civilian personnel who make up this institution that will carry Defence into the future.

As Minister, it is my job to ensure they have the tools they need. This report outlines our departmental plans and priorities for maintaining those tools for the next three years.

Sincerely,

Art Eggleton  
Minister of National Defence



## MANAGEMENT REPRESENTATION STATEMENT

### Report on Plans and Priorities 2000-2001

I submit, for tabling in Parliament, the 2000-2001 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 Operational Planning Framework on which this document is based has been approved by the Treasury Board Ministers and is the basis for accountability for the results achieved with the resources and authorities provided.

Jim Judd  
Deputy Minister

Date:



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## **SECTION TWO – INTRODUCTION**



The mission of the Department of National Defence and the Canadian Forces is to defend Canada and Canadian interests and values while contributing to international peace and security. In delivering on this mission, Defence makes important contributions to the safety, security and well-being of Canadians and communities around the world.

Here at home, the Canadian Forces are responsible for Aid of the Civil Power, the surveillance and control of our territorial, airspace and maritime approaches, and for providing assistance to civil authorities in areas such as search and rescue, fisheries and border protection, environmental surveillance, counter-terrorism response and disaster relief. Defence also plays a central role supporting civil emergency preparedness and response throughout Canada.



Just as significantly, Defence supports the achievement of many national priorities as a vital Canadian institution. Defence reflects Canada's diversity, maintains a visible presence in more than 3,000 communities across the country (through Regular and Reserve units and the Cadet and Junior Ranger programs), and supports economic growth, youth employment and training, innovation, and research and development.

Internationally, Defence is a key instrument through which Canada protects and promotes its values and interests on the world stage. As a partner in the North American Aerospace Defence Command (NORAD), Defence not only contributes to the defence of North America, it helps nurture Canada's overall relationship with the United States.

Defence is also critical to delivering on Canada's international commitments to the United Nations and NATO.



Defence plays an important role in the Government's efforts to advance a more secure world by supporting its human security agenda. The Canadian Forces are



recognized worldwide for their expertise in peacekeeping and peace building, peace enforcement, civil-military relations, military training assistance, de-mining and humanitarian assistance. Defence also maintains 26 military attachés accredited to 90 countries, supporting Canadian diplomacy around the world.



Within this broader context, Defence's mandate under Canada's defence policy is to maintain multi-purpose, combat-capable forces able to fulfill a broad range of missions and tasks.

The past few years have demonstrated time and again that Canada continues to be well-served by this policy. From the need to aid Canadians during crises, to the demands of patrolling the world's longest coastline, to

securing North American aerospace in cooperation with the United States, to the leadership role Canada is often asked to play in international peace support operations, Canadians clearly expect the Canadian Forces to be there when needed.

Canadians also clearly support the fundamental tenets of this defence policy. According to Defence's annual national survey:

- 95% of Canadians agree that it is important for Canada to maintain a modern, combat-capable military;
- 94% agree that peacekeeping requires combat-ready forces;
- 92% believe that it is important for the Canadian Forces to be able to protect human rights in fragile democracies;
- 90% strongly support the use of the Canadian Forces to help Canadians in crisis;
- 90% support Canada's participation in NORAD; and
- 82% agree that it is important for Canada to be able to counter terrorism at home and abroad.



The Department of National Defence and the Canadian Forces will continue to meet the following defence objectives:

- 1. Provide strategic defence and security advice and information to the Government.**
- 2. Conduct surveillance and control of Canada's territory, airspace and maritime areas of jurisdiction.**
- 3. Respond to requests for Aid of the Civil Power.**
- 4. Participate in bilateral and multilateral operations.**
- 5. Assist other Government departments and other levels of Government in achieving national goals.**
- 6. Provide support to broad Government programs.**
- 7. Provide emergency and humanitarian relief.**
- 8. Maximize defence capabilities through the efficient and effective use of resources.**

### **The Defence Challenge**

While Canada's defence policy is fundamentally sound, National Defence and the Canadian Forces must adapt to the changes that are reshaping Canada's defence environment.

With the end of the Cold War, the threat of destruction from global nuclear war has decreased significantly. Nevertheless, in many regions of the world we have witnessed an increase in small wars, intra-state conflicts, ethnic violence and other humanitarian tragedies. As a result, the Canadian Forces have been asked to sustain an extremely high tempo of operations for much of the past decade.



From 1948 to 1989, the Forces were involved in 25 international operations. Since 1989, they have been deployed on 65 – in addition to responding to a number of major disasters at home. Bosnia-Herzegovina, Haiti, Honduras, Kosovo, East Timor, the earthquakes in Turkey, the Manitoba and Saguenay



floods, the 1998 Ice Storm – these missions have taken their toll. At any given time in 1999, more than 4,500 men and women were deployed on 23 missions.

There is no question that this tempo of operations has stretched the Forces. To sustain overseas missions over time, at least four Forces members must be committed for every member deployed. This is known as the sustainment ratio, and it is required to ensure that Forces personnel have the time to train for their mission, serve abroad, and receive leave and professional development upon their return home. Ultimately, the tempo of operations is a quality of life issue.

Just as significantly, the nature of military operations is also changing. Operations are becoming more complex and demanding. Weapons and equipment systems are more sophisticated, and the proliferation of high-end conventional weapons is making many theatres of operations more dangerous.



Moreover, Canadian Forces personnel now often find themselves at the centre of a large network of players – working with Canada's military allies, civil authorities and non-governmental organizations to coordinate peace enforcement, humanitarian aid and to secure the foundations needed to rebuild shattered societies.

Meanwhile, Defence has had to adjust to changing realities at home.

Canadian demographics are shifting. Competition for skilled labour is creating significant pressures on the Forces' ability to recruit and retain people in trades such as medicine, engineering and information technology. Public expectations of Defence are also higher.

In short, Defence is managing its way through massive change, and is doing so with significantly fewer resources. Since 1989, the Regular Forces have been cut from 87,000 to 60,000 personnel. The civilian workforce – 33,400 strong in 1989 – now stands at 20,000.

The cumulative impact of these issues and pressures is that, even with additional resources, Defence will have to continue to make hard choices in its efforts to adapt to change and better position the Canadian Forces for the future. The Canadian Forces cannot be all things to all people. Priorities must be set and decisions must be made.



## **Shaping the Future of Canadian Defence: Strategy 2020**

In adapting to change, Defence has a responsibility to maximize Canada's return on its defence investments. This means managing resources prudently, with a longer-term perspective on the future. Integrating new equipment, doctrine and training into operationally effective defence forces can take up to 15 years.

Maintaining a balance in Defence investments is vital. Today's operational requirements must be balanced against the need to renew and sustain Canada's defence capabilities for tomorrow. Also important is the need to maintain an appropriate balance between our investments in people, equipment and operations. The most modern military equipment is ineffective unless you have the appropriate munitions and well-trained people necessary to operate it.

To help achieve this balance and guide longer-term defence planning, the Defence leadership has spent more than a year assessing key international, domestic and military trends as part of a comprehensive effort to identify broad priorities for the future. The result is a recent publication entitled *Shaping the Future of Canadian Defence: Strategy 2020* [[www.vcds.dnd.ca/cds/strategy2k/intro\\_e.asp](http://www.vcds.dnd.ca/cds/strategy2k/intro_e.asp)].

At its core, Strategy 2020 is a broad framework on how to best meet Canada's current defence commitments while adjusting to emerging defence issues. Based on the Government's defence policy, it articulates broad, strategic objectives that must be met if Canada is to continue to play an active role in promoting international peace, stability and human security.

The Strategy emphasizes the need for the Forces to be combat-capable, globally deployable, interoperable with Canada's allies, and an "employer of choice" for Canadians. Equally important are strategic partnerships – through which Defence can help leverage opportunities for Canadian technology in key sectors, work with NATO allies to pool resources in selected areas, and strengthen cooperation with civilian partners and non-governmental organizations. Eight enduring strategic change objectives – the essence of Strategy 2020 – will guide defence planning. These objectives are presented throughout this document.

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### **Strategy 2020 Strategic Change Objective 1**

*"To create an adaptive, innovative and relevant path into the future."*

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In many ways, Strategy 2020 is the start of a longer-term process designed to better position the Canadian Forces in the new emerging security environment. It is flexible and will continue to evolve as Defence works to give it practical effect in the months and years ahead.



## **SECTION THREE – OUR COMMITMENTS TO CANADIANS:**

### **PLANS AND PRIORITIES 2000**

If Defence is to simultaneously deliver on its current commitments, meet tomorrow's challenges and invest in the future, clearly articulated priorities to focus the institution are necessary. While Strategy 2020 provides broad, enduring objectives to guide long-term planning, shorter-term priorities must also be set.

Some basic planning principles are clear:

- The fundamental tenets of Canada's defence policy are sound – Canada continues to be well-served by multi-purpose, combat-capable forces.
- The Canadian Forces cannot be all things to all people. There are limits on what the Forces can do, and Defence must make choices.
- Canada must ensure its ability to defend its own territory and maintain Canadian sovereignty.
- As a partner in North America, it is important for Canada to be sensitive to United States security concerns and do our fair share in continental defence, albeit with a clear view towards Canada's distinct interests, values, capabilities and contributions.
- If Canada is going to play an active role in the world and give increased prominence to the human security agenda, the Canadian Forces must be able to deploy quickly and efficiently to trouble spots to support peace and humanitarian aid operations.





- If Canada's contributions to international peace and security are to remain meaningful, the Forces must be interoperable with Canada's principal military allies – particularly with the United States – in coalition contexts such as Kosovo.



This is why Strategy 2020 emphasizes principles like interoperability, global deployability, modernization and re-investment in our people. These objectives are inter-connected and must be achieved to ensure the long-term relevance of the Canadian Forces.

The key challenge for Defence over the next three years is to focus its investments on the core capabilities needed for the future, to maximize its efficiencies wherever possible, and to reduce its capabilities in some areas for re-investment in others. To this end, the plans and priorities of the Department of National Defence and the Canadian Forces for the next three years are:

- Modernizing Canada's force structure;
- Nurturing Defence's human resources;
- Strengthening the capital equipment program;
- Reviewing Defence's national infrastructure;
- Supporting Canada-United States relations;
- Entrenching institutional reform and cultural change;
- Further enhancing communications, openness and transparency; and
- Modernizing management practices.

Achievable and affordable targets have been set to align each of these priorities with Strategy 2020.

## **1. Modernizing Canada's Force Structure**

To ensure that Canada has the defence capabilities it needs, Defence must assess future requirements and build its force structure accordingly, all the while ensuring that it remains affordable. Put simply, Defence must ensure that it can sustain operational commitments at home and abroad, train and equip its people and make investments in the renewal and modernization of its capabilities in a planned and ongoing manner.



## Force Structure

From an operational perspective, the Canadian Forces are being asked to sustain significant and simultaneous overseas commitments in multiple theatres around the world. While progress is being made to reduce the overall numbers of troops currently deployed overseas,<sup>1</sup> the generally high tempo of operations experienced in the 1990s is expected to continue into the foreseeable future.

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**Strategy 2020**  
**Strategic Change Objective 3**  
*“To 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 21<sup>st</sup> century.”*

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As a result, Defence needs to reduce and rationalize its international commitments where it can, as well as strengthen the breadth and depth of its force structure to improve its overall ability to sustain overseas deployments. These changes can only be

done with the cooperation and agreement of the Government and Canada’s allies.

Given the increasing complexity and danger inherent in modern operations, Defence also needs to achieve a better mix of military capabilities. In the emerging security environment, some capabilities – such as rapid reaction and global deployment – are becoming more relevant as others are becoming less so.

Within this context, Defence will move forward on a number of efforts to modernize its force structure over the three-year planning period.

- **To improve the overall affordability and sustainability of its force structure, Defence will:**

- Complete the design of the future force structure of the "Army of Tomorrow".
- Complete plans for the future of Canada's parachute capability.
- Develop and implement plans to outsource Defence's combat support capability.
- Develop and implement plans to ensure the affordability of the *Aurora* and CF-18 modernization projects.




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<sup>1</sup> In accordance with Government direction, Canadian Forces missions in Haiti and East Timor are scheduled to end in 2000. Defence is also moving forward to concentrate the Canadian commitments in the Balkans in Bosnia-Herzegovina in cooperation with Canada’s NATO allies.



- **To enhance Defence's capacity to deploy forces quickly in support of overseas peace support and humanitarian operations, Defence will:**
  - Complete plans to ensure the Canadian Forces vanguard and main contingency forces are fully ready to deploy to an offshore theatre of operations within 21 and 90 days, respectively.
  - Complete an assessment of the capabilities and force structure required to provide strategic air and sealift for deployable forces and their sustainment.
- **To strengthen the Canadian Forces' ability to deal with emerging defence issues, Defence will:**
  - Complete efforts to determine the capabilities and force structure required to meet future potential asymmetric threats, including weapons of mass destruction.<sup>2</sup>



For more information on these force structure commitments, see the Defence Planning Guidance 2000 at [http://www.vcds.dnd.ca/dgsp/dpg/intro\\_e.asp](http://www.vcds.dnd.ca/dgsp/dpg/intro_e.asp).

## **2. Strengthening the Capital Equipment Program**



Defence must strengthen its capital equipment program. Significant portions of the Canadian Forces equipment inventory are aging rapidly, and as the Auditor General reported in 1998, without increased capital investment, the Canadian Forces face eventual “rust out”.

To some extent, the problem of potential “rust out” is self-reinforcing. As equipment ages, it becomes more expensive to maintain, but less effective. Over time, insufficient capital investment results in increased downstream costs as equipment ages, technologies become obsolete

<sup>2</sup> Asymmetric threats are the potential threats posed to Canadians, Canadian interests and infrastructure, and Canadian Forces members by non-state actors such as terrorists and organized crime. As the potential for weapons proliferation grows among these groups, so does the potential threat. As part of its efforts to prepare for the future, Defence is looking at asymmetric threats to identify what, if any, new capabilities are required to defend against them.



and maintenance costs rise. The net effect is the gradual erosion of the country's defence capabilities.

Due to resource constraints, the high operational tempo, the need to support institutional reform and continuous re-investment in human resources, Defence has been unable to maintain adequate levels of capital investment over the past few years. Personnel costs currently account for 45% of the Defence budget, operations and maintenance for 31%, transfer payments for 5% and capital investment for 19%.

At this level of capital investment, Defence will not be able to stay ahead of the demands associated with renewing, upgrading and modernizing its equipment inventory over time. Now, the issue is not immediate. Indeed, the Canadian Forces are more combat-capable today than they have been in years. But it will become a significant issue if action is not soon taken to increase capital investment. If Defence fails to do this, the Canadian Forces will slowly lose their operational effectiveness and ability to interoperate with Canada's military allies.

- **To address this issue, Defence will move forward in fiscal year 2000-2001 to:**
  - Increase the capital portion of the defence budget to a minimum of 23% in an incremental manner over the next five years.
  - Enhance its long-term Strategic Capabilities Plan by aligning strategic capability requirements to anticipated funding levels over a 25-year period.
  - Reduce the acquisition cycle for approved projects by 30% through a number of procurement reforms, including the use of pre-facilitated contracting, just-in-time delivery and better alliances with industry.

### **Procurement priorities**

Within the context of these broad capital goals, Defence's specific acquisition priorities, as outlined in Defence's current capital plan, are:

- **Maritime Helicopter** – Under this project, Defence would acquire new maritime helicopters to replace Canada's aging *Sea King* Fleet.
- **Aurora Incremental Modernization** – This project consists of several elements aimed at refurbishing and replacing systems required to extend the capability of the *Aurora* long-range patrol aircraft. These aircraft are essential to providing long-range surveillance capability in support of the Canadian Forces and other Government departments.
- **CF-18 Incremental Modernization** – This project consists of several elements aimed at refurbishing and replacing those systems required to



maintain the Canadian Forces' capability to conduct aerospace control, contingency air operations, and provide effective air support.

- **Canadian Military Satellite Communications** – Under this project, Defence is planning to acquire an effective long-range communications capability to support the command and control of deployed forces. Upon completion, it will enhance the Forces' ability to interoperate with key allies, particularly the United States.
  
- **Joint Space Capability** – This project will address two space-related capabilities: the surveillance *of* space, which will provide data on space objects of Canadian national interest; and surveillance *from* space, which will enhance Defence's ability to protect Canadian interests in space.
  
- **Afloat Logistics and Sealift Capability** – Under this project, Defence plans to acquire multi-purpose vessels capable of supporting naval task groups at sea and providing sealift for supporting land and air forces in joint operations.
  
- **Airlift Capability**– Strategic airlift is becoming increasingly necessary in the new international security environment. To make a difference abroad, the Canadian Forces must be able to deploy quickly to where they are needed. Our current fleet of tactical transport aircraft, the C-130 *Hercules*, lacks the range and lift capacity required to rapidly deploy forces globally. Under this project, Defence will review options for enhancing the strategic airlift capabilities of the Canadian Forces.
  
- **Strategic Air-to-Air-Refueling Capability** – The Canadian Forces lost their strategic air-to-air refueling capability with the retirement of its Boeing 707s. This project will investigate the options available to re-acquire this capability.
  
- **Command and Control and Air Defence Capability Replacement** – This project is designed to replace the command and control and Task

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**Strategy 2020**  
**Strategic Change Objective 5**  
*“To strengthen our military to military relationships with our principal allies ensuring interoperable forces, doctrine and C<sup>4</sup>I (command, control, communications, computers, and intelligence).”*

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**Strategy 2020**  
**Strategic Change Objective 4**  
*“To enhance the combat preparedness, global deployability and sustainability of our maritime, land and air forces.”*

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Group area air defence capability currently being provided by Canada's aging *Iroquois* Class destroyers.

- **Land Force Intelligence, Surveillance, Target Acquisition and Reconnaissance Capability** – This capability will provide Land Force commanders with timely and accurate operational intelligence to effectively employ forces and minimize the risk of casualties. The project will enable the processing of inputs from a wide variety of existing and anticipated national and international battlefield sensors.
- **Medium Indirect Fire System** – This project will correct identified deficiencies with the current Land Force medium indirect fire system.

These projects will be pursued if they are deemed affordable and achievable and are approved by the Government.

### **3. Nurturing Defence's Human Resources**

The lifeblood of any organization is its people. This is particularly true for the Department of National Defence and the Canadian Forces.



As a large, professional organization that brings together diverse skill sets in very demanding environments, it is imperative for Defence to be able to attract and retain good people. Defence's ability to achieve this objective, however, is coming under increasing pressure.

The competition for skilled labour is increasing significantly as the "baby-boom" generation starts to retire and the overall unemployment rate in Canada and the United States falls. These pressures are exacerbated by the rapid pace of technological change and the need to continually train and develop a large workforce.

The high operational tempo being sustained by the Forces is also slowly taking its toll on Defence's military and civilian employees alike, though the impact is admittedly greater on key operational forces. Some Canadian Forces members, for example, have completed three, four, even five rotations overseas in the past four or five years.

Given these pressures, it is important to note that Defence has made significant progress over the past two years in its efforts to address quality of life issues and refocus its attention on the importance of its human resources. The implementation of the Quality of Life recommendations put forward by Parliament's Standing Committee on National Defence and Veterans Affairs



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## Strategy 2020

### Strategic Change Objective 6

*"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.."*

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(SCONDVA) is on track, and the Department has developed a long-term workforce renewal and employment strategy for its civilian employees.

Nevertheless, more needs to be done. If Defence is going to maintain a robust program and ensure operationally effective forces for the future, it will have to continue to improve career opportunities, its training and development programs, and the quality of the overall work environment for Defence personnel.

To this end, Defence will continue to move forward in fiscal year 2000-2001 in its efforts to re-invest and nurture its human resources.

- **To deliver on its commitment to implement the remaining SCONDVA Quality of Life recommendations, Defence will:**
  - Improve Maternity and Parental Leave Allowances.
  - Further improve the relocation program.
  - Establish a pension program for Reserve members.
  - Establish a "Posting Living Differential" to stabilize the cost of living for members located and transferred between different regions of the country.
  - Work to amend the Pension Act to allow the payment of disability pensions to members still serving.
  - Reduce the duplication of medical examinations and documentation required when members are injured.
  - Revise training to ensure that "caring leadership" is fostered.
  - Develop a comprehensive accommodation policy for Canadian Forces housing.
  - Complete a comprehensive plan to refurbish and rationalize the Defence housing portfolio.
  - Redefine the long-term mandate of the Canadian Forces Housing Agency.
  - Release a "report card" on the overall status of the SCONDVA Quality of Life program.
  
- **To improve Canadian Forces medical services, Defence will implement the recommendations of the Chief of the Defence Staff Task Force on Canadian Forces Health Care Reform. This will:**
  - Establish a project management office on Canadian Forces Health Care Reform.
  - Accredite all Canadian Forces clinics under Canadian Council on Health Services Accreditation standards.



- Standardize health services delivery at all Canadian Forces clinics and introduce a core of civilian health care providers to provide continuity of care services for Canadian Forces members.
- Consolidate and standardize Operational Trauma and Stress Support Centres and other mental health initiatives.

- **To strengthen training and development, Defence will:**

- Implement the Workforce Renewal Plan, which includes the establishment of learning and career centres across the country.
- Complete the implementation of the Department's Employability Strategy.

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**Strategy 2020**  
**Strategic Change Objective 2**  
*“To develop and sustain a leadership climate that encourages initiative, decisiveness and trust while improving our leaders’ abilities to lead and manage effectively.”*

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- **To further improve its civilian work environment, Defence will:**

- Follow up on the Government-wide Public Service Employee Survey by identifying key issues for immediate action, developing plans to address them and taking action at all levels.

- **To improve the fairness of the terms of employment for Canadian Forces members, Defence will:**

- Implement planned changes to the Universality of Service principle.<sup>3</sup>

#### **4. Reviewing Defence's Infrastructure**

Defence is the largest custodian of realty assets in the federal Government.

As a large, national institution with a presence across the country, Defence is responsible for more than:

- 27 land, naval and air bases and stations;
- 57 naval jetties, piers and wharves;
- 449 individual properties, including




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<sup>3</sup> The Universality of Service principle – summed up in the phrase “not deployable, not employable” – states that Canadian Forces members must be healthy enough to deploy into an operational area at any time. A 1999 review of this policy has resulted in a number of policy changes, including a redefinition of universality requirements and the reasonable accommodation of members with employment limitations.



weapons ranges, training areas, military training centres, cadet camps and local armouries;

- 550 leased properties;
- 1,600 kilometres of storm and sanitary sewers;
- 2,200 kilometres of electrical and heating systems;
- 5,900 kilometres of roads; and
- 8,800,000 square metres of airfield pavement.

Despite significant infrastructure reductions and base closures during the downsizing of the 1990s, Defence continues to occupy more than 45% of the federal government's total floor space.

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 aging beyond its useful economic life. It is estimated that roughly 50% of the Defence infrastructure will be unusable within 10 years. The cost of addressing this maintenance backlog exceeds \$1.0 billion.

### **Infrastructure Review**

To address this infrastructure maintenance issue, major and timely innovations in the way Defence holds, acquires and disposes of its realty assets are required.

As an initial first step, the Department has already established a realty asset reduction target of 10% over the next five years.

- **In addition, Defence will:**
  - Prepare a Realty Asset Strategic Plan to identify the long-term infrastructure requirements of the Canadian Forces and set targets and options.
  - Articulate a plan to reduce infrastructure maintenance costs.

The Realty Asset Strategic Plan will also propose ways for achieving funding targets and will develop alternative methods of holding and managing Defence's realty assets. One option to be examined, for example, is to share Defence facilities and land with other Government departments, other national governments, and the private sector.



## **5. Supporting Canada-United States Relations**

Canada and the United States share what is probably the most extensive and mutually beneficial defence relationship in the world.

While the Canada-United States relationship remains strong, a series of major and inter-related defence issues will need to be addressed in the months and years ahead. Indeed, these issues will have significant implications for the future of the broader Canada-United States relationship. The key issues are:

- **Canada-United States Space Cooperation** – The current regime allows Canada considerable cost savings for its military space programs, which, because of their information collection and dissemination capabilities, are fast becoming an indispensable element of modern military operations. Defence cooperation in space offers many areas where Canada and the United States can work together to strengthen inter-operability between their forces.
- **NORAD Renewal** – For a relatively modest investment, Canada receives significant benefit from the North American Aerospace Defence Command (NORAD), including the ability to track aircraft entering Canadian airspace, integrated military command, control and communications links with the United States, real-time information on missile launches worldwide, and the tracking of space objects. These benefits – essential to effective Canadian defence – would be prohibitively expensive if Canada had to pay for them on its own. The current NORAD Agreement expires in May 2001.
- **Ballistic Missile Defence** – A program to develop a ballistic missile defence system is currently underway in the United States, with the objective of producing the capability to defend against a limited number of ballistic missiles aimed at its territory. The United States government has projected 2005 as the earliest deployment of such a “national missile defence” (NMD) system.

The proposed system will be different from the so-called “Star Wars” system proposed by President Ronald Reagan in the 1980s. The NMD system will be ground-based and designed to intercept one missile with another missile using existing technology. The “Star Wars” concept, in contrast, was built around unproven space-based “laser shield” technology. The proposed NMD system is a limited system meant to defend against a few incoming warheads, not an umbrella defence against a mass attack.

The issue for Canada will be whether and how to participate in the defence system, and what impact this decision will have on Canada’s broader relationship with the United States and others.



- **Homeland Defence** – Another aspect of the emerging North American security agenda is what the United States calls “homeland defence” – the protection of people, property and critical infrastructure against non-traditional threats such as nuclear, biological and chemical terrorism, or cyber-attacks.
- **Canada-United States Defence Trade** – Defence cooperation is also an important element of Canada-United States trade relations. In October 1999, Canada and the United States reached an agreement in principle on the main elements required to resolve problems resulting from amendments made to the International Traffic in Arms Regulations (ITAR) in April 1999. Despite the achievement of this agreement, irritants and issues in the area of defence trade remain.
- **Within the context of these issues, Defence’s key priorities for Canada-United States defence relations in fiscal year 2000-2001 are to:**
  - Work with the Parliamentary Standing Committee on National Defence and Veterans Affairs, defence stakeholders and others to improve public awareness and understanding of emerging Canada-United States defence issues.
  - Examine the NORAD renewal question.
  - Develop a better understanding of the United States ballistic missile defence program, with a view to creating options for future Canadian decisions on the way ahead.
  - Continue discussions with other Government departments in the development of a broad Canadian approach on issues related to homeland defence.
  - Continue to explore opportunities to use space and communications technologies to enhance the interoperability of Canadian and American military forces.

## **6. Institutionalizing Reform and Cultural Change**

As a visible national institution and source of pride to Canadians, Defence has a responsibility to meet the highest of public standards and expectations. All members of the Defence Team take these responsibilities very seriously.

Though Defence has made significant progress implementing more than 300 institutional reforms from five separate reports, more work needs to be done to institutionalize ongoing changes within Defence’s culture.

As John Fraser, Chair of the Minister’s Monitoring Committee on Change noted in his final report, issued in February 2000:



“We (the members of the committee) believe that the reform program is gaining momentum and, in our judgment, many of the actions called for in the various reports and inquiries we have monitored have substantially been met ... the assessment of success, however ... should take into account the degree to which the institution has integrated reform into its culture, and its way of carrying on its daily business”.

John Fraser  
Minister’s Monitoring Committee on Change  
Final Report – 1999

As part of its commitment to reform and change, Defence will continue to support the process of renewal underway within the Department and the Forces in order to ensure reforms are institutionalized.

- **To deliver on the Minister’s “Commitment to Change”, Defence will:**
  - Continue to implement all remaining reforms – particularly in the areas of leadership, officer professional development and reserve restructuring.
  - Develop and implement an overall strategic plan to entrench reform and promote long-term cultural change.
  
- **To further strengthen leadership, Defence will:**
  - Continue to strengthen leadership development through the full implementation of the Officer Professional Development 2020 project.
  - Define and implement a common standard for the selection, development and assessment of military and civilian leaders.
  - Develop a plan to implement the Enhanced Leadership Model for officer training, education and professional development.
  
- **To further strengthen diversity and continue the integration of women into the Canadian Forces, Defence will:**
  - Revise and update harassment policies and training.
  - Develop a comprehensive policy on the requirement to accommodate religious and cultural diversity.
  - Validate physical fitness standards and training so they are reflective of the physical fitness needs of the Canadian Forces.
  - Conduct cultural awareness training for recruiters.



## Reserve Restructuring



As a critical part of Defence's overall efforts to modernize and renew the Canadian Forces, Defence will also begin the process of revitalizing and restructuring Canada's Reserve Force.

At a time when Canada's Regular Force is being stretched to the limit by ongoing operational demands, the Reserve Force is more important than ever for alleviating operational pressures. By better aligning the Reserve Force with the Regular Force, Defence will be better able to meet Canadian expectations, deliver on operational commitments, and ensure a balanced force.

- **To this end, Defence will move forward in its efforts to revitalize and restructure Canada's Reserve Force in fiscal year 2000-2001. Specifically, Defence will:**

- Define the Reserve Force mission.
- Delineate the Reserve Force's operational roles.
- Begin to align the Reserve Force structure to its approved operational roles.
- Ensure the new Reserve Force structure is appropriately funded and supported.
- Strengthen Reserve Force training and readiness.
- Improve Reserve Force benefits and access to quality of life improvements and initiatives.



## **7. Enhancing Communications, Openness and Transparency**

As a large and diverse organization with a presence across Canada and around the world, good internal communications are essential for adapting to ongoing change, effective leadership, command and control, and most importantly, morale.

Defence must also be able to communicate effectively with Parliamentarians, defence stakeholders and all Canadians – so it can explain the issues and challenges it is facing and the actions and initiatives underway to address them. This includes being as open and transparent as possible within the law.



Consequently, communications, openness and transparency will continue to be a priority for Defence in fiscal year 2000-2001 and beyond.

- **To further improve internal and external communications, Defence will:**

- Implement a parliamentary outreach program to provide opportunities for parliamentarians to experience first-hand Canadian Forces exercises and operations.
- Continue to improve the quality of Defence information available to Canadians by updating its comprehensive information kit and various products on the D-NET Internet site [www.dnd.ca].
- Better tailor its internal communications to different audiences and continue to make extensive use of two principle communication vehicles – our corporate Intranet and the *Maple Leaf*, Defence’s weekly national newspaper.

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**Strategy 2020**  
**Strategic Change Objective 7**  
*“To establish clear strategic, external partnerships to better position Defence to achieve national objectives.”*

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- **To further improve openness and transparency, particularly with respect to Access to Information, Defence will:**

- Continue to improve the processing of Access to Information (ATI) requests by further streamlining procedures where possible.
- Continue to provide informal means for public access to ATI records through the use of information technology.

## **8. Modernizing Management Practices**

Like all public institutions, Defence also has a responsibility to meet the highest of public standards with respect to the management and administration of public funds. As Canada’s largest federal organization, it is imperative that Defence help set the standard in providing Canadians value-for-money.

Within this context, Defence has made substantial progress in strengthening and modernizing its corporate management practices over the past few years, having already adopted numerous modern management techniques in the development of Strategy 2020 and its business planning procedures.

Modernization and change, however, is an ongoing process and there are several areas where Defence will continue to move forward to modernize its management practices.



- **To further simplify and streamline internal business planning and corporate management processes, Defence will:**

- Finalize and implement its action plan on modern comptrollership and report regularly on progress to the Deputy Minister's *Modernization Task Force*.
- Implement the first phase of the Integrated Defence Management Framework, which will integrate various planning components into a leading edge management and information system.
- Implement the government-wide Financial Information Strategy, which includes the shift to full accrual accounting and reporting.
- Complete the conversion of all civilian positions to the Public Service Universal Classification Standard. This also involves the development of strategies to deal with grievances that may arise from the conversion.

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**Strategy 2020**  
**Strategic Change Objective 8**  
*“To adopt a comprehensive approach to planning, management and comptrollership, focused on operational requirements, that prepares us to respond rapidly and effectively to change.”*

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- **To enhance information management and the quality of resources available to decision-makers, Defence will:**

- Continue to strengthen Computer Network Defence to ensure the effective protection of defence information resources and to improve the quality of information available to management.
- Continue to lay the groundwork for the implementation of a more robust performance measurement framework.



## **SECTION FOUR – HORIZONTAL INITIATIVES**

As a national institution and the largest organization in the federal government, Defence has an important role to play in supporting the achievement of national priorities as articulated in the Government's Speech from the Throne.

### **Advancing Canada's Place in the World**

The Canadian Forces have a worldwide presence and a long-standing tradition of support for the international community's efforts to bring peace and stability to the world's trouble spots. Defence will support the development of United Nations rapid reaction initiatives and will continue to work with the Department of Foreign Affairs and International Trade to advance the Government's human security agenda, including efforts to protect children from involvement in armed conflict.

### **Science and Technology**



Technology will play an increasingly important role in the equipping, organizing and training of modern armed forces. As the Department prepares for the future defence environment, effective and timely research and development (R&D) into new defence technologies will be critical.

To this end, Defence will work closely with departmental strategic planners to ensure that our R&D initiatives meet long-term defence objectives. In anticipation of the increased demand for defence

research and development, Defence Research and Development Canada has taken on a number of significant initiatives to ensure that it remains a responsive, innovative and efficient member of the Defence Team well into this century.

This commitment will also help to sustain Canada's defence industrial base and foster greater domestic and international research collaboration through Canadian universities and institutes – a pool of expertise integral to Canada's knowledge infrastructure.





## Canada's Northern Policy

Defence has taken a leadership role in addressing issues related to the security of Canada's North. Factors such as the end of the Cold War, climate change and resource development have opened the North to increased air, land and marine traffic. These factors bring with them numerous security concerns – for the safety of Canadians who inhabit the northern reaches of this country, for the safety of our resources, for the safety of those transiting our territory, and for our sovereignty in general. The Commander of the Canadian Forces Northern Area has spearheaded the establishment of an interdepartmental working group on Arctic security and will work with some ten federal departments, as well as provincial departments and native groups, to address issues of common concern.



## The Environment



Department of National Defence and Canadian Forces operations have environmental impacts, not only on communities near operational sites, but throughout the country as well. We remain committed, however, to ensuring that our activities are performed in an environmentally sustainable way that achieves our mission without compromising future generations.

Defence tabled its first Sustainable Development Strategy (SDS), *Environmentally Sustainable Defence Activities* [[www.dnd.ca/admie/dge/sds/sds1\\_e.htm](http://www.dnd.ca/admie/dge/sds/sds1_e.htm)] in Parliament in December 1997. In fiscal year 2000-2001, Defence will continue to implement the measures necessary to meet the commitments made in that document.

The Minister of National Defence will table the Department's second SDS in December 2000, to be implemented in 2001-2002 and beyond. The new Strategy will reflect Government commitments made in the October 1999 Speech from the Throne.



## Developing Our Youth



Over 60,000 young Canadians participate every year in the Canadian Cadet Organization and a further 1,100 youth participate in the Junior Canadian Rangers, a structured

program for youth that promotes traditional cultures and lifestyles in remote communities. We will continue to support and develop these programs with the aim of reaching a total enrolment of 70,000. Defence will continue to offer young Canadians quality training and development opportunities.



## Building A Dynamic Economy

Defence has a presence in approximately 3,000 communities across Canada and will continue to contribute to a strong Canadian economy by providing jobs, developing a skilled workforce and working with industry. Through international and industry programs, Defence supports Canadian companies in marketing their products worldwide, and through active partnerships with Canadian companies and universities, Defence promotes the transfer of new technologies to the private sector.



## **SECTION FIVE – CONCLUSION**

### **Moving Forward in a Changing World**

There can be no question that Defence has made substantial progress over the last few years in addressing the issues and challenges it is facing. Progress has been made on quality of life, institutional reform, communications, openness and transparency, military justice and capital equipment.

The world, however, continues to change and Defence must continue to change with it.

The Government has clearly indicated that it wants Canada to play an active and independent role in the world, and that it will give increased prominence to advancing human security in our foreign and defence policy.

It is also clear that Canadians support the fundamental underpinnings of the Government's Defence policy, namely, the need to maintain multi-purpose, combat-capable forces able to fulfill a broad range of missions and tasks. In addition, Canadians have indicated that they expect the Canadian Forces to be there when needed and to meet the highest standards of performance.

Delivering on these expectations – across the board and in an era of rapid change – is a significant undertaking. To meet this challenge, Defence must ensure that it optimizes the mix of capabilities that it needs to maintain for the future and maximizes Canada's return on its defence investments.

This is why Strategy 2020 is essential to Defence's efforts to move forward. As a long-term guide to business planning, Strategy 2020 articulates the strategic objectives that Defence must achieve to be successful in the future.

The bottom line is that to deliver in the years ahead, Defence must modernize its force structure, strengthen its capital program, nurture its human resources and make the investments required to ensure the Canadian Forces are globally deployable and interoperable with Canada's major allies.

It must also see through institutional reforms, continue to address and adapt to new and emerging defence issues, and strengthen communications with Canadians to better engage them in shaping the future of their Canadian Forces.

Canada and the Canadian Forces cannot be all things to all people. We must make choices and move forward based on clearly articulated priorities to better position the Canadian Forces for the future. Defence has a strategy, is moving forward, and will continue to do so in the months and years ahead.



## **SECTION SIX – PLANNED RESULTS**

For the Department of National Defence's 2000-2001 Report on Plans and Priorities the following planning terms will be used:

### **Business Line**

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

### **Service Lines**

The following eight service lines will be used:

1. Maritime Forces
2. Land Forces
3. 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**

The Key Results Commitments for Defence are the Defence Objectives, as articulated in *Defence Planning Guidance 2000*. They are as follows:

**Defence Objective 1 (D01): To provide strategic defence and security advice and information to the Government.**

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

**Defence Objective 2 (D02): To conduct surveillance and control of Canada's territory, airspace and maritime areas of jurisdiction.**

This will be met by:

- (1) Protecting Canadian sovereignty through surveillance and control of Canada's territory, airspace and maritime areas of jurisdiction; and
- (2) 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 (D03): To respond to requests for Aid of the Civil Power.**

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

**Defence Objective 4 (D04): To participate in bilateral and multilateral operations.**

This will be met by:

- (1) Participating in multilateral operations in concert with United Nations member states, North Atlantic Treaty Organization (NATO) member states or in coalitions with other like-minded countries;
- (2) Maintaining the ability to operate effectively at sea, on land, in the air and in space with the military forces of Allies, and in particular, the United States;
- (3) Contributing to the provision of aerospace surveillance and control and the collection, processing and dissemination of missile warning information through the North American Aerospace Defence Command (NORAD);
- (4) Maintaining Canada's participation in the Canada-United States Test and Evaluation Program, the Defence Production and Development Sharing Arrangements and other bilateral arrangements;
- (5) Examining Anti-Ballistic Missile Treaty compliant ballistic missile defence options with the United States, focusing on research and building on existing communications and surveillance capabilities;
- (6) Expanding bilateral and multilateral contacts and exchanges with selected partners in Central and Eastern Europe, the Asia-Pacific region, Latin America, and Africa; and
- (7) Participating in Arms Control and Verification activities under the umbrella of the Organization on Security and Co-operation in Europe in Vienna, the Conference on Disarmament, NATO and the United Nations.

**Defence Objective 5 (D05): To assist other Government departments and other levels of Government in achieving national goals.**

This will be met by:

- (1) 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



- (2) 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 (D06): To provide support to broad Government programs.**

This will be met by:

- (1) Ensuring that the Department of National Defence and Canadian Forces fulfil their role as a national institution;
- (2) Ensuring that the Department of National Defence and Canadian Forces comply with Government legislation, policies and management practices; and
- (3) Facilitating Government-wide initiatives.

**Defence Objective 7 (D07): To provide emergency and humanitarian relief.**

This will be met by:

- (1) Contributing to emergency preparedness, humanitarian assistance and disaster relief; and
- (2) Providing a National Search and Rescue Program.

**Defence Objective 8 (D08): To maximize defence capabilities through the efficient and effective use of resources.**

This will be met by:

- (1) Ensuring that corporate administration activities are carried out in an effective and efficient manner;
- (2) Ensuring a comprehensive leadership development program is in place for members of the Department of National Defence and the Canadian Forces;
- (3) Providing a work environment that supports organizational and individual performance and learning; and
- (4) Ensuring that departmental strategies address the short- and long-term workforce requirements of the Department of National Defence and the Canadian Forces.



## Planned Results

*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 the *Defence Planning Guidance*. Within the broad policy framework set out in 1994, these change objectives will guide Defence decision-making across the whole range of Defence activities. 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 and reflect Defence's view of the Planned Results from a Report on Plans and Priorities perspective:

### **Change Objective One (C01): Innovative Path – Create an adaptive, innovative and relevant path into the future.**

This change objective is divided into the following goals:

- (1) Enhance the collective strategic decision-making ability of the senior leadership team;
- (2) Define the long-term strategy in five year increments and review and update it periodically;
- (3) Complete the force-planning scenarios and use them to provide coherent and focused advice to Government;
- (4) 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; and
- (5) Support stakeholders' awareness of our strategic progress through a focused information program.

### **Change Objective Two (C02): 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:

- (1) Define and apply high standards for the selection, development and assessment of military and civilian leaders at all levels;
- (2) 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 Government; and
- (3) Strengthen professionalism and accountability by integrating a values framework for the Defence institution.



**Change Objective Three (C03): 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:

- (1) Design a viable and affordable force structure;
- (2) Conduct a focused, paced and innovative modernization program, aiming towards a minimum of 23% of the Defence Services Program in capital;
- (3) Develop new task-tailored capabilities to deal with asymmetric threats and weapons of mass destruction;
- (4) 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
- (5) Complete the introduction of a program of joint experimentation, maximizing the effectiveness of new doctrines, organizations and systems.

**Change Objective Four (C04): 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:

- (1) 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;
- (2) Enhance our strategic airlift and sealift capability; and
- (3) Complete the conversion of the Joint Force Headquarters to a deployable Command, Control, Communications, Computers and Intelligence (C<sup>4</sup>I) organization capable of national command and logistic support at the operational level of war.

**Change Objective Five (C05): Interoperable – Strengthen our military to military relationships with our principal allies, ensuring interoperable forces, doctrine and C<sup>4</sup>I.**

This change objective is divided into the following goals:

- (1) Manage our interoperability relationship with the United States and other allies to permit seamless operational integration at short notice;



- (2) Develop a comprehensive program to adopt new doctrine and equipment compatible with our principal allies; and
- (3) Expand the joint and combined exercise program to include all environments and exchanges with the United States.

**Change Objective Six (C06): 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:

- (1) Reduce the number of military support occupations and refocus on broader career fields;
- (2) Develop flexible career policies to meet changing requirements;
- (3) 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;
- (4) Develop and implement a recruitment and retention program that better meets future Defence Team requirements; and
- (5) Implement the parliamentary Quality of Life recommendations.

**Change Objective Seven (C07): Strategic Partnerships – Establish clear strategic, external partnerships to better position Defence to achieve national objectives.**

This change objective is divided into the following goals:

- (1) Undertake joint planning with other Government departments wherever appropriate to achieve synergies and efficiency;
- (2) Undertake a program to foster greater understanding and co-operation with the unions representing the many members of the Defence Team;
- (3) Support a co-ordinated approach to a national security strategy;
- (4) Reformulate key domestic, public and private sector partnerships to lever defence capabilities; and
- (5) In cooperation with Canadian industry, field technology demonstrators that provide capability to respond to asymmetric threats.



**Change Objective Eight (C08): 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:

- (1) Design and implement an integrated defence management system linking strategy to outputs;
- (2) Revitalize the departmental acquisition process with the aim of reducing acquisition time for capital projects by 30%;
- (3) Establish a joint mechanism to prioritize and sustain our capital program on an annual basis;
- (4) Develop a realty asset management system to facilitate investment and disposal decisions;
- (5) Reduce departmental holdings of infrastructure (such as buildings, structures and jetties) by 10%; and
- (6) Start the integration of departmental-level enterprise management information systems



## **SECTION SEVEN – SUPPLEMENTARY INFORMATION**

### **Part 1 – Spending Authorities**

#### **Financial Data**

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. As a result of these changes, the Department will adopt the Financial and Managerial Accounting System to permit the linking of financial information to Departmental Business Lines. Until such time as the system is capable of providing the necessary degree of financial fidelity, 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 the 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 <sup>1</sup>**

| <b>Vote (thousands of dollars)</b>                                    | <b>1999-2000<br/>Main Estimates</b> | <b>2000-2001<br/>Main Estimates</b> |
|---|-------------------------------------|-------------------------------------|
| 1 Operating Expenditures  | 6,995,351                           | <b>7,724,106</b>                    |
| 5 Capital Expenditures  | 2,026,609                           | <b>2,081,733</b>                    |
| 10 Grants and Contributions   | 553,698                             | <b>602,845</b>                      |
| S Minister of National Defence<br>- Salary and Motor Car<br>Allowance | 49                                  | <b>52</b>                           |
| S Pensions and annuities paid to<br>civilians                         | 100                                 | <b>100</b>                          |
| S Military Pensions and benefit<br>plans                              | 564,477                             | <b>637,050</b>                      |
| S Contributions to employee benefit<br>plans                          | 164,216                             | <b>153,114</b>                      |
| <b>Total Department</b>   | <b>10,304,500</b>                   | <b>11,199,000</b>                   |


**Table 2: Distribution of Net Planned Spending Levels by Service Line <sup>2</sup>**

| <b>Service Line</b>                                | <b>Forecast<br/>1999-00</b> | <b>Planned<br/>2000-01</b> | <b>Planned<br/>2001-02</b> | <b>Planned<br/>2002-03</b> |
|--|-----------------------------|----------------------------|----------------------------|----------------------------|
| Maritime Forces                                    | 2,037.4                     | <b>1,955.2</b>             | 1,926.0                    | 1,850.5                    |
| Land Forces  | 3,474.4                     | <b>3,173.2</b>             | 3,223.2                    | 3,420.4                    |
| Air Forces   | 2,666.5                     | <b>2,923.6</b>             | 2,884.7                    | 2,895.1                    |
| Joint Operations &<br>Civil Emergency Preparedness | 753.8                       | <b>877.6</b>               | 460.2                      | 438.2                      |
| Communications &<br>Information Management         | 374.9                       | <b>379.0</b>               | 448.2                      | 473.2                      |
| Support to the Personnel<br>Function               | 816.6                       | <b>786.3</b>               | 817.4                      | 832.1                      |
| Material, Infrastructure &<br>Environment Support  | 683.3                       | <b>607.6</b>               | 589.6                      | 632.3                      |
| Department/Forces Executive                        | 525.9                       | <b>489.2</b>               | 484.5                      | 489.2                      |
| <b>Total Net Planned Spending</b>                  | <b>11,332.8</b>             | <b>11,191.8</b>            | <b>10,833.8</b>            | <b>11,031.0</b>            |

**Table 3: Net Cost of the Program <sup>3</sup>**

| <b>(\$Millions)</b>                                     | <b>Forecast<br/>Spending<br/>1999-00</b> | <b>Planned<br/>Spending<br/>2000-01</b> | <b>Planned<br/>Spending<br/>2001-02</b> | <b>Planned<br/>Spending<br/>2002-03</b> |
|---|--|---|---|---|
| Gross Planned Spending                                  | 11,643.1                                 | <b>11,483.0</b>                         | 11,118.6                                | 11,304.9                                |
| Revenue to the Vote                                     | 310.3                                    | <b>291.2</b>                            | 284.8                                   | 273.9                                   |
| <b>Total Planned Spending</b>                           | <b>11,332.8</b>                          | <b>11,191.8</b>                         | <b>10,833.8</b>                         | <b>11,031.0</b>                         |
| Revenue Credited to the<br>Consolidated<br>Revenue Fund | (9.9)                                    | <b>(9.7)</b>                            | (3.8)                                   | (3.8)                                   |
| Estimated Cost of Services<br>by other Departments      | 301.1                                    | <b>263.6</b>                            | 259.5                                   | 271.6                                   |
| <b>Net Cost of the<br/>Department</b>                   | <b>11,624.0</b>                          | <b>11,445.7</b>                         | <b>11,089.5</b>                         | <b>11,298.8</b>                         |



<sup>1</sup> Note to Table 1:

a) A number of largely technical items will increase the level of funding to the Department in 2000-2001 over that of 1999-2000. These adjustments, which do not represent any real increase to Defence funding, include:

- a 1.5% adjustment to compensate the Department for inflation;
- compensation for the costs of previously approved economic adjustments to wages and salaries for military and civilian personnel;
- a number of additional initiatives, such as the Canadian Forces presence in Kosovo and Bosnia-Herzegovina, for which dedicated additional funding has been approved; and
- an additional allocation of approximately \$64 million, in anticipation of claims for compensation to the Provinces under the Disaster Financial Assistance Arrangements.

b) Absolute dollar spending on Vote 5 will increase only slightly from 1999-2000 to 2000-2001, with the percent share of total spending remaining stable at approximately 19%. This modest start to the five-year plan to increase capital spending to 23% is indicative of facts such as the redefinition of some types of re-investment from Vote 5 to Vote 1 and the necessary and prudent slow start to new capital spending initiatives.

<sup>2</sup> Note to Table 2:

Net planned spending figures, although different than the Financial Spending Authorities in the Main Estimates for 2000-2001, are consistent with the planned spending levels announced in the February 2000 Budget. The difference is composed of technical adjustments pending Parliament's approval.

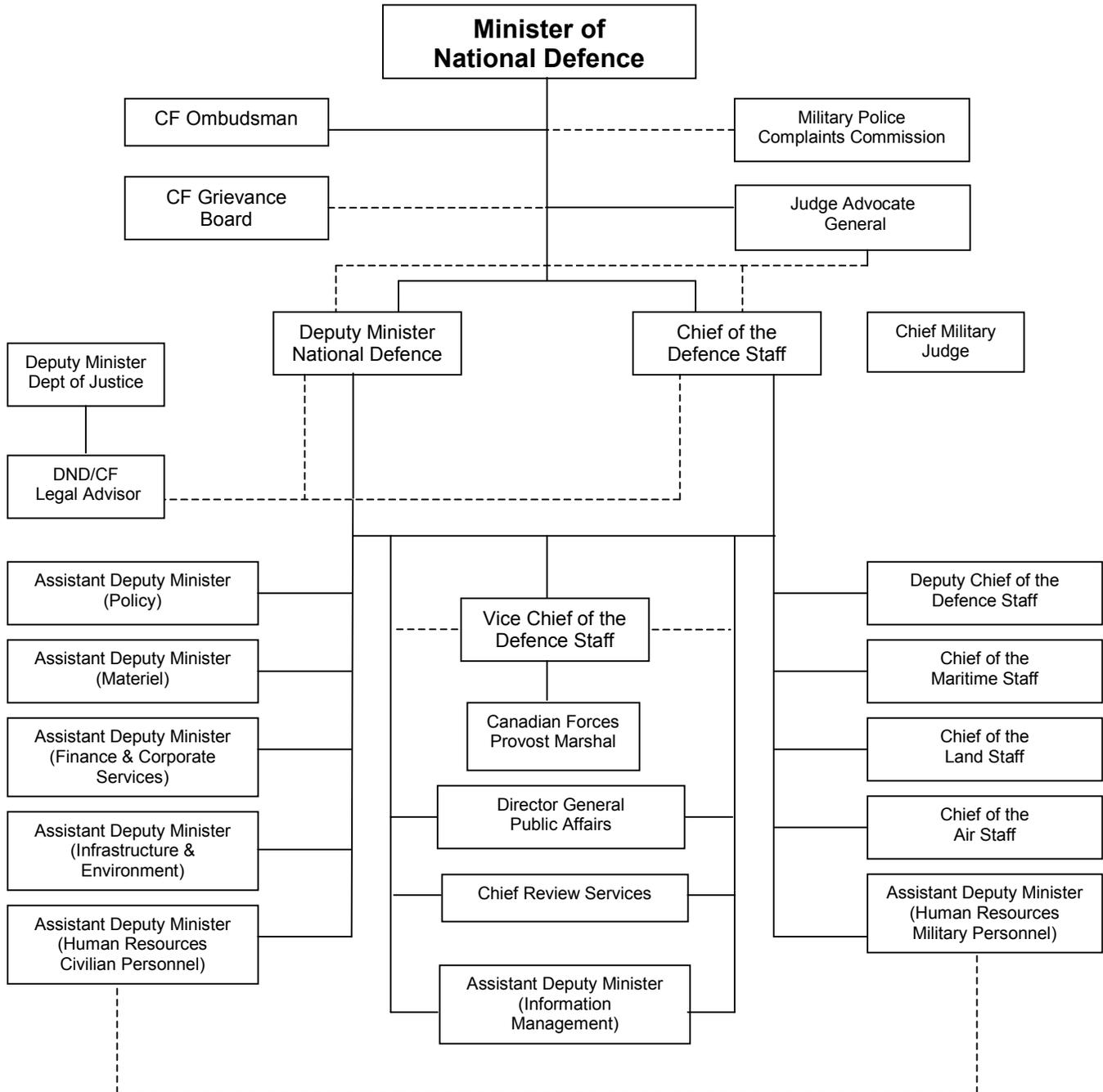
<sup>3</sup> Note to Table 3:

The Estimated Cost of Services provided by other departments includes the estimated value of space occupied by National Defence. The decrease in costs in fiscal year 2000-2001 and beyond is a result of recent National Defence accommodation consolidation.



## Part 2.1 – National Defence Organization Structure

This diagram reflects the current senior management level organization of National Defence Headquarters.





## Part 2.2 – Planned Full-time Equivalents (FTE) by Service Line

### Personnel Requirements by Service Line/Activity

Figure 1: Civilian Workforce (FTEs)

| Service Line   | Actuals<br>1997-98 | Actuals<br>1998-99 | 1999-00<br>Estimated | 2000-01<br>Planned | 2001-02<br>Planned | 2002-03<br>Planned |
|--|--------------------|--------------------|----------------------|--------------------|--------------------|--------------------|
| Maritime Forces                                      | 4,095              | 3,787              | 3,809                | <b>3,752</b>       | 3,752              | 3,752              |
| Land Forces  | 4,814              | 4,452              | 4,478                | <b>4,410</b>       | 4,410              | 4,410              |
| Air Forces   | 2,662              | 2,462              | 2,476                | <b>2,439</b>       | 2,439              | 2,439              |
| Joint Operations and Civil<br>Emergency Preparedness | 1,211              | 1,120              | 1,127                | <b>1,110</b>       | 1,110              | 1,110              |
| Communications and<br>Information Management         | 625                | 578                | 582                  | <b>573</b>         | 573                | 573                |
| Support to Personnel Function                        | 2,292              | 2,120              | 2,132                | <b>2,100</b>       | 2,100              | 2,100              |
| Materiel, Infrastructure and<br>Environment Support  | 3,826              | 3,539              | 3,560                | <b>3,506</b>       | 3,506              | 3,506              |
| Department/Forces Executive                          | 1,222              | 1,130              | 1,137                | <b>1,119</b>       | 1,119              | 1,119              |
| <b>Total</b>   | <b>20,747</b>      | <b>19,187</b>      | <b>19,300</b>        | <b>19,008</b>      | <b>19,008</b>      | <b>19,008</b>      |

Figure 2: Military (Regular Force) Workforce (FTEs)

| Service Line   | Actuals<br>1997-98 | Actuals<br>1998-99 | 1999-00<br>Estimated | 2000-01<br>Planned | 2001-02<br>Planned | 2002-03<br>Planned |
|--|--------------------|--------------------|----------------------|--------------------|--------------------|--------------------|
| Maritime Forces                                      | 10,373             | 10,336             | 10,099               | <b>10,111</b>      | 10,076             | 10,044             |
| Land Forces  | 22,405             | 22,325             | 21,812               | <b>21,838</b>      | 21,762             | 21,694             |
| Air Forces   | 15,021             | 14,967             | 14,623               | <b>14,641</b>      | 14,590             | 14,545             |
| Joint Operations and Civil<br>Emergency Preparedness | 2,036              | 2,029              | 1,982                | <b>1,985</b>       | 1,978              | 1,972              |
| Communications and<br>Information Management         | 2,896              | 2,886              | 2,820                | <b>2,823</b>       | 2,813              | 2,804              |
| Support to Personnel Function                        | 5,506              | 5,486              | 5,360                | <b>5,366</b>       | 5,348              | 5,331              |
| Materiel, Infrastructure and<br>Environment Support  | 1,952              | 1,945              | 1,901                | <b>1,903</b>       | 1,896              | 1,890              |
| Department/Forces Executive                          | 753                | 751                | 733                  | <b>734</b>         | 732                | 729                |
| <b>Total</b>   | <b>60,942</b>      | <b>60,726</b>      | <b>59,330</b>        | <b>59,400</b>      | <b>59,195</b>      | <b>59,010</b>      |

**Figure 3: Details of Personnel Requirements – Combined Workforce (FTEs)**

| Service Line   | Actuals       | Actuals       | 1999-00       | 2000-01       | 2001-02       | 2002-03       |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
|  | 1997-98       | 1998-99       | Estimated     | Planned       | Planned       | Planned       |
| Maritime Forces                                      | 14,468        | 14,123        | 13,908        | <b>13,863</b> | 13,828        | 13,796        |
| Land Forces  | 27,218        | 26,777        | 26,290        | <b>26,248</b> | 26,172        | 26,104        |
| Air Forces   | 17,682        | 17,429        | 17,099        | <b>17,080</b> | 17,029        | 16,984        |
| Joint Operations and Civil<br>Emergency Preparedness | 3,247         | 3,149         | 3,109         | <b>3,095</b>  | 3,088         | 3,082         |
| Communications and<br>Information Management         | 3,522         | 3,464         | 3,401         | <b>3,396</b>  | 3,386         | 3,377         |
| Support to Personnel Function                        | 7,798         | 7,606         | 7,492         | <b>7,466</b>  | 7,448         | 7,431         |
| Materiel, Infrastructure and<br>Environment Support  | 5,779         | 5,484         | 5,460         | <b>5,409</b>  | 5,402         | 5,396         |
| Department/Forces Executive                          | 1,975         | 1,881         | 1,870         | <b>1,853</b>  | 1,851         | 1,848         |
| <b>Total FTE</b>                                     | <b>81,689</b> | <b>79,913</b> | <b>78,630</b> | <b>78,408</b> | <b>78,203</b> | <b>78,018</b> |

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

| Professional<br>Category   | Actuals       | Actuals       | 1999-00       | 2000-01       | 2001-02       | 2002-03       |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
|  | 1997-98       | 1998-99       | Estimated     | Planned       | Planned       | Planned       |
| OIC <sup>1</sup> Appointments                                    | 1             | 1             | 1             | 1             | 1             | 1             |
| Executive  | 87            | 83            | 81            | <b>80</b>     | 80            | 80            |
| Scientific and Professional                                      | 1,508         | 1,395         | 1,403         | <b>1,382</b>  | 1,382         | 1,382         |
| Administrative and<br>Foreign Service                            | 2,718         | 2,514         | 2,528         | <b>2,490</b>  | 2,490         | 2,490         |
| Technical  | 1,987         | 1,838         | 1,848         | <b>1,820</b>  | 1,820         | 1,820         |
| Administrative Support<br>Other than Clerical                    | 1,413         | 1,307         | 1,314         | <b>1,295</b>  | 1,295         | 1,295         |
| Clerical and Regulatory  | 3,377         | 3,123         | 3,141         | <b>3,094</b>  | 3,094         | 3,094         |
| Operational other than<br>General Labour and<br>General Services | 2,722         | 2,517         | 2,532         | <b>2,494</b>  | 2,494         | 2,494         |
| General Labour and Trades  | 3,759         | 3,473         | 3,497         | <b>3,444</b>  | 3,444         | 3,444         |
| General Services   | 3,175         | 2,936         | 2,954         | <b>2,909</b>  | 2,909         | 2,909         |
| <b>Total</b>   | <b>20,747</b> | <b>19,187</b> | <b>19,300</b> | <b>19,008</b> | <b>19,008</b> | <b>19,008</b> |

<sup>1</sup> Order-in-Council

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

| <b>Military Rank</b>              | <b>Actuals 1997-98</b> | <b>Actuals 1998-99</b> | <b>1999-00 Estimated</b> | <b>2000-01 Planned</b> | <b>2001-02 Planned</b> | <b>2002-03 Planned</b> |
|-----------------------------------|------------------------|------------------------|--------------------------|------------------------|------------------------|------------------------|
| <b>General/Lieutenant-General</b> | 9                      | 9                      | 10                       | <b>10</b>              | 9                      | 9                      |
| <b>Major-General</b>              | 18                     | 18                     | 18                       | <b>18</b>              | 18                     | 18                     |
| <b>Brigadier-General</b>          | 43                     | 43                     | 43                       | <b>43</b>              | 43                     | 43                     |
| <b>Colonel</b>                    | 250                    | 259                    | 270                      | <b>268</b>             | 267                    | 266                    |
| <b>Lieutenant-Colonel</b>         | 872                    | 885                    | 944                      | <b>945</b>             | 942                    | 939                    |
| <b>Major</b>                      | 3,011                  | 2,970                  | 2,979                    | <b>2,982</b>           | 2,972                  | 2,963                  |
| <b>Captain</b>                    | 6,195                  | 6,247                  | 6,050                    | <b>6,058</b>           | 6,037                  | 6,018                  |
| <b>Lieutenant</b>                 | 1,325                  | 1,260                  | 1,330                    | <b>1,332</b>           | 1,327                  | 1,323                  |
| <b>Officer Cadet</b>              | 1,391                  | 1,368                  | 1,536                    | <b>1,538</b>           | 1,532                  | 1,527                  |
| <b>Chief Warrant Officer</b>      | 607                    | 588                    | 598                      | <b>599</b>             | 596                    | 595                    |
| <b>Master Warrant Officer</b>     | 1,770                  | 1,704                  | 1,635                    | <b>1,637</b>           | 1,632                  | 1,627                  |
| <b>Warrant Officer</b>            | 3,850                  | 3,703                  | 3,612                    | <b>3,616</b>           | 3,604                  | 3,592                  |
| <b>Sergeant</b>                   | 7,171                  | 6,921                  | 6,728                    | <b>6,736</b>           | 6,713                  | 6,692                  |
| <b>Corporal</b>                   | 28,779                 | 29,118                 | 28,259                   | <b>28,294</b>          | 28,196                 | 28,108                 |
| <b>Private</b>                    | 5,651                  | 5,637                  | 5,318                    | <b>5,324</b>           | 5,306                  | 5,289                  |
| <b>Total</b>                      | <b>60,942</b>          | <b>60,730</b>          | <b>59,330</b>            | <b>59,400</b>          | <b>59,195</b>          | <b>59,010</b>          |



## Part 3.1 – Capital Expenditure Details by Service Line

| (\$ millions)  | Forecast<br>1999-00 | Planned<br>2000-01 | Planned<br>2001-02 | Planned<br>2002-03 |
|--|---------------------|--------------------|--------------------|--------------------|
| <b>Maritime Forces</b>                                       | 443.7               | <b>359.0</b>       | 332.4              | 224.9              |
| <b>Land Forces</b>   | 1,122.1             | <b>780.0</b>       | 814.9              | 960.4              |
| <b>Air Forces</b>  | 439.7               | <b>592.1</b>       | 588.1              | 540.1              |
| <b>Joint Operations and Civil<br/>Emergency Preparedness</b> | 67.2                | <b>77.5</b>        | 102.8              | 73.5               |
| <b>Communications and<br/>Information Management</b>         | 92.7                | <b>121.4</b>       | 189.1              | 209.2              |
| <b>Support to the Personnel<br/>Function</b>                 | 79.3                | <b>54.0</b>        | 74.1               | 75.0               |
| <b>Materiel, Infrastructure and<br/>Environment Support</b>  | 111.8               | <b>89.8</b>        | 66.7               | 98.2               |
| <b>Department/Forces Executive</b>                           | 23.7                | <b>8.9</b>         | 11.6               | 12.1               |
| <b>Total</b>   | <b>2,380.2</b>      | <b>2,082.7</b>     | 2,179.7            | <b>2,193.4</b>     |

Note: The forecasted expenditure on capital includes the initial estimate and approximately \$350 million in incremental funding received through the supplementary estimates for activities such as Operation ABACUS, Kosovo, fiscal re-allocations and some internal re-allocations.



## Part 3.2 – Capital Spending by Service Line

| PROJECT TITLE   | Currently Estimated Total Cost | Forecast Expenditures to 31 March 2000 | Planned Expenditures 2000-01 | Planned Expenditures 2001-02 | Planned Expenditures 2002-03 | Future Years Requirements |
|---|--------------------------------|--|------------------------------|------------------------------|------------------------------|---------------------------|
| <b>Maritime Forces</b>                                    |                                |  |                              |                              |                              |                           |
| TOWED ARRAY SONAR SYSTEM                                  | 113,075                        | 104,905                                | 4,845                        | 3,325                        | -                            | -                         |
| CANADIAN PATROL FRIGATE                                   | 8,959,276                      | 8,859,476                              | 61,400                       | 14,800                       | 23,600                       | -                         |
| TRIBAL CLASS UPDATE & MOD PROGRAM                         | 1,410,433                      | 1,396,400                              | 11,583                       | 2,450                        | -                            | -                         |
| NAVAL COMBAT TRAINER                                      | 33,731                         | 19,669                                 | 6,887                        | 7,175                        | -                            | -                         |
| VESSELS - MARITIME COASTAL DEFENCE VESSELS                | 683,700                        | 642,500                                | 29,500                       | 11,700                       | -                            | -                         |
| BLIND PILOTAGE TRAINER                                    | 3,738                          | 3,379                                  | 359                          | -                            | -                            | -                         |
| JUNIOR OFFICERS BRIDGE SIMULATOR                          | 16,814                         | 14,100                                 | 1,914                        | 800                          | -                            | -                         |
| CANADIAN SUBMARINE CAPABILITY LIFE EXTENSION              | 811,973                        | 163,772                                | 151,505                      | 147,150                      | 83,794                       | 265,752                   |
| PHALANX CLOSE-IN WEAPONS SYSTEM                           | 31,774                         | 30,732                                 | 801                          | 241                          | -                            | -                         |
| POLLUTION CONTROL SYSTEMS FOR SHIPS                       | 37,937                         | 26,783                                 | 7,817                        | 3,337                        | -                            | -                         |
| ACTIVE PHASED ARRAY RADAR                                 | 55,241                         | 49,084                                 | 3,443                        | 1,432                        | -                            | 1,282                     |
| INTEGRATED UNDERSEA SURVEILLANCE CENTRE                   | 26,786                         | 26,268                                 | 518                          | -                            | -                            | -                         |
| AUXILIARY VESSEL QUEST MID-LIFE REFIT                     | 9,332                          | 9,272                                  | 60                           | -                            | -                            | -                         |
| IMPROVED POINT DEFENCE MISSILE                            | 35,215                         | 33,029                                 | 565                          | 834                          | 787                          | -                         |
| MESSAGE HANDLING AND DISTRIBUTION                         | 7,521                          | 5,308                                  | 800                          | 1,413                        | -                            | -                         |
| ADVANCED ELECTRO-OPTIC SENSOR                             | 17,282                         | 12,212                                 | 5,070                        | -                            | -                            | -                         |
| SHIPBOARD ELECTRO-A53OPTIC SURVEILLANCE                   | 26,883                         | -                                      | 1,500                        | 3,710                        | 9,338                        | 12,335                    |
| REMOVING OF NAVAL RADIO STATIONS                          | 41,368                         | 16,232                                 | 22,270                       | 2,866                        | -                            | -                         |
| COMMUNICATION - DATA LINK 16                              | 20,313                         | 14,716                                 | 5,597                        | -                            | -                            | -                         |
| COMMUNICATION - DATA LINK 22                              | 6,823                          | 5,885                                  | 883                          | 55                           | -                            | -                         |
| SEASEARCH PROJECT   | 25,878                         | 24,078                                 | 626                          | 554                          | 273                          | 347                       |
| NETWORKING CAPABILITY OF IROQUOIS AND HALIFAX CLASS SHIPS | 16,460                         | 6,917                                  | 6,676                        | 1,015                        | 215                          | 1,637                     |
| SHIPBOARD INTEGRATED NAVIGATION AND DISPLAY SYSTEM        | 4,551                          | 4,094                                  | 457                          | -                            | -                            | -                         |
| IROQUOIS CLASS TRACK MANAGEMENT SYSTEM                    | 14,136                         | 8,455                                  | 4,489                        | 1,192                        | -                            | -                         |



| PROJECT TITLE                                   | Currently Estimated Total Cost | Forecast Expenditures to 31 March 2000 | Planned Expenditures 2000-01 | Planned Expenditures 2001-02 | Planned Expenditures 2002-03 | Future Years Requirements |
|---|--------------------------------|--|------------------------------|------------------------------|------------------------------|---------------------------|
| SUB - SONIC TARGET                              | 219                            | 48                                     | 171                          | -                            | -                            | -                         |
| TOWED TORPEDO COUNTERMEASURES                   | 16,961                         | -                                      | 4,628                        | 3,990                        | 3,877                        | 4,466                     |
| SHIPBOARD AREA LOCAL NETWORK                    | 13,404                         | -                                      | 3,562                        | 5,513                        | 2,975                        | 1,354                     |
| <b>Land Forces</b>                              |                                |  |                              |                              |                              |                           |
| LIGHT ARMoured VEHICLE LIFE EXTENSION           | 56,984                         | 5,300                                  | 24,419                       | 16,614                       | 10,651                       | -                         |
| HOWITZER UPGRADE AND AUGMENTATION               | 48,935                         | 48,435                                 | 500                          | -                            | -                            | -                         |
| TACTICAL COMMAND CONTROL & COMMUNICATION SYSTEM | 1,930,549                      | 1,710,542                              | 119,647                      | 99,860                       | 500                          | -                         |
| LAND FORCES COMMAND SYSTEM                      | 178,400                        | 110,222                                | 44,503                       | 12,626                       | 3,196                        | 7,853                     |
| LIGHT SUPPORT VEHICLE WHEELED                   | 268,526                        | 266,232                                | 2,294                        | -                            | -                            | -                         |
| GRENADE PROJECTOR                               | 13,100                         | 8,200                                  | 2,700                        | 1,860                        | 111                          | 229                       |
| SHORT RANGE ANTI-ARMOUR WEAPONS                 | 185,959                        | 175,928                                | 9,990                        | 41                           | -                            | -                         |
| LAND SOFTWARE ENGINEERING FACILITY              | 5,935                          | 4,877                                  | 1,058                        | -                            | -                            | -                         |
| LAND TACTICAL ELECTRONIC WARFARE IMPROVEMENTS   | 75,900                         | 72,518                                 | 3,382                        | -                            | -                            | -                         |
| FRAGMENTATION PROTECTIVE JACKETS                | 15,984                         | 11,172                                 | 4,812                        | -                            | -                            | -                         |
| SURFACE MUNITIONS CLEARANCE DEVICE              | 5,691                          | 4,949                                  | 742                          | -                            | -                            | 0                         |
| LIGHT UTILITY VEHICLE WHEELED                   | 225,842                        | 2,062                                  | 2,764                        | 51,984                       | 60,153                       | 108,879                   |
| CENTRAL POWER VEHICLE                           | 11,174                         | 2,010                                  | 4,912                        | 2,999                        | 1,253                        | -                         |
| ROLE THREE HEALTH SUPPORT                       | 40,434                         | 500                                    | 2,700                        | 13,166                       | 11,696                       | 12,372                    |
| UNIT WEAPONS TRAINERS                           | 30,573                         | 26,599                                 | 2,467                        | 1,507                        | -                            | -                         |
| LYNX REPLACEMENT PROJECT                        | 884,216                        | 835,073                                | 25,000                       | 24,143                       | -                            | -                         |
| ARMoured PERSONNEL CARRIERS                     | 2,038,587                      | 793,587                                | 301,000                      | 302,000                      | 427,000                      | 215,000                   |
| CLOTHE THE SOLDIER PROJECT                      |                                |  |                              |                              |                              |                           |
| DEFINITION                                      | 5,606                          | 4,618                                  | 748                          | 240                          | -                            | -                         |
| LIGHTWEIGHT THERMAL UNDERWEAR                   | 3,090                          | 2,512                                  | 578                          | -                            | -                            | -                         |
| WIDE BRIMMED COMBAT HAT                         | 2,268                          | -                                      | 1,134                        | 1,134                        | -                            | -                         |
| TEMPERATE UNDERWEAR                             | 2,987                          | 525                                    | 2,462                        | -                            | -                            | -                         |
| WET WEATHER BOOT                                | 21,588                         | 143                                    | 7,049                        | 14,396                       | -                            | -                         |



| PROJECT TITLE                                    | Currently Estimated Total Cost | Forecast Expenditures to 31 March 2000 | Planned Expenditures 2000-01 | Planned Expenditures 2001-02 | Planned Expenditures 2002-03 | Future Years Requirements |
|--|--------------------------------|--|------------------------------|------------------------------|------------------------------|---------------------------|
| BALLISTIC EYEWEAR                                | 7,003                          | 40                                     | 15                           | 6,948                        | -                            | -                         |
| IMPROVED ENVIRONMENTAL CLOTHING SYSTEM           | 62,589                         | 48,655                                 | 8,903                        | 2,152                        | -                            | 2,879                     |
| COLD WET WEATHER GLOVE (CWWG)                    | 5,903                          | 4,232                                  | 1,671                        | -                            | -                            | -                         |
| <b>Clothe the Soldier Omnibus Total</b>          | <b>111,034</b>                 | <b>60,725</b>                          | <b>22,560</b>                | <b>24,870</b>                | -                            | <b>2,879</b>              |
| LEOPARD THERMAL SIGHT                            | 139,000                        | 96,928                                 | 32,856                       | 9,216                        | -                            | -                         |
| IONIZING RADIATION SAFETY                        | 6,129                          | 5,147                                  | 410                          | 300                          | 272                          | -                         |
| POSITION DETERMINATION & NAVIGATION SYSTEM       | 69,723                         | 57,165                                 | 9,712                        | 2,846                        | -                            | -                         |
| IMPROVED LANDMINE DETECTION CAPABILITY           | 27,947                         | 19,874                                 | 7,569                        | 111                          | 393                          | -                         |
| HEAVY DUMP TRUCK REPLACEMENT                     | 11,879                         | 11,349                                 | 530                          | -                            | -                            | -                         |
| ARMoured PERSONNEL CARRIERS LIFE EXTENSION       | 234,502                        | 62,033                                 | 29,068                       | 40,545                       | 50,300                       | 52,556                    |
| <b>Air Forces</b>                                |                                |  |                              |                              |                              |                           |
| ELECTRONIC SUPPORT AND TRAINING SYSTEM           | 194,580                        | 190,480                                | 4,100                        | -                            | -                            | -                         |
| NORTH AMERICAN AIR DEFENCE MODERNIZATION         | 1,055,323                      | 1,054,470                              | 853                          | -                            | -                            | -                         |
| CF18 - ADVANCED AIR-TO-AIR WEAPONS (SHORT RANGE) | 18,752                         | 11,199                                 | 3,689                        | 2,634                        | 892                          | 338                       |
| MILITARY AUTOMATED AIR TRAFFIC SYSTEM            | 147,350                        | 41,263                                 | 17,533                       | 32,160                       | 18,306                       | 38,088                    |
| CC130 - AVIONICS UPDATE                          | 91,268                         | 36,027                                 | 33,365                       | 21,876                       | -                            | -                         |
| ADVANCED AIRCRAFT NAVIGATION SYSTEM              | 84,700                         | 6,271                                  | 5,432                        | 13,697                       | 10,884                       | 48,416                    |
| AIR FORCE COMMAND & CONTROL INFORMATION SYSTEM   | 3,791                          | 2,630                                  | 1,161                        | -                            | -                            | -                         |
| UTILITY TACTICAL TRANSPORT HELICOPTERS           | 1,163,100                      | 992,118                                | 50,177                       | 68,605                       | 52,200                       | -                         |
| REGION/SECTOR AIR OPERATIONS CENTRE PROJECT      | 136,516                        | 79,936                                 | 20,984                       | 10,676                       | 4,958                        | 19,962                    |
| STRATEGIC AIRLIFT AIRCRAFT                       | 424,479                        | 422,479                                | 2,000                        | -                            | -                            | -                         |
| CF18 - [EWOSC]INTEGRATED SUPPORT STATION         | 7006                           | 4,958                                  | 1,648                        | 400                          | -                            | -                         |
| HERCULES REPLACEMENT ACQUISITION                 | 105,555                        | 91,555                                 | 14,000                       | -                            | -                            | -                         |
| AIR COMBAT MANOEUVERING RANGE INSTRUMENTATION    | 15,452                         | 1,206                                  | 7,154                        | 7,092                        | -                            | -                         |
| ADVANCED AIR-TO-SURFACE MISSILES                 | 102,437                        | 88,380                                 | 6,561                        | 4,000                        | -                            | 3,496                     |
| 8 AIR COMMUNICATION & CONTROL SYSTEM             | 46,300                         | 1,400                                  | 1,800                        | 6,300                        | 11,200                       | 25,600                    |
| CANADIAN SEARCH AND RESCUE HELICOPTER            | 760,254                        | 207,339                                | 258,318                      | 222,321                      | 70,329                       | 1,947                     |



| PROJECT TITLE  | Currently Estimated Total Cost | Forecast Expenditures to 31 March 2000 | Planned Expenditures 2000-01 | Planned Expenditures 2001-02 | Planned Expenditures 2002-03 | Future Years Requirements |
|--|--------------------------------|--|------------------------------|------------------------------|------------------------------|---------------------------|
| AIR FORCE SURFACE THREAT ELECTRONIC WARFARE TRAINING     | 24,263                         | 16,849                                 | 5,402                        | 2,012                        | -                            | -                         |
| AIR FORCE ENVIRONMENTAL CLOTHING STANDARDIZATION         | 10,700                         | 6,627                                  | 2,643                        | 1,430                        | -                            | -                         |
| <b>Joint Operations and Civil Emergency Preparedness</b> |                                |  |                              |                              |                              |                           |
| JOINT COMMAND, CONTROL AND INTELLIGENCE SYSTEM           | 17,909                         | 12,517                                 | 2,096                        | -                            | -                            | 3,296                     |
| <b>Communication and Information Management</b>          |                                |  |                              |                              |                              |                           |
| DEFENCE SERVER UPGRADE                                   | 7,875                          | 5,000                                  | 2,875                        | -                            | -                            | -                         |
| MARCOM OPERATIONAL INFORMATION NETWORK (MCOIN)           | 31,987                         | 22,987                                 | 5,000                        | 4,000                        | -                            | -                         |
| RESTRICTED ACCESS SYSTEM                                 | 22,603                         | 22,551                                 | 52                           | -                            | -                            | -                         |
| CF SUPPLY SYSTEM UPGRADE                                 | 289,313                        | 237,987                                | 36,972                       | 14,354                       | -                            | -                         |
| CENTRAL COMPUTATION PAY SYSTEM                           | 33,137                         | 31,731                                 | 1,406                        | -                            | -                            | -                         |
| SEARCH AND RESCUE SATELLITE                              | 64,915                         | 63,315                                 | 1,600                        | -                            | -                            | -                         |
| HIGH ARCTIC DATA COMMUNICATION SYSTEM                    | 28,200                         | 19,801                                 | 4,612                        | 3,500                        | 154                          | 133                       |
| DEFENCE MESSAGE HANDLING SYSTEM                          | 131,345                        | 22,708                                 | 21,602                       | 49,363                       | 37,672                       | -                         |
| SECURITY AND MILITARY POLICE INFORMATION SYSTEM          | 4,718                          | 186                                    | 3,430                        | -                            | -                            | 1,102                     |
| CLASSIFIED ELECTRONIC KEY MANAGEMENT SYSTEM              | 38,360                         | 12,605                                 | 11,515                       | 10,855                       | 200                          | 3,185                     |
| ITERIM ELECTRONIC WARFARE OPERATIONAL SUPPORT CENTER     | 20,459                         | 19,092                                 | 1,367                        | -                            | -                            | -                         |
| FINANCIAL MANAGERIAL ACCOUNTING PROJECT                  | 23,234                         | 16,081                                 | 4,363                        | -                            | -                            | 2,790                     |
| ELECTRONIC DOCUMENT AND RECORDS MANAGEMENT SYSTEM        | 3,709                          | 2,124                                  | 1,585                        | -                            | -                            | -                         |
| INTEGRATED INFORMATION ENVIRONMENT DIRECTORY SERVICES    | 3,215                          | 1,706                                  | 1,509                        | -                            | -                            | -                         |
| DWAN EXTENSION AND CONSOLIDATION                         | 7,845                          | 2,789                                  | 5,056                        | -                            | -                            | -                         |
| INTELLIGENCE COLLECTION (TROODOS)                        | 23,571                         | 23,456                                 | 115                          | -                            | -                            | -                         |
| PROTECTED MILITARY SATELLITE COMMUNICATIONS              | 232,565                        | 1,167                                  | 22,582                       | 48,487                       | 70,946                       | 89,383                    |



| PROJECT TITLE                                 | Currently<br>Estimated<br>Total Cost | Forecast<br>Expendi-<br>tures to 31<br>March 2000 | Planned<br>Expendi-<br>tures<br>2000-01 | Planned<br>Expendi-<br>tures<br>2001-02 | Planned<br>Expendi-<br>tures<br>2002-03 | Future Years<br>Require-<br>ments |
|---|--------------------------------------|---|---|---|---|-----------------------------------|
| <b>Construction Projects</b>                  |                                      |   |   |   |   |                                   |
| <b>Maritime Forces</b>                        |                                      |   |   |   |   |                                   |
| St. John's, Newfoundland                      |                                      |   |   |   |   |                                   |
| <b>HMCS CABOT</b>                             | <b>14,640</b>                        | <b>14,540</b>                                     | <b>100</b>                              |   |   |                                   |
| Halifax, Nova Scotia                          |                                      |   |   |   |   |                                   |
| <b>SRU(A) FACILITIES</b>                      | <b>20,410</b>                        | <b>15,410</b>                                     | <b>5,000</b>                            |   |   |                                   |
| <b>MAIN SUPPLY BUILDING</b>                   | <b>45,310</b>                        | <b>42,110</b>                                     | <b>200</b>                              | <b>3,000</b>                            |   |                                   |
| <b>FIRE FIGHTER TRAINING FACILITY</b>         | <b>17,000</b>                        | <b>15,000</b>                                     | <b>2,000</b>                            |   |   |                                   |
| <b>JETTY NB</b>                               | <b>38,190</b>                        | <b>190</b>  |   |   | <b>2,300</b>                            | <b>35,700</b>                     |
| <b>DOCKYARD FITNESS CENTRE</b>                | <b>4,800</b>                         | <b>4,400</b>                                      | <b>400</b>                              |   |   |                                   |
| <b>COMMUNITY CENTRE</b>                       | <b>4,200</b>                         | <b>130</b>  | <b>4,070</b>                            |   |   |                                   |
| <b>GYM/FITNESS CENTRE</b>                     | <b>4,100</b>                         | <b>150</b>  | <b>3,950</b>                            |   |   |                                   |
| <b>UPHOLDER – JETTY IMPROVEMENTS</b>          | <b>1,090</b>                         | <b>90</b>   | <b>1,000</b>                            |   |   |                                   |
| <b>UPHOLDER – TRAINERS</b>                    | <b>3,600</b>                         | <b>50</b>   | <b>350</b>                              | <b>3,200</b>                            |   |                                   |
| Esquimalt, British Columbia                   |                                      |   |   |   |   |                                   |
| <b>FLEET MAINTENANCE FACILITY CAPE BRETON</b> | <b>91,890</b>                        | <b>12,500</b>                                     | <b>8,000</b>                            | <b>20,000</b>                           | <b>20,000</b>                           | <b>31,390</b>                     |
| <b>REFUELING FACILITY UPGRADE</b>             | <b>41,250</b>                        | <b>1,000</b>                                      | <b>1,250</b>                            | <b>7,800</b>                            | <b>31,200</b>                           |                                   |
| <b>FIRE FIGHTER TRAINING FACILITY</b>         | <b>22,450</b>                        | <b>18,450</b>                                     | <b>4,000</b>                            | -                                       | -                                       |                                   |
| <b>NEW VENTURE NOTC FACILITIES</b>            | <b>6,000</b>                         | <b>4,300</b>                                      | <b>250</b>                              | <b>1,450</b>                            | -                                       |                                   |
| <b>OFFICER ACCOMMODATIONS</b>                 | <b>14,430</b>                        | <b>14,180</b>                                     | <b>250</b>                              | -                                       | -                                       |                                   |
| <b>MARPAC HQ CONSOLIDATION</b>                | <b>3,810</b>                         | <b>3,010</b>                                      | <b>800</b>                              | -                                       | -                                       |                                   |
| <b>COMMUNITY CENTRE</b>                       | <b>2,750</b>                         | <b>2,600</b>                                      | <b>150</b>                              | -                                       | -                                       |                                   |
| <b>RENOVATE POOL/GYM</b>                      | <b>3,250</b>                         | <b>100</b>  | <b>3,150</b>                            |   |   |                                   |



| PROJECT TITLE                             | Currently<br>Estimated<br>Total Cost | Forecast<br>Expendi-<br>tures to 31<br>March 2000 | Planned<br>Expendi-<br>tures<br>2000-01 | Planned<br>Expendi-<br>tures<br>2001-02 | Planned<br>Expendi-<br>tures<br>2002-03 | Future Years<br>Require-<br>ments |
|---|--------------------------------------|---|---|---|---|-----------------------------------|
| <b>Land Forces</b>                        |                                      |   |   |   |   |                                   |
| Valcartier, Quebec                        |                                      |   |   |   |   |                                   |
| SHAWINIGAN ARMOURY                        | 26,900                               | 2,700   | 1,100                                   | 1,110                                   | 1,120                                   | 20,870                            |
| 5 SERVICE BATTALION                       | 28,550                               | 23,420  | 4,500                                   | 630                                     | -                                       |                                   |
| RE-INFORCE THE STRUCTURE OF FLAT ROOFS    | 15,000                               | 400   |   | -                                       | -                                       | 14,600                            |
| NEW GYM ADDITION                          | 7,500                                | 5,500   | 2,000                                   | -                                       | -                                       |                                   |
| CONSTRUCTION OF COMMUNITY CENTRE          | 3,815                                | 2,715   | 1,100                                   | -                                       | -                                       |                                   |
| Gagetown, New Brunswick                   |                                      |   |   |   |   |                                   |
| 4 ENGINEER SUPPORT REPLACEMENT FACILITY   | 17,560                               | 140   |   |   |   | 17,420                            |
| 1800 KITCHEN/MESS HALL                    | 16,360                               | 12,000  | 4,360                                   |   | -                                       |                                   |
| GYM ADDITION                              | 10,500                               | 5,020   | 5,480                                   | -                                       | -                                       |                                   |
| CAMP PETERSVILLE                          | 12,800                               | 500   |   |   |   | 12,300                            |
| 2 RCR FACILITY                            | 17,780                               | 100   |   |   | 1,000                                   | 16,680                            |
| Montréal, Quebec                          |                                      |   |   |   |   |                                   |
| ELECTRICAL NETWORK REPLACEMENT            | 3,000                                | 2,000   | 1,000                                   | -                                       | -                                       |                                   |
| FITNESS CENTRE                            | 2,500                                | 200   | 2,300                                   | -                                       | -                                       |                                   |
| Kingston, Ontario                         |                                      |   |   |   |   |                                   |
| KINGSTON CONSOLIDATION                    | 55,000                               | 250   | -                                       | -                                       |   | 54,750                            |
| CONSTRUCT BASE SECURITY FACILITY          | 1,850                                | 60  | 670                                     | 1,120                                   |   |                                   |
| COMMUNITY CENTRE                          | 1,825                                | 1,750   | 75                                      |   |   |                                   |
| SPORTS & FITNESS COMPLEX                  | 11,700                               | 11,600  | 100                                     |   |   |                                   |
| Petawawa, Ontario                         |                                      |   |   |   |   |                                   |
| BASE CONSOLIDATION BUILDING S111          | 2,500                                | 1,600   | 900                                     | -                                       | -                                       |                                   |
| 2 FIELD AMBULANCE FACILITY                | 8,780                                | 8,280   | 500                                     | -                                       | -                                       |                                   |
| FIGHTING IN BUILT-UP AREAS TRAINING SITES | 6,000                                | 2,000   | 1,000                                   | 1,000                                   | 2,000                                   |                                   |
| GYM/RENOVATE ARMY POOL                    | 9,340                                | 7,650   | 1,690                                   | -                                       | -                                       |                                   |



| PROJECT TITLE                     | Currently<br>Estimated<br>Total Cost | Forecast<br>Expendi-<br>tures to 31<br>March 2000 | Planned<br>Expendi-<br>tures<br>2000-01 | Planned<br>Expendi-<br>tures<br>2001-02 | Planned<br>Expendi-<br>tures<br>2002-03 | Future Years<br>Require-<br>ments |
|-----------------------------------|--------------------------------------|---|---|---|---|-----------------------------------|
| NEW COMMUNITY CENTRE              | 3,100                                | 2,360   | 740                                     | -                                       | -                                       |                                   |
| RENOVATE ARMY ARENA               | 6,100                                | 700   | 5,400                                   | -                                       | -                                       |                                   |
| 2 SVC BN FACILITY                 | 16,060                               | 100   |   |   |   | 15,960                            |
| 2 SIGNS SQUADRON FACILITY         | 16,400                               | 280   | 1,000                                   |   | 9,000                                   | 6,120                             |
| London, Ontario                   |                                      |   |   |   |   |                                   |
| CFRB GARAGE                       | 1,880                                | 600   |   | 380                                     | 400                                     | 500                               |
| Toronto, Ontario (CFSU (T))       |                                      |   |   |   |   |                                   |
| FITNESS CENTRE/POOL (MEAFORD)     | 2,600                                | 160   | 2,440                                   |   |   |                                   |
| Shilo, Manitoba                   |                                      |   |   |   |   |                                   |
| RCHA COMPLEX                      | 27,540                               | 27,440  | 100                                     | -                                       | -                                       |                                   |
| COMMUNITY CENTRE                  | 1,000                                | 50  |   | 950                                     | -                                       |                                   |
| RENOVATE GYM                      | 3,000                                | 2,220   | 780                                     | -                                       | -                                       |                                   |
| Suffield, Alberta                 |                                      |   |   |   |   |                                   |
| CONSOLIDATE DRES                  | 5,300                                | 2,450   | 2,750                                   | 100                                     | -                                       |                                   |
| Wainwright, Alberta               |                                      |   |   |   |   |                                   |
| RENOVATE GYM                      | 2,300                                | 300   | 2,000                                   | -                                       | -                                       |                                   |
| Edmonton, Alberta                 |                                      |   |   |   |   |                                   |
| NAT. CADET SUMMER TRAINING CENTRE | 16,250                               | 15,850  | 400                                     | -                                       | -                                       |                                   |
| AREA SUPPORT GROUP CONSOLIDATION  | 15,540                               | 4,760   | 6,230                                   | 4,550                                   | -                                       |                                   |
| SERVICE DETENTION BARRACKS        | 3,970                                | 250   | 3,720                                   | -                                       | -                                       |                                   |
| RENOVATE POOL                     | 1,330                                | 130   | 1,200                                   | -                                       | -                                       |                                   |
| RENOVATE ARENA                    | 1,400                                | 20  | 1,380                                   | -                                       | -                                       |                                   |
| EDMONTON ARMOURIES                | 2,500                                | 200   | 2,300                                   |   |   |                                   |
| <b>Air Forces</b>                 |                                      |   |   |   |   |                                   |
| Gander, Newfoundland              |                                      |   |   |   |   |                                   |



| PROJECT TITLE  | Currently<br>Estimated<br>Total Cost | Forecast<br>Expendi-<br>tures to 31<br>March 2000 | Planned<br>Expendi-<br>tures<br>2000-01 | Planned<br>Expendi-<br>tures<br>2001-02 | Planned<br>Expendi-<br>tures<br>2002-03 | Future Years<br>Require-<br>ments |
|--|--------------------------------------|---|---|---|---|-----------------------------------|
| RENOVATE GYM<br>Bagotville, Quebec                         | 1,350                                | 1,302   | 48                                      | -                                       | -                                       |                                   |
| NEW CONTROL TOWER<br>Greenwood, Nova Scotia                | 7,030                                | 250   | 160                                     | 5,110                                   | 1,510                                   |                                   |
| POL FARM REPLACEMENT                                       | 3,800                                | 3,700   | 100                                     | -                                       | -                                       |                                   |
| REPLACE OPS SIDE STEAM SYSTEM                              | 2,170                                | 600   | 1,570                                   |   |   |                                   |
| RESURFACE RUNWAY 08/26<br>Trenton, Ontario                 | 17,300                               | 300   | 12,330                                  | 4,670                                   |   |                                   |
| UPGRADE UTILITIES MQ SEWERS                                | 12,500                               | 11,000  | 1,500                                   |   | -                                       |                                   |
| HANGAR LINE REHABILITATION                                 | 12,000                               | 40  |   | 8,000                                   | 3,960                                   |                                   |
| REPAIR EXT BRICKWORK PETERBOROUGH                          | 3,010                                | 1,510   | 1,500                                   | -                                       | -                                       |                                   |
| FITNESS CENTRE   | 2,300                                | 150   | 2,150                                   |   |   |                                   |
| ARENA  | 3,900                                | 100   | 3,800                                   |   |   |                                   |
| RENOVATE GYM   | 2,530                                | 100   | 2,430                                   |   |   |                                   |
| RESURFACE RUNWAY 06/24 & TAXIWAYS A & H                    | 6,720                                | 50  | 50                                      | 6,620                                   |   |                                   |
| UPGRADE UTILITIES<br>Winnipeg, Manitoba                    | 12,500                               | 11,000  | 1,500                                   |   | -                                       |                                   |
| REPLACE CURTAIN WALL – B25                                 | 3,040                                | 80  | -                                       |   | 2,960                                   |                                   |
| RENOVATE GYM<br>Cold Lake, Alberta                         | 4,100                                | 320   | 3,710                                   | 70                                      | -                                       |                                   |
| AETE FACILITY  | 21,800                               | 20,850  | 950                                     | -                                       | -                                       |                                   |
| ELECTRICAL AND MECHANICAL ENGINEERING                      | 6,600                                | 6,500   | 100                                     | -                                       | -                                       |                                   |
| REPLACE SANITARY/STORM/UPGRADE ROADS                       | 13,270                               | 1,560   | 3,950                                   | 3,530                                   | 2,820                                   | 1,410                             |
| REPLACE AIRFIELD LIGHTING & AIRFIELD LIGHTING POWER CENTRE | 4,800                                | 4,500   | 300                                     | -                                       | -                                       |                                   |
| UPGRADE UTILITIES – PMQ AREAS                              | 16,800                               | 600   | 1,500                                   | 1,500                                   | 4,500                                   | 8,800                             |
| UPDATE PLER FACILITY                                       | 3,660                                | 290   | 1,720                                   | 1,650                                   |   |                                   |
| REPLACE HANGAR 1 DOORS                                     | 7,600                                | 50  | 7,550                                   |   |   |                                   |



| PROJECT TITLE   | Currently<br>Estimated<br>Total Cost | Forecast<br>Expendi-<br>tures to 31<br>March 2000 | Planned<br>Expendi-<br>tures<br>2000-01 | Planned<br>Expendi-<br>tures<br>2001-02 | Planned<br>Expendi-<br>tures<br>2002-03 | Future Years<br>Require-<br>ments |
|---|--------------------------------------|---|---|---|---|-----------------------------------|
| UPGRADE CLAWR POWER GRID  | 1,900                                | 210   | 1,690                                   |   |   |                                   |
| UPGRADE UTILITIES PMQ<br>Comox, British Columbia                                  | 8,400                                | 600   | 1,500                                   | 1,500                                   | 1,500                                   | 3,300                             |
| COMMUNITY CENTRE & RECREATIONAL POOL COMPLEX                                      | 10,450                               | 10,300  | 150                                     |   |   |                                   |
| <b>Joint Operations and Civil Emergency Preparedness</b>                          |                                      |   |   |   |   |                                   |
| CANADIAN EMERGENCY PREPAREDNESS COLLEGE<br>Arnprior, Ontario                      | 3,700                                |   | -                                       | -                                       | -                                       | 3,700                             |
| <b>Support to the Personnel Function</b>  |                                      |   |   |   |   |                                   |
| CONSTRUCT RMC DORMITORY<br>MILITARY COMMUNITY SPORTS COMPLEX<br>Kingston, Ontario | 11,830                               | 400   | 11,430                                  | -                                       |   |                                   |
| NEW GYM<br>Borden, Ontario  | 7,300                                | 300   | 7,000                                   |   |   |                                   |
| 1 CANADIAN FIELD HOSPITAL (PHASE 1)<br>Petawawa, Ontario                          | 6,000                                | 3,000   | 3,000                                   |   |   |                                   |
|   | 42,453                               | 7,761   |   |   |   | 34,692                            |
| <b>Materiel, Infrastructure and Environment Support</b>                           |                                      |   |   |   |   |                                   |
| <i>Materiel</i>   |                                      |   |   |   |   |                                   |
| NFTC TRAINEE ACCOMMODATION<br>Moose Jaw, Saskatchewan                             | 10,000                               | 300   | 9,700                                   |   |   |                                   |
| CSH-CANADIAN SEARCH AND RESCUE HELICOPTER<br>Various Bases                        | 18,160                               | 3,070   | 13,150                                  | 1,890                                   | 50                                      |                                   |



| <b>PROJECT TITLE</b>                      | <b>Currently<br/>Estimated<br/>Total Cost</b> | <b>Forecast<br/>Expendi-<br/>tures to 31<br/>March 2000</b> | <b>Planned<br/>Expendi-<br/>tures<br/>2000-01</b> | <b>Planned<br/>Expendi-<br/>tures<br/>2001-02</b> | <b>Planned<br/>Expendi-<br/>tures<br/>2002-03</b> | <b>Future Years<br/>Require-<br/>ments</b> |
|---|---|---|---|---|---|--|
| <i>Infrastructure and Environment</i>     |   |   |   |   |   |  |
| Trenton, Ontario                          |   |   |   |   |   |  |
| <b>RELOCATE CANADIAN PARA CENTRE</b>      | <b>16,750</b>                                 | <b>14,750</b>   | <b>500</b>  | <b>1,500</b>                                      | <b>-</b>  |  |
| <b>CONSOLIDATE CFB TORONTO</b>            | <b>36,600</b>                                 | <b>500</b>  | <b>8,500</b>                                      | <b>18,400</b>                                     | <b>9,200</b>                                      |  |
| Ottawa, Ontario (NDHQ)                    |   |   |   |   |   |  |
| <b>DCC CONTRACTING FEES</b>               | <b>16,000</b>                                 | <b>4,000</b>  | <b>2,000</b>                                      | <b>2,000</b>                                      | <b>2,000</b>                                      | <b>6,000</b>                               |
| London, Ontario                           |   |   |   |   |   |  |
| <b>CLOSE CFB LONDON</b>                   | <b>18,060</b>                                 | <b>60</b>   | <b>10,000</b>                                     | <b>8,000</b>                                      |   |  |
| Montréal, Quebec                          |   |   |   |   |   |  |
| <b>FARNHAM RANGE – ST JEAN</b>            | <b>11,380</b>                                 | <b>10,380</b>   | <b>1,000</b>                                      |   |   |  |
| Edmonton, Alberta                         |   |   |   |   |   |  |
| <b>RANGE &amp; TRAINING AREA FACILITY</b> | <b>8,000</b>                                  | <b>7,820</b>  | <b>60</b>   | <b>60</b>   | <b>60</b>   |  |



### **Part 3.3 – Status of Major Capital Equipment Projects**

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

|  |           |
|--|-----------|
| <b>Canadian Search and Rescue Helicopter.....</b>                  | <b>52</b> |
| <b>Military Automated Air Traffic System .....</b>                 | <b>54</b> |
| <b>Canadian Forces Utility Tactical Transport Helicopter .....</b> | <b>56</b> |
| <b>Protected Military Satellite Communications .....</b>           | <b>58</b> |
| <b>Armoured Personnel Carrier Replacement.....</b>                 | <b>60</b> |
| <b>Canadian Forces Supply System Upgrade .....</b>                 | <b>62</b> |
| <b>Tactical Command, Control and Communications System.....</b>    | <b>64</b> |
| <b>Submarine Capability Life Extension .....</b>                   | <b>66</b> |
| <b>Light Utility Vehicle Wheeled .....</b>                         | <b>68</b> |
| <b>Clothe the Soldier .....</b>                                    | <b>70</b> |



## **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 current CH-113 *Labrador* fleet, eliminate the supportability difficulties of these older airframes, and provide a fleet size sufficient for continuous operations well into the 21<sup>st</sup> century.

### **2. Leading and Participating Departments and Agencies**

|   |   |
|---|---|
| <b>Lead authority</b>                         | Department of National Defence              |
| <b>Service Department</b>                     | Public Works and Government Services Canada |
| <b>Participating Departments and Agencies</b> | Industry Canada and regional agencies       |

### **3. Prime and Major Sub-Contractors**

|                              |  |
|------------------------------|--|
| <b>Prime contractor</b>      | E.H. Industries Ltd. (EHI), Farnborough, United Kingdom  |
| <b>Major Sub-Contractors</b> | GKN Westlands Helicopters, United Kingdom<br>Agusta Spa, Italy<br>General Electric Canada Inc., Canada |

### **4. Major Milestones**

| <b>Major milestone</b>                      | <b>Date</b>   |
|---|---------------|
| 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 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 AW520 *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 is also currently identifying and 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 will also establish and fund 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. The project is on schedule.

## 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         |
| <b>Total</b>    | <b>\$629.8 million</b> |

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

## 7. Summary of Non-recurring Expenditures

| (\$ millions) | Spent to Date | <b>Planned Spending 2000-2001</b> | Planned Spending 2001-2002 | Planned Spending 2002-2003 | Currently Estimated Total Expenditure |
|---------------|---------------|-----------------------------------|----------------------------|----------------------------|---------------------------------------|
| Total         | \$207.3       | <b>\$258.3</b>                    | \$222.3                    | \$70.3                     | \$760.3                               |



## **Military Automated Air Traffic System Project**

### **1. Description**

A national air traffic system project that will automate air traffic services has been initiated by Transport 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 system interfaces and equipment that are essential to remaining interoperable and compatible with Transport 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**

|                           |   |
|---------------------------|---|
| <b>Lead authority</b>     | Department of National Defence              |
| <b>Service Department</b> | Public Works and Government Services Canada |

### **3. Prime and Major Sub-Contractors**

|                              |  |
|------------------------------|--|
| <b>Prime contractor</b>      | Raytheon Systems Canada Limited, Richmond, BC  |
| <b>Major Sub-contractors</b> | Raytheon Systems Company, Fullerton, California, USA<br>Macdonald Dettwiler and Associates Limited, Richmond, BC<br>Hewlett Packard Canada Limited, Ottawa, ON |

### **4. Major Milestones**

| <b>Major milestone</b>                    | <b>Date</b>   |
|---|---------------|
| Treasury Board Effective Project Approval | July 1993     |
| Contract Award                            | January 1994  |
| Preliminary Design Review                 | March 2000    |
| Critical Design Review                    | November 2000 |
| Factory Acceptance Test                   | April 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 continues to experience delays. MAATS is now scheduled for completion 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          | \$1.19 million         |
| Ontario         | \$1.2 million          |
| Western Canada  | \$43.6 million         |
| Unallocated     | TBD                    |
| <b>Total</b>    | <b>\$45.99 million</b> |

## 7. Summary of Non-recurring Expenditures

| (\$Millions) | Spent to date | <b>Planned spending 2000-2001</b> | Planned spending 2001-2002 | Planned spending 2002-2003 | Currently Estimated Total Expenditure |
|--------------|---------------|-----------------------------------|----------------------------|----------------------------|---------------------------------------|
| Total        | \$41.3        | <b>\$17.5</b>                     | \$32.2                     | \$18.3                     | \$147.4                               |

These costs do not include \$16,910,000 in contingency funds.



## **Canadian Forces Utility Tactical Transport Helicopter 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**

|   |   |
|---|---|
| <b>Lead department</b>                        | Department of National Defence              |
| <b>Contracting authority</b>                  | Public Works and Government Services Canada |
| <b>Participating Departments and Agencies</b> | Industry Canada and regional agencies       |

### **3. Prime and Major Sub-Contractors**

|                              |  |
|------------------------------|--|
| <b>Prime Contractor</b>      | Bell Helicopter Textron Canada, Mirabel, QC  |
| <b>Major Sub-Contractors</b> | Pratt & Whitney Canada, Montreal, QC<br>Canadian Marconi Co., Montreal, QC<br>CAE Ltd., Montreal, QC |

### **4. Major Milestones**

| <b>Major Milestone</b>    | <b>Date</b>    |
|---------------------------|----------------|
| Contract Award            | September 1992 |
| Critical Design Review    | April 1993     |
| First Helicopter Delivery | March 1995     |
| Simulator Acceptance      | June 1996      |
| Last Helicopter Delivery  | December 1997  |
| Project Completion        | March 2003     |



## 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.

## 7. Summary of Non-recurring Expenditures

| (\$ millions) | Spent to date | <b>Planned Spending 2000-2001</b> | Planned Spending 2001-2002 | Planned Spending 2002-2003 | Currently Estimated Total Expenditure |
|---------------|---------------|-----------------------------------|----------------------------|----------------------------|---------------------------------------|
| Total         | \$992.1       | <b>\$50.2</b>                     | \$68.6                     | \$52.2                     | \$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**

|   |   |
|---|---|
| <b>Lead department</b>                        | Department of National Defence              |
| <b>Contracting authority</b>                  | Public Works and Government Services Canada |
| <b>Participating Departments and Agencies</b> | Industry Canada and regional agencies       |

### **3. Prime Contractor and Major Sub-Contractors**

|                              |                                     |
|------------------------------|-------------------------------------|
| <b>Prime contractor</b>      | United States Department of Defense |
| <b>Major Sub-Contractors</b> | TBD                                 |

### **4. Major Milestones**

| <b>Major Milestone</b>       | <b>Date</b>    |
|------------------------------|----------------|
| 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 has been negotiated, guaranteeing Canadian participation in their Advanced Extremely High Frequency 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 I, 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. Defence will work with Canadian industry to optimize opportunities for Canadian content.

## 7. Summary of Non-recurring Expenditures

| (\$ millions) | Spent to Date | <b>Planned Spending 2000-2001</b> | Planned Spending 2001-2002 | Planned Spending 2002-2003 | Currently Estimated Total Expenditure |
|---------------|---------------|-----------------------------------|----------------------------|----------------------------|---------------------------------------|
| Total         | \$1.2         | <b>\$22.6</b>                     | \$48.5                     | \$70.9                     | \$232.6                               |



## **Armoured Personnel Carrier Replacement Project**

### **1. 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**

|   |   |
|---|---|
| <b>Lead department</b>                        | Department of National Defence              |
| <b>Contracting authority</b>                  | Public Works and Government Services Canada |
| <b>Participating Departments and Agencies</b> | Industry Canada and regional agencies       |

### **3. Prime and Major Sub-Contractors**

|                         |  |
|-------------------------|--|
| <b>Prime contractor</b> | Diesel Division General Motors, London, ON |
|-------------------------|--|

### **4. Major Milestones**

| <b>Major milestone</b>    | <b>Date</b>   |
|---------------------------|---------------|
| Treasury Board approval   | December 1995 |
| Contract award            | December 1996 |
| First vehicle delivery    | July 1998     |
| Exercise of first option  | November 1998 |
| Exercise of second option | June 1999     |
| Exercise of third option  | TBD           |
| Last vehicle delivery     | February 2002 |
| Project completed         | July 2004     |

### **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. Two of the three options have been



exercised and contracted, and a total of 220 vehicles have been delivered to date. The third option is currently being reviewed.

Vehicle deliveries are occurring on schedule. Final delivery is intended for February 2002, but cash flow restrictions within the Department over the next two years may extend final delivery until March 2003. This would extend the project completion date until March 2005.

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        |
| <b>Total</b>    | <b>\$663 million</b> |

## 7. Summary of Non-recurring Expenditures

| (\$ millions) | Spent to date | <b>Planned Spending 2000-2001</b> | Planned Spending 2001-2002 | Planned Spending 2002-2003 | Currently Estimated Total Expenditure |
|---------------|---------------|-----------------------------------|----------------------------|----------------------------|---------------------------------------|
| Total         | \$793.6       | <b>\$301.0</b>                    | \$302.0                    | \$427.0                    | \$2,038.6                             |



## **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 reduce overall computer processing costs and allow for local site processing to continue in the event of a network communication failure.

### **2. Leading and Participating Departments and Agencies**

|   |   |
|---|---|
| <b>Lead department</b>                        | Department of National Defence              |
| <b>Contracting authority</b>                  | Public Works and Government Services Canada |
| <b>Participating Departments and Agencies</b> | Industry Canada and regional agencies       |

### **3. Prime and Major Sub-Contractors**

|                              |                                |
|------------------------------|--------------------------------|
| <b>Prime contractor</b>      | Department of National Defence |
| <b>Major Sub-Contractors</b> | EDS Systemhouse Inc., Hull, QC |

### **4. Major Milestones**

| <b>Major Milestone</b>                           | <b>Date</b>   |
|--|---------------|
| 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                            | May 2001      |
| Commence System Rollout                          | June 2001     |
| Complete System Rollout                          | August 2001   |

### **5. Progress report and explanation of variances**

Treasury Board initially approved the CFSSU project with an estimated cost of \$289.3 million. The project is currently seeking Treasury Board approval for the de-scoping of certain functionality and an increase to project contingency funding



of \$9.8 million. This will result in an overall project budget of \$299 million. The project is to be completed by August 2001.

To date, the Warehouse Management Information System has been delivered and installed at Montreal and Halifax. Nine classrooms have been set up and equipped for conversion training at the Canadian Forces School of Administration and Logistics and the Materiel Management Training Centre. 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         |
| <b>Total</b>    | <b>\$240 million</b> |

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.

## 7. Summary of Non-recurring Expenditures

| (\$ millions) | Spent to date | Planned Spending 2000-2001 | Planned Spending 2001-2002 | Planned Spending 2002-2003 | Currently Estimated Total Expenditure |
|---------------|---------------|----------------------------|----------------------------|----------------------------|---------------------------------------|
| Total         | \$238.0       | <b>\$37.0</b>              | \$14.3                     | \$0                        | \$289.3                               |

Note: The above total does not reflect the \$9.8 million in contingency funding currently being sought from Treasury Board.



## **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**

|   |   |
|---|---|
| <b>Lead department</b>                        | Department of National Defence              |
| <b>Contracting authority</b>                  | Public Works and Government Services Canada |
| <b>Participating Departments and Agencies</b> | Industry Canada and regional agencies       |

### **3. Prime and Major Sub-Contractors**

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

### **4. Major Milestones**

| <b>Major Milestone</b>                                     | <b>Date</b>    |
|--|----------------|
| 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 |



| Major Milestone  | Date           |
|--|----------------|
| Start Fielding IFC (Formation) and IFC (Single Channel Radio Access) | April 2001     |
| Complete System Delivery to DND                                      | August 2001    |
| Project Completion   | September 2001 |

## 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.

## 6. Industrial Benefits

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

|                 |                         |
|-----------------|-------------------------|
| Atlantic Canada | \$41 million            |
| Ontario         | \$198.3 million         |
| Quebec          | \$29.8 million          |
| Western Canada  | \$783 million           |
| Undefined       | \$27.3 million          |
| <b>Total</b>    | <b>\$1079.4 million</b> |

## 7. Summary of Non-recurring Expenditures

| (\$ millions) | Spent to date | Planned Spending 2000-2001 | Planned Spending 2001-2002 | Planned Spending 2002-2003 | Currently Estimated Total Expenditure |
|---------------|---------------|----------------------------|----------------------------|----------------------------|---------------------------------------|
| Total         | \$1,710.5     | <b>\$119.6</b>             | \$99.9                     | \$5                        | \$1,930.5                             |



## **Submarine Capability Life Extension Project**

### **1. Description**

The Submarine Capability Life Extension (SCLE) project will replace the aging *Oberon* class submarine fleet with four existing *Upholder* 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 *Upholder* 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.

### **2. Leading and Participating Departments**

|   |   |
|---|---|
| <b>Lead department</b>                        | Department of National Defence              |
| <b>Contracting authority</b>                  | Public Works and Government Services Canada |
| <b>Participating Departments and Agencies</b> | Industry Canada and regional agencies       |

### **3. Prime and Major Sub-Contractors**

|                              |   |
|------------------------------|---|
| <b>Prime Contractor</b>      | The Government of the United Kingdom of Great Britain and Northern Ireland, Ministry of Defence, London, United Kingdom |
| <b>Major Sub-Contractors</b> | Marconi-Marine (VSEL) Ltd., Cumbria, United Kingdom   |

### **4. Major Milestones**

| <b>Major Milestone</b>                             | <b>Date</b>   |
|--|---------------|
| Treasury Board Approval                            | 4 June 1998   |
| Main Contract Award                                | 2 July 1998   |
| Support Contract Award                             | 2 July 1998   |
| Commence Lease 1 <sup>st</sup> Submarine           | April 2000    |
| Commence Lease 2 <sup>nd</sup> Submarine           | October 2000  |
| Commence Lease 3 <sup>rd</sup> Submarine           | April 2001    |
| Commence Lease 4 <sup>th</sup> Submarine           | October 2001  |
| Relocate Trainers to Canada                        | November 2001 |
| Lease Completed, Submarines Purchased (£1.00/each) | March 2006    |



## 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 began in February 1999. Modifications to the submarine fire-control system are under contract with Lockheed Martin Canada.

Due to the reactivation work period, the delivery of the first three submarines will be delayed by two to three months from the original milestone dates above. The impact of these delays on the delivery of the fourth submarine is yet to be determined.

## 6. Industrial Benefits

This project will provide an estimated \$250 million in direct and indirect industrial benefits. This includes Canadian modifications to the submarines and the re-location of the simulators and trainers to Canada. A further \$100 million in industrial benefits will take the form of waivers to provide industrial offsets in the United Kingdom for Canadian companies bidding on defence contracts.

## 7. Summary of Non-recurring Expenditures

| (\$ millions) | Spent to date | <b>Planned Spending 2000-2001</b> | Planned Spending 2001-2002 | Planned Spending 2002-2003 | Currently Estimated Total Expenditure |
|---------------|---------------|-----------------------------------|----------------------------|----------------------------|---------------------------------------|
| Total         | \$163.8       | <b>\$151.5</b>                    | \$147.2                    | \$83.8                     | \$812.0                               |



## **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 *Itis* fleet.

### **2. Leading and Participating Departments and Agencies**

|   |   |
|---|---|
| <b>Lead department</b>                        | Department of National Defence              |
| <b>Contracting authority</b>                  | Public Works and Government Services Canada |
| <b>Participating Departments and Agencies</b> | Industry Canada and regional agencies       |

### **3. Prime and Major Sub-Contractors**

|                         |     |
|-------------------------|-----|
| <b>Prime Contractor</b> | TBD |
| <b>Sub-Contractor</b>   | TBD |

### **4. Major Milestones**

| <b>Major Milestone (Phase 1)</b>         | <b>Date</b> |
|--|-------------|
| Release of Standard Military Pattern RFP | Jun 2000    |
| Evaluation of Bids                       | Feb 2001    |
| Testing of Proposed Vehicles             | Mar 2002    |
| Award of Contract                        | Apr 2002    |
| First Full Production Delivery           | Nov 2002    |
| Project Completion                       | Aug 2005    |

| <b>Major Milestone (Phase 2)</b> | <b>Date</b> |
|----------------------------------|-------------|
| Release of Militarized COTS RFP  | Sep 2000    |
| Evaluation of Bids               | Feb 2001    |
| Testing of Vehicles              | May 2001    |
| Award of Contract                | Sep 2001    |
| First Full Production Delivery   | Jan 2002    |
| Project Completion               | Aug 2005    |



## 5. 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 of this program are to be determined.

## 7. Summary of Non-recurring Expenditures

| (\$millions) | Spent to date | <b>Planned spending 2000-2001</b> | Planned spending 2001-2002 | Planned Spending 2002-2003 | Currently Estimated Total Expenditure |
|--------------|---------------|-----------------------------------|----------------------------|----------------------------|---------------------------------------|
| Total        | \$2.1         | <b>\$2.8</b>                      | \$52.0                     | \$60.2                     | \$225.8                               |



## **Clothe the Soldier Project**

### **1. Description**

In September 1996, Treasury Board approved the Clothe the Soldier (CTS) omnibus project to address the most pressing deficiencies in the operational clothing and personal protective equipment of the Land Force. Although the total value of the project falls within the Major Crown Project funding level, the omnibus is not considered a Major Crown Project because the appropriate funding approval must still be sought at the proper level for each of the 24 items (sub-projects) within the project.

Land Force personnel must be clothed and equipped to conduct war and operations other than war worldwide, 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 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 Land Force personnel conducting operations to cover initial issue and the first two years of anticipated usage.

The currently approved sub-projects are:

- i. A CTS omnibus project, which includes 24 unique items.
- ii. The Improved Environmental Clothing System (IECS), which consists of Sweatshirts, Sweatpants, Coat Combat, Pants Combat, Parka and Overalls.
- iii. The Cold Wet Weather Glove (CWWG), to be worn with the IECS, provides protection to the soldier in cold, wet environmental conditions.
- iv. Lightweight Thermal Underwear (LWTU), which will enhance and be compatible with the IECS.
- v. The Wide Brimmed Combat Hat (WBCH), to be worn with the Combat Uniform, provides protection to the soldier from sun and rain.
- vi. Drawers Temperate Underwear (DTU), which will enhance and be compatible with the IECS.



- vii. The Wet Weather Boot (WWB), to be worn with the IECS, provides protection to the soldier in cold, wet environmental conditions.
- viii. Ballistic Eyewear (BEW), which will provide the soldier with ballistic eye protection. This includes ocular protection for ultraviolet radiation and various ballistic enhancements over the current combat spectacles.
- ix. The Combat Vehicle Crew (CVC) Glove, which will provide crews of Armoured Fighting Vehicles with fire-retardant handwear.
- x. The Multi-Tool, which will provide the soldier with increased sustainability in all field conditions.

## 2. Leading and Participating Departments and Agencies

|   |   |
|---|---|
| <b>Lead department</b>                        | Department of National Defence              |
| <b>Contracting authority</b>                  | Public Works and Government Services Canada |
| <b>Participating Departments and Agencies</b> | Industry Canada and regional agencies       |

## 3. Prime and Major Sub-Contractors

| <b>Sub-Project</b>  | <b>Prime Contractor</b>                |
|---|--|
| Improved Environmental Clothing System                          | Peerless Garments, Winnipeg, MB        |
| Cold Wet Weather Glove  | Les Entreprises, Saint Raymond, QC     |
| Lightweight Thermal Underwear and Drawers Temperature Underwear | Stanfields Ltd., NS                    |
| Multi-Tool  | Légère Industrial Supplies, Ottawa, ON |

## 4. Major Milestones

| <b>Major Milestone</b>                                  | <b>Date</b> |
|---|-------------|
| Treasury Board 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 Temperature Underwear)          | 29 Dec 1999 |
| Contract Award (Wet Weather Boot)                       | Spring 2000 |
| Amended Treasury Board Preliminary Project Approval     | Summer 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 Land Force. Consequently, Treasury Board provided Preliminary Project Approval at an indicative cost estimate of \$183,535,000 (\$BY) in July 1997 with an objective of having all items in implementation by the year 2000. 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. In addition to the scheduling and cost problems, the initial distribution of CTS items has exposed an operational requirement gap and a morale issue, as some Canadian Forces personnel are deployed without the CTS items alongside others who have them. A review concluded that a change in project scope was required to accommodate the needs of soldiers outside the Land Force who are required to deploy on operations.

## 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 competitive bidding process, for the remaining CTS sub-projects:

|                 |                     |
|-----------------|---------------------|
| Atlantic Canada | \$10 million        |
| Quebec          | \$6 million         |
| Western Canada  | \$56 million        |
| <b>Total</b>    | <b>\$72 million</b> |

## 7. Summary of Non-recurring Expenditures

| (\$ millions)<br>Sub-Project           | Spent to date | Planned Spending<br>2000-2001 | Planned Spending<br>2001-2002 | Currently Estimated Total Expenditure |
|--|---------------|-------------------------------|-------------------------------|---------------------------------------|
| CTS Omnibus definition                 | 3.6           | 1.1                           | 0.2                           | 5.0                                   |
| Improved Environmental Clothing System | 49.6          | 12.0                          | 0.4                           | 63.4                                  |
| Cold Wet Weather Glove                 | 3.0           | 2.3                           | -                             | 6.2                                   |
| Light Weight Thermal Underwear         | 2.5           | 0.7                           | -                             | 6.2                                   |
| Wide Brimmed Combat Hat                | -             | 2.3                           | -                             | 2.5                                   |



| (\$ millions)<br>Sub-Project  | Spent to date | <b>Planned Spending<br/>2000-2001</b> | Planned Spending<br>2001-2002 | Currently<br>Estimated Total<br>Expenditure |
|-------------------------------|---------------|---------------------------------------|-------------------------------|---|
| Drawers Temperature Underwear | -             | <b>2.1</b>                            | -                             | 4.5   |
| Wet Weather Boot              | -             | <b>7.0</b>                            | 14.5                          | 23.7  |
| Ballistic Eyewear             | -             | <b>0.2</b>                            | 5.7                           | 6.4   |
| Combat Vehicle Crew Glove     | -             | <b>0.7</b>                            | -                             | 0.8   |
| Multi-Tool                    | 2.4           | -                                     | -                             | 2.4   |



## Part 4.1 – Details of Transfer Payments by Service Line

### Contributions by Service Lines

|   | Forecast<br>1999-00 | Planned<br>2000-01 | Planned<br>2001-02 | Planned<br>2002-03 |
|---|---------------------|--------------------|--------------------|--------------------|
| <b>Joint Operations and Civil Emergency Preparedness</b>                                    |                     |                    |                    |                    |
| Contributions to Provinces and Municipalities pursuant to Emergency Preparedness Act        | 4,672,100           | <b>4,672,100</b>   | 4,734,100          | 4,794,100          |
| Emergency Preparedness Partners   | 100,000             | ----               | ----               | ----               |
| Royal Society of Canada for the International Decade for Natural Disaster Reduction         | 45,000              | ----               | ----               | ----               |
| Contributions to the Provinces for assistance related to natural disasters                  | 326,500,000         | <b>441,000,000</b> | ----               | ----               |
| Contribution to the International Maritime Satellite Organization                           | 215,000             | <b>215,000</b>     | 215,000            | 215,000            |
| Contribution to the Civil Air Search and Rescue Association                                 | 1,716,892           | <b>1,889,799</b>   | 2,004,606          | 2,161,058          |
| <b>Support to the Personnel Function</b>  |                     |                    |                    |                    |
| (S) Payments under Parts I-IV of the Defence Services Pension Continuation Act (R.S.C. D-3) | 3,500,000           | <b>3,500,000</b>   | 3,500,000          | 3,500,000          |
| (S) Payments under the Supplementary Retirement Benefits Act (R.S.C. 43 - 2nd Supp.)        | 13,500,000          | <b>13,500,000</b>  | 14,000,000         | 14,500,000         |
| <b>Materiel, Infrastructure and Environment Support</b>                                     |                     |                    |                    |                    |
| Contributions to Provinces and Municipalities for Capital Assistance Projects               | ----                | <b>4,650,000</b>   | 4,650,000          | 4,650,000          |
| Kativik Regional Government   | 700,000             | <b>200,000</b>     | 100,000            | ----               |
| <b>Department/Forces Executive</b>  |                     |                    |                    |                    |
| NATO Military Budgets and Agencies  | 105,698,250         | <b>95,385,000</b>  | 91,535,000         | 92,560,000         |
| NATO Infrastructure (capital expenditures)  | 34,100,000          | <b>34,500,000</b>  | 35,900,000         | 37,800,000         |
| Mutual Aid  | 4,450,000           | <b>3,246,000</b>   | 2,471,500          | 1,133,000          |
| NATO Allied Comd Rapid Reaction Corps HQ  | 135,500             | <b>132,000</b>     | 155,000            | 160,000            |
| Reaction Force Air Staff  | 54,250              | <b>52,000</b>      | 54,000             | 54,000             |
| Subtotal NATO   | 144,438,000         | <b>133,315,000</b> | 130,115,500        | 131,707,000        |
| Military Training Assistance Program  | 3,223,000           | <b>3,376,000</b>   | 3,308,000          | 3,725,000          |
| Canadian International Peacekeeping Centre  | 4,973,000           | <b>4,801,000</b>   | 5,357,000          | ----               |
| UN Standby Forces High-Readiness Brigade  | 280,000             | <b>280,000</b>     | 280,000            | 280,000            |
| Biological and Chemical Defence Review Committee  | 85,000              | <b>85,000</b>      | 85,000             | 85,000             |
| Joint Strike Fighter  | 4,957,000           | <b>4,433,000</b>   | ----               | ----               |
| <b>Total Contributions</b>  | <b>508,904,992</b>  | <b>615,916,899</b> | <b>168,349,206</b> | <b>165,617,158</b> |



## Part 4.1 – Details of Transfer Payments by Service Line (Cont.)

### Grants by Service Lines

|   | Forecast<br>1999-00 | Planned<br>2000-01 | Planned<br>2001-02 | Planned<br>2002-03 |
|---|---------------------|--------------------|--------------------|--------------------|
| <b>Joint Operations and<br/>Civil Emergency Preparedness</b>  |                     |                    |                    |                    |
| Research Fellowships - Emergency Planning   | 54,000              | <b>54,000</b>      | 54,000             | 54,000             |
| <b>Support to the Personnel Function</b>  |                     |                    |                    |                    |
| (S) Payments to the dependents 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             | <b>100,000</b>     | 100,000            | 100,000            |
| <b>Department/Forces Executive</b>  |                     |                    |                    |                    |
| Civil Pensions and Annuities:   |                     |                    |                    |                    |
| Mr. R. P. Thompson  | 13,500              | <b>13,500</b>      | 13,800             | 14,100             |
| Conference of Defence Associations  | 50,000              | <b>50,000</b>      | 50,000             | -----              |
| Army Cadet League of Canada   | 205,000             | <b>250,000</b>     | 250,000            | 250,000            |
| Air Cadet League of Canada  | 205,000             | <b>250,000</b>     | 250,000            | 250,000            |
| Navy League of Canada   | 205,000             | <b>250,000</b>     | 250,000            | 250,000            |
| Royal Canadian Navy Benevolent Fund   | 10,285              | <b>10,285</b>      | 10,285             | 10,285             |
| Royal Canadian Air Force Benevolent Fund  | 12,090              | <b>12,090</b>      | 12,090             | 12,090             |
| Military and United Services Institutes   | 24,056              | <b>24,056</b>      | 24,056             | -----              |
| Security and Defence Forum  | 1,700,000           | <b>1,700,000</b>   | -----              | -----              |
| Canadian Institute of Strategic Studies   | 89,250              | <b>89,250</b>      | 89,250             | 89,250             |
| Centre for Conflict Studies   | 60,000              | <b>60,000</b>      | 60,000             | 60,000             |
| Canadian Institute of International Affairs   | 40,000              | <b>40,000</b>      | 40,000             | 40,000             |
| Institute of Environmental Monitoring and Research  | 1,125,000           | <b>1,125,000</b>   | 1,125,000          | 1,125,000          |
| <b>Total Grants</b>   | <b>3,893,181</b>    | <b>4,028,181</b>   | <b>2,328,481</b>   | <b>2,254,725</b>   |

|                                       |                    |                    |                    |                    |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Total Contributions and Grants</b> | <b>512,798,173</b> | <b>619,945,080</b> | <b>170,677,687</b> | <b>167,871,883</b> |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|



## Part 4.2 – Cost of Peacekeeping and Relation Operations

| OPERATION  | FY 1999-2000 (\$millions) |                   |                      | FY 2000-2001 (\$millions) |                   |                      |
|--|---------------------------|-------------------|----------------------|---------------------------|-------------------|----------------------|
|  | Full Cost                 | Incremental Costs | Estimated UN Revenue | Full Cost                 | Incremental Costs | Estimated UN Revenue |
| <b>EUROPE</b>  |                           |                   |                      |                           |                   |                      |
| SFOR – OP PALLADIUM (Bosnia) (NATO)                        | 356.6                     | 106.2             |                      | 356.6                     | 106.2             |                      |
| UNMACBIH - OP NOBLE - (Bosnia)                             | 0.5                       | 0.1               |                      |                           |                   |                      |
| UNMIBH (UNMOP)   | 0.3                       | 0.2               |                      |                           |                   |                      |
| SFOR – OP ECHO (Kosovo)                                    | 397.6                     | 33.1              |                      | 204.3                     | 7.1               |                      |
| OP GUARANTOR (Macedonia)                                   | 1.1                       | 0.4               |                      |                           |                   |                      |
| OP KINETIC /OP KINETIC PLUS (Peacekeeping - Kosovo)        | 429.8                     | 198.6             |                      | 330.6                     | 130.9             |                      |
| OP MIKADO - Humanitarian airlift (Albania/Macedonia)       | 3.7                       | 1.2               |                      |                           |                   |                      |
| OP PARASOL (Refugees - Canada)                             | 25.4                      | 17.4              |                      |                           |                   |                      |
| OP CONNECTION - CARE CANADA                                | 0.0                       | 0.0               |                      |                           |                   |                      |
| OP QUADRANT (UNMIK, UNMACC, OSCE)                          | 0.8                       | 0.4               |                      |                           |                   |                      |
| OP CONTACT (Croatia soil sampling)                         | 0.3                       | 0.2               |                      |                           |                   |                      |
| UNPROFOR (Croatia)   |                           |                   | 3.4                  |                           |                   | 22.5                 |
| <b>ASIA</b>  |                           |                   |                      |                           |                   |                      |
| CAMBODIA MINE ACTION CENTRE (CMAC) (under UN auspices)     | 1.4                       | 0.6               |                      | 0.4                       | 0.2               |                      |
| OP TOUCAN (East Timor and Australia)                       | 125.5                     | 32.5              |                      |                           |                   |                      |
| OP TORRENT (DART Turkey - Earthquake)                      | 12.9                      | 7.6               |                      |                           |                   |                      |
| <b>MIDDLE EAST</b>   |                           |                   |                      |                           |                   |                      |
| UNDOF - OP DANACA (Golan Heights)                          | 28.6                      | 7.0               | 2.8                  | 29.6                      | 8.0               | 3.1                  |
| MFO (Multinational Force & Observers) - OP CALUMET (Sinai) | 3.0                       | 0.5               |                      | 3.0                       | 0.5               |                      |
| 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               |                      |
| UNFICYP - OP SNOWGOOSE (Cyprus)                            | 0.3                       | 0.1               | 0.1                  | 0.3                       | 0.1               | 0.1                  |
| OP AUGMENTATION - (HMCS Regina - Arabian Gulf)             | 35.9                      | 2.7               |                      | 35.9                      | 2.7               |                      |
| <b>AFRICA</b>  |                           |                   |                      |                           |                   |                      |
| MINURCA - OP PRUDENCE - (Central African Republic)         | 20.8                      | 2.8               | 0.5                  |                           |                   | 0.8                  |
| OP MODULE (Mozambique)                                     | 0.6                       | 0.4               |                      |                           |                   |                      |
| OP CROCODILE (Congo)                                       | 0.0                       | 0.0               |                      |                           |                   |                      |
| <b>THE AMERICAS</b>  |                           |                   |                      |                           |                   |                      |
| MIPONUH - OP COMPLIMENT (Haiti). Note 1.                   | 2.4                       | 1.8               | 2.1                  |                           |                   | 7.3                  |
| MINUGUA - OP QUARTZ (Guatemala)                            | 0.2                       | 0.1               |                      |                           |                   |                      |
| UNTMIH - OP CONSTABLE (Haiti)                              |                           |                   |                      |                           |                   |                      |
| OP CENTRAL (disaster relief in Honduras)                   | 1.3                       | 1.3               |                      |                           |                   |                      |
| Miscellaneous Peacekeeping Operations Mission Budgets      |                           |                   | 0.1                  |                           |                   |                      |
| <b>TOTAL</b>   | <b>1,452.0</b>            | <b>416.5</b>      | <b>9.0</b>           | <b>963.7</b>              | <b>257.0</b>      | <b>36.2</b>          |
| UN Revenue Distribution :                                  | CRF                       |                   | 2.4                  |                           |                   | 25.7                 |
|  | DND                       |                   | 6.6                  |                           |                   | 10.5                 |

Note 1: The estimated UN revenue for Haiti includes all previous missions.



## Part 5 – Program Planned Spending by Service Line

| (\$ millions)  | Statutory Employee Benefit Plans |              |                | Grants and Contributions | Statutory Grants and Contributions | Gross Planned Spending | Less: Revenue Credited to the Vote | Net Planned Spending |
|--|----------------------------------|--------------|----------------|--------------------------|------------------------------------|------------------------|------------------------------------|----------------------|
| Service Lines  | Operating                        | Capital      |                |                          |                                    |                        |                                    |                      |
| <b>Maritime Forces</b>                                   | 1,481.5                          | 131.6        | 359.0          | ---                      | ---                                | 1,972.1                | (16.8)                             | 1,955.3              |
| <b>Land Forces</b>                                       | 2,282.5                          | 230.6        | 780.0          | ---                      | ---                                | 3,293.1                | (119.8)                            | 3,173.3              |
| <b>Air Forces</b>  | 2,279.1                          | 171.3        | 592.1          | ---                      | ---                                | 3,042.5                | (118.9)                            | 2,923.6              |
| <b>Joint Operations and Civil Emergency Preparedness</b> | 315.4                            | 38.9         | 77.5           | 447.8                    | ---                                | 879.6                  | (2.1)                              | 877.5                |
| <b>Communications and Information Management</b>         | 232.6                            | 27.0         | 121.4          | ---                      | ---                                | 381.0                  | (2.0)                              | 379.0                |
| <b>Support to the Personnel Function</b>                 | 629.5                            | 92.9         | 54.0           | ---                      | 17.1                               | 793.5                  | (7.2)                              | 786.3                |
| <b>Materiel, Infrastructure and Environment Support</b>  | 458.5                            | 57.7         | 89.8           | 4.9                      | ---                                | 610.9                  | (3.3)                              | 607.6                |
| <b>Department/Forces Executive</b>                       | 328.0                            | 23.2         | 8.9            | 150.2                    | ---                                | 510.3                  | (21.1)                             | 489.2                |
| <b>Total</b>   | <b>8,007.1</b>                   | <b>773.2</b> | <b>2,082.7</b> | <b>602.9</b>             | <b>17.1</b>                        | <b>11,483.0</b>        | <b>(291.2)</b>                     | <b>11,191.8</b>      |



## **Part 6 – 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 (4<sup>th</sup> Supp.)
- Emergency Preparedness Act, R.S. 1985, c. 6 (4<sup>th</sup> 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



## **Part 7 – 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, analysis and the production of intelligence reports from foreign radio, radar and other electronic emissions. Signals intelligence provides unique and timely information on the intentions, capabilities and activities of foreign states, organizations or persons. This intelligence is used by policy makers to resolve issues relating to the defence of Canada or to the conduct of its foreign affairs and trade. CSE receives assistance in the conduct of SIGINT activities from the Canadian Forces Supplementary Radio System, 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 automated information systems. CSE helps to protect the Government's sensitive information assets and the privacy of citizens. In addition, the ITS program, through its association with industry, contributes to the development of a national ITS capability, which provides employment at home and export opportunities abroad. To fulfil its mandate, this program has five specific objectives:

- To provide advice, guidance and services to the government on the planning, acquisition, installation and procedures for the 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.
- To provide advice, guidance and services for the protection of the security and privacy interests of Canadians in the transaction of electronic commerce.

### Accountability

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

The Deputy Secretary to the Cabinet (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 Security and Intelligence Coordinator is accountable for CSE's policy and operations, and the Deputy Minister of National Defence is accountable for administrative matters affecting CSE.

CSE responds to foreign intelligence priorities approved by Ministers. CSE also responds to specific departmental requests or to events-driven intelligence needs of the Government.

### RESOURCES AND FINANCIAL TABLES

The following table outlines CSE's resource profile over a three-year period.

| \$000          | Current<br>1999-2000 <sup>1</sup> |     | Estimated<br>2000-2001 |            | Estimated<br>2001-2002 <sup>2</sup> |     | Estimated<br>2002-2003 <sup>2</sup> |     |
|----------------|-----------------------------------|-----|------------------------|------------|-------------------------------------|-----|-------------------------------------|-----|
|                | FY                                | FTE | FY                     | FTE        | FY                                  | FTE | FY                                  | FTE |
| <b>Salary</b>  | 52,900                            | 900 | <b>54,000</b>          | <b>900</b> | 54,800                              | 900 | 55,600                              | 900 |
| <b>O&amp;M</b> | 18,100                            |     | <b>18,300</b>          |            | 14,900                              |     | 14,300                              |     |
| <b>Total</b>   | 71,000                            |     | <b>72,300</b>          |            | 69,700                              |     | 69,900                              |     |
| <b>Capital</b> | 25,300                            |     | <b>25,700</b>          |            | 26,100                              |     | 28,500                              |     |
| <b>Total</b>   | 96,300                            | 900 | <b>98,000</b>          | <b>900</b> | 95,800                              | 900 | 98,400                              | 900 |

<sup>1</sup> Fiscal year 1999-2000 O&M figure is the baseline number (does not include items such as Y2K loan.

<sup>2</sup> Fiscal years 2001-2002 & 2002-2003 in O&M reflect payback of Y2K loan at \$2.6 million per year.



## Part 8 – Reserve Force

### Role

The 1994 Defence White Paper defined the primary role of the Reserve Force as the augmentation, sustainment and support of deployed forces. In some cases, 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 sub-components of the Reserve Force are the:

- Primary Reserve;
- Supplementary Reserve;
- Cadet Instructors' Cadre (CIC); and
- Canadian Rangers.

The elements of the Primary Reserve are the Naval Reserve, the Militia (Land Reserve), the Air Reserve and the Communication Reserve. Each element is commanded by its respective Environmental Chief of Staff. Assistant Deputy Minister (Information Management) is responsible for the Communication Reserve. The Primary Reserve elements contribute to the environmental defence capabilities utilizing resources allocated in the respective business plans. There are also 327 positions assigned to the National Defence Headquarters Primary Reserve List that are administered by Assistant Deputy Minister (Human Resources – Military Personnel).

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 and utilization of the Supplementary Reserve is currently the subject of a review to be completed by 2001, based on strategic guidance that will be issued in early 2000.

The Cadet Instructors' Cadre consists 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. For this coming fiscal year, significant plans are being undertaken to include the Cadet Instructors Cadre in the Canadian Forces Military Occupation Structure and enhance the relevancy and applicability of a proper Professional Development Structure.



The Canadian Rangers, though members of the Reserve Force, have a somewhat different status from Primary Reservists. Rangers are volunteers who hold themselves in readiness for service but who are not required to undergo annual training. The Canadian Rangers provide a military presence in the sparsely settled northern, coastal and isolated areas of Canada that cannot conveniently or economically be provided by other components of the Canadian Forces. The Director General of Reserves and Cadets has conducted a review of the Canadian Rangers, their operational role and their value to the Canadian Forces and to Canada. The next steps for the Canadian Rangers should be determined in the early stages of year 2000.

### **Resource Summary**

Reserve pay is based on an activity level that is allocated annually as part of the departmental operating budget. It should also be noted that the Reserve Force pay structure, pay levels and benefits are different from that of the Regular Force. The most notable differences are in Reserve salary levels, which are 85% of their Regular Force counterpart, and the absence of a Reserve pension plan (currently under development).

The Reserve Force contributes to the delivery of the Department of National Defence and the Canadian Forces business line.

### **Primary Reserve Full Cost Estimate**

The Primary Reserve accounts for approximately 8.6% of the total Defence Services Program. The expenditures are divided into four categories – direct, indirect, attributed and capital. Direct operating expenditures include funds specifically budgeted for the Primary Reserve, such as pay, travel and goods and services. Indirect operating expenditures reflect the Primary Reserve share of departmental resources that are centrally controlled. Included are ammunition, equipment operating costs, clothing and the cost of maintaining facilities. Attributed expenditures are departmental overhead costs that are allocated to all activities, including the Primary Reserve. These costs do not vary directly as a function of activity and would largely be incurred whether the Primary Reserve existed or not. Capital expenditures are shown for the year in which payments have been made, and do not reflect an amortization of cost over the life of the asset. As such, the capital expenditures can vary significantly from year to year, depending on priorities established within the capital equipment plan.

**Table 1: Primary Reserve Planned Expenditures**

| (\$000)                                       | 1998-99<br>Actual<br>Expenditures | 1999-00<br>Planned<br>Spending | 2000-2001<br>Planned<br>Spending |
|---|-----------------------------------|--------------------------------|----------------------------------|
| <b>Type of Expenditure</b>                    |                                   |                                |                                  |
| Reserve Pay                                   | 259,647                           | 336,806                        | <b>332,362</b>                   |
| Regular Support Staff                         | 118,838                           | 120,599                        | <b>123,127</b>                   |
| Reserve Operating Budgets                     | 26,876                            | 24,605                         | <b>24,672</b>                    |
| <b>Subtotal Direct</b>                        | <b>405,361</b>                    | <b>482,010</b>                 | <b>480,161</b>                   |
| Ammunition                                    | 24,888                            | 31,553                         | <b>31,019</b>                    |
| Equipment Usage                               | 57,779                            | 58,971                         | <b>60,569</b>                    |
| Clothing                                      | 22,914                            | 16,896                         | <b>17,239</b>                    |
| Facility Operating                            | 30,339                            | 28,041                         | <b>28,575</b>                    |
| <b>Subtotal Indirect</b>                      | <b>135,920</b>                    | <b>135,461</b>                 | <b>137,402</b>                   |
| Base Support                                  | 99,800                            | 71,468                         | <b>75,639</b>                    |
| Training                                      | 5,452                             | 3,424                          | <b>3,641</b>                     |
| <b>Subtotal Attributed</b>                    | <b>105,252</b>                    | <b>74,892</b>                  | <b>79,280</b>                    |
| <b>Subtotal Primary Reserve<br/>Operating</b> | <b>646,533</b>                    | <b>692,362</b>                 | <b>696,843</b>                   |
| Dedicated Capital <sup>1</sup>                | 59,488                            | 1,686                          | <b>6,948</b>                     |
| Shared Capital                                | 95,642                            | 89,694                         | <b>68,738</b>                    |
| <b>Subtotal Capital</b>                       | <b>155,130</b>                    | <b>91,380</b>                  | <b>75,686</b>                    |
| <b>Total Primary Reserve Costs</b>            | <b>801,663</b>                    | <b>783,742</b>                 | <b>772,529</b>                   |

<sup>1</sup> The significant reduction in capital for the Primary Reserve is a result of the end of the Maritime Coastal Defence Vessel project, which was largely dedicated to the reserve force.



## **Part 9 – Canadian Cadet Program**

The Canadian Forces, in accordance with Section 46 of the National Defence Act and in association with the Cadet Leagues, will control and supervise the Canadian Cadet Organizations (Royal Canadian Sea Cadets, Royal Canadian Army Cadets and the Royal Canadian Air Cadets) and the Junior Canadian Rangers.

### **The Cadet Program**

#### **Objective**

The objective of the Canadian Cadet Program is to develop in Canadian youth 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**

In carrying out their responsibilities, the Canadian Forces shall take into account the known policies and objectives of the cadet leagues and local sponsors, and shall cooperate with them to the fullest extent possible.

#### **2000-2001 Specific Objectives**

The main priority is to continue standard training. There are approximately 54,000 Canadian youth, 4,500 cadet instructors and 2,600 other support personnel in the Cadet Program. The Program is organized into 1,116 cadet corps or squadrons, 610 cadet bands, 28 summer training centres and various gliding, sailing and land training schools and centres located across the country. The anticipated funding to the Cadet Program corporate account – including the new Youth Initiative and Millennium portion – will be approximately \$142 million. Planned improvements to the Cadet Program for this fiscal year are to:

- Implement a new organizational structure for all regional headquarters.
- Prioritize the infrastructure and construction engineering requirements for Cadet Summer Training Centres.
- Identify the basic information technology requirements for the Cadet Program.
- Implement the third year of the Youth Initiative activities (including the Millennium project).
- Develop and document the Cadet Marksmanship program.
- Evaluate and validate the Army Cadet program.
- Develop an implementation plan for the management and review of the Cadet Instructor Cadre (CIC) Officer General Specification, the Occupation Specification and complete all CIC Occupation Specialty Specifications.
- Develop a Cadet clothing committee and equipment working group.



- Implement the Canadian Coast Guard Small Boat Safety Program as part of the cadet training program.
- Ensure that the Way Ahead action items, as approved by the Strategic Team, are addressed in a timely fashion.

### **Continuing Initiatives**

For the year 2000 and beyond, the continuing initiatives for the Cadet Program are to:

- Increase the effectiveness of the Sea, Army and Air Cadet Training programs.
- Enhance CIC training to ensure it meets the requirements of the Cadet Program.
- Complete the introduction, acquisitions and maintenance requirements of the new Cadet Marksmanship program.
- Manage and review the CIC Officer General Specifications, the Occupation Specifications and the CIC Occupation Specialty Specifications.
- Hasten the introduction and use of new information technologies.
- Maintain the Cadet Harassment and Abuse Prevention program (CHAP).
- Maintain the new public relations and recruiting initiatives.

### **The Junior Canadian Rangers Program**

#### **Objective**

The objective of the Junior Canadian Rangers Program is to provide a structured youth program that promotes traditional cultures and lifestyles in remote and isolated communities of Canada.

#### **Mandate**

In carrying out their responsibilities, the Canadian Forces shall take into account the close relationship between the Junior Canadian Ranger patrols and local Adult Committees, and shall cooperate with them to the fullest extent possible while respecting their traditional ways of conducting activities.

#### **2000-2001 Specific Objectives**

The main priority is to continue the expansion of the Rangers program while developing appropriate training standards that will benefit all Junior Canadian Rangers (JCRs) and Canadian Rangers. There are currently approximately 1,100 JCRs located in 39 communities. It is anticipated that this number will increase to almost 2,130 JCRs in 71 communities by March 2001. The forecasted funding for the JCR Program, including the new Youth Initiative and Millennium portion, will be approximately \$3.2 million. Planned improvements to the JCR Program for this fiscal year are to:



- Implement the JCR Program in Land Force Atlantic Area and Land Force Western Area.
- Implement the third year of the Youth Initiative activities (including the Millennium projects).
- Implement, as applicable, the recommendations of the Canadian Rangers 2000 review.
- Develop and implement the new the JCR Harassment and Abuse Prevention program (HAAP).

### **Continuing Initiatives**

For 2000 and beyond, the continuing initiatives for the JCR Program are to:

- Complete the introduction, acquisition and maintenance requirements of the new JCR marksmanship program.
- Maintain public relation initiatives.
- Pursue the acquisition and maintenance of equipment in support of the JCR Program.
- Produce applicable policies and guidelines for the JCR Program.



## Part 10 – Emergency Preparedness Canada

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.

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. The overall program objective is to contribute to and ensure an adequate and reasonably uniform level of emergency preparedness throughout Canada. EPC supports the Defence objective of "providing emergency and humanitarian relief" by contributing to emergency preparedness in a manner that is sensitive to humanitarian concerns and by administering disaster financial assistance.

To meet its program objective and fulfil its mission, EPC works with other federal departments and agencies, with other levels of government, with the private sector and with volunteer organizations to deliver services in six key, inter-related and mutually supportive service lines. These are: plans coordination, testing and evaluation, training and education, risk assessment and monitoring, warning, reporting of emergencies, and, if necessary, the coordination of a federal response to emergencies, public awareness and information, international civil emergency preparedness and financial assistance through grants and contributions.

Two factors have significantly influenced the development of EPC's priority tasks for the planning period. First, in assessing its capacity leading up to the Year 2000 transition period, EPC acknowledged that it must focus externally on leadership and partnerships within a strengthened response management framework. Second, in recognition of environmental factors such as the increasing frequency of weather-related disasters, EPC has identified a need for more emphasis on reducing exposure to risk, mitigating losses and enhancing response capabilities.

To address these issues over the planning period, EPC plans to lead policy development in national preparedness for emergencies by reviewing and amending, as appropriate, its financial assistance programs, advancing a national mitigation policy and playing a key role in the development of a critical infrastructure protection policy. EPC will strengthen and revise the federal government's response management framework by utilizing its Year 2000 transition experience to integrate the lessons learned into an enhanced management response framework. EPC also plans to improve the operational capacities of EPC and its partners to deal effectively with emergencies by designing and delivering a new training and education program, ensuring that the



organizational structure supports operational requirements, and by strengthening partner engagement throughout the country.

The end result of EPC's activities is a state of emergency preparedness in Canada that will address, in part, Canadians' expectations with respect to their safety and security.

Although EPC has a mandate to stimulate, encourage and coordinate emergency planning by other federal departments and agencies and at 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 in terms of the range and extent of its interactions, its development of various policies, programs, tools, exercises and training packages to assist the various stakeholders in the development of emergency plans in Canada and abroad, and feedback from stakeholders. Performance will also be subject to the availability of an adequate level of funding to carry out the mandated functions.

### Summary of EPC's Financial and Personnel Requirements

| (\$000)                               | Estimates<br>2000-01 | Forecast<br>1999-00 | Change  |
|---------------------------------------|----------------------|---------------------|---------|
| <b>Emergency Preparedness Canada:</b> |                      |                     |         |
| Operating and Minor Capital           | 9,237                | 9,245               | (8)     |
| Transfer Payments                     | 445,727              | 331,372             | 114,355 |
| Total                                 | 454,964              | 340,617             | 114,347 |
| Human Resources (FTE)                 | 78                   | 78                  | 0       |

**Explanation of Change:** The financial requirements for 2000-01 are \$114.3 million greater than the 1999-00 forecast due to:

|  | (\$000)   |
|--|-----------|
| - Disaster Financial Assistance Arrangements (DFAA) in 2000-2001                                   | 441,000   |
| - Disaster Financial Assistance Arrangements (DFAA) in 1999-2000                                   | (326,500) |
| - Defence Planning Guidance Operating Budget Reduction (2000-2001)                                 | (138)     |
| - Contributions – IDNDR Program sunsets end of Fiscal Year 1999-2000 <sup>(1)</sup> <sup>(2)</sup> | (15)      |

(1) Return of \$15,000 in contributions to other participating federal government departments for the Royal Society of Canada for the International Decade for Natural Disaster Reduction (IDNDR) program.

(2) EPC participation in the Royal Society of Canada and the Emergency Preparedness Partners Contributions totalling \$130,000 expires at the end of Fiscal Year 1999-2000. Since they were funded from EPC's operating budget, the \$130,000 is being repatriated to EPC's Operating Vote 1 budget from EPC's Grants and Contributions Vote 10 budget.



**Explanation of 1999-00 Forecast:** The 1999-00 forecast of \$340.6 million, which is based on information to management as of 22 December 1999, is \$49.6 million less than the funding of \$390.2 million provided through DND's 1999-00 Main Estimates. The difference reflects the following items:

|   |          |
|---|----------|
|   | (\$000)  |
| - Disaster Financial Assistance Arrangements 1999-2000 forecasted surplus | (50,000) |
| - Operating Budget Adjustments - Extraordinary DFAA audit costs           | 400      |
| - Salary Budget Adjustments   | (28)     |

Supplementary information may be obtained by contacting EPC's Communications Directorate at 122 Bank Street, Ottawa, Ontario K1A 0W6, by e-mail at [Communications@epc-pcc.gc.ca](mailto:Communications@epc-pcc.gc.ca), or by visiting EPC's web site at [www.epc-pcc.gc.ca](http://www.epc-pcc.gc.ca)



## Part 11 – National Search and Rescue Program

### Executive Director's Message

Canada has one of the best search and rescue (SAR) programs in the world. Due to its immense land mass, vast ocean areas, varied terrain and harsh climate, Canada has perhaps the biggest single need for SAR of any country. However, dwindling resources have imposed restraints that threaten the present and future integrity and capability of Canada's SAR Program. Cooperation, expertise and multi-jurisdictional partnerships are essential if the Canadian capability to save the lives of people is to continue.

The National Search and Rescue Program (NSP) encompasses a broad range of resources and activities related to the prevention of SAR incidents and the saving of lives of people at risk. The NSP requires the participation and interaction of the National Search and Rescue Secretariat with its partners – federal Government departments with SAR responsibilities (Environment Canada, Meteorological Service of Canada, Department of Fisheries and Oceans, Canadian Coast Guard, Department of National Defence and the Canadian Forces, Parks Canada Agency, Solicitor General, Royal Canadian Mounted Police and Transport Canada), provinces and territories, volunteer groups, non-governmental organizations and the private sector. These federal Government departments are members of the Interdepartmental Committee on Search and Rescue (ICSAR), chaired by the Executive Director of the National Search and Rescue Secretariat and charged with the provision of advice to the Lead Minister.

As resources diminish, Canadian SAR providers are challenged to continue to provide high quality SAR services while maintaining and creating new effective SAR policies. Future developments within the NSP will focus on implementing a strategic framework for a revitalized federal SAR system, reducing or mitigating the effect of SAR incidents through enhanced communication, training and education, coordination of services, modernization of equipment, and the further development and refinement of national policies and standards to better integrate SAR services. Three results will continue to direct future SAR activities of the NSS and its partners.

### Result 1: A cohesive and efficient National Search and Rescue Program through:

- The implementation of a strategic framework for a revitalized federal SAR system.
- Building closer ties with non-federal counterparts.
- Identifying performance information required to manage the SAR program as a cooperative endeavour and making this information accessible to Canadians.
- Improving modern comptrollership of the New SAR Initiatives Fund (NIF).



- Strengthening the SAR prevention program.

**Result 2: Effective information and tools through:**

- Collecting data on SAR incidents to help improve program development and decision making capabilities.
- Maintaining and updating the Canadian Beacon Registry and disseminating information to stakeholders.
- Disseminating information on SAR to Canadians and international partners.

**Result 3: Influential national and international partnerships through:**

- Coordination and focus on an improved SAR vision and objectives.
- Supporting Canadian initiatives to the international COSPAS-SARSAT satellite distress alerting system.
- Expanding the scope and greater exchange of information and expertise through the annual SARSCENE workshop and tradeshow.

Advancing the goals of the multi-jurisdictional membership of the NSP requires negotiation and consensus building. Providers of SAR services strive toward the development of a strategic direction for SAR in Canada, which will maintain and improve levels of SAR service through efficiency, effectiveness and economy. The NSS will continue to play a central coordination role for an effective SAR service in Canada. A summary of SAR personnel requirements and program costs is as follows:



**Figure 1: Details of Personnel Requirements by Departments (FTEs)**

|   | <b>Estimates<br/>1999-00</b> | <b>Estimates<br/>2000-01</b> | <b>Planned<br/>2001-02</b> | <b>Planned<br/>2002-03</b> |
|---|------------------------------|------------------------------|----------------------------|----------------------------|
| <b>National Search and Rescue Secretariat</b>         | 15.5                         | <b>15.5</b>                  | 17.5                       | 18.5                       |
| <b>Environment Canada</b>                             | 14                           | <b>14</b>                    | 14                         | 14                         |
| <b>Department of Fisheries and Oceans<sup>1</sup></b> | 797                          | <b>797</b>                   | 797                        | 797                        |
| <b>Department of National Defence</b>                 | 732                          | <b>733</b>                   | 726                        | 719                        |
| <b>Parks Canada Agency<sup>2</sup></b>                | 64                           | <b>64</b>                    | 64                         | 64                         |
| <b>Transport Canada</b>                               | 7                            | <b>7</b>                     | 7                          | 7                          |
| <b>Total</b>  | <b>1,629.5</b>               | <b>1,630.5</b>               | <b>1,625.5</b>             | <b>1,619.5</b>             |

Note: FTE information is not available for the RCMP.

<sup>1</sup> The Department of Fisheries and Oceans does not capture FTE utilization at this level. The above figure reflects an average utilization based on salary expenditures.

<sup>2</sup> Parks Canada Agency figures are estimates only.

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

|   | <b>Estimates<br/>1999-00</b> | <b>Estimates<br/>2000-01</b> | <b>Planned<br/>2001-02</b> | <b>Planned<br/>2002-03</b> |
|---|------------------------------|------------------------------|----------------------------|----------------------------|
| <b>National Search and Rescue Secretariat</b> | 10,146                       | <b>10,500</b>                | 10,547                     | 10,594                     |
| <b>Environment Canada</b>                     | 985                          | <b>985</b>                   | 985                        | 985                        |
| <b>Department of Fisheries and Oceans</b>     | 95,157                       | <b>150,318</b>               | 136,018                    | 134,222                    |
| <b>Department of National Defence</b>         | 250,966                      | <b>365,745</b>               | 330,414                    | 180,829                    |
| <b>Parks Canada Agency</b>                    | 4,929                        | <b>4,929</b>                 | 4,929                      | 4,929                      |
| <b>Transport Canada</b>                       | 935                          | <b>955</b>                   | 970                        | 985                        |
| <b>Total</b>                                  | <b>363,118</b>               | <b>533,432</b>               | <b>483,863</b>             | <b>332,544</b>             |

Note: DFO figures for fiscal years 2000-2003 include capital for the ongoing and anticipated Lifeboat Replacement Program (Marine Safety Proposal). Costs are not available for the RCMP.



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

|  | <b>Estimates<br/>1999-00</b> | <b>Estimates<br/>2000-01</b> | <b>Planned<br/>2001-02</b> | <b>Planned<br/>2002-03</b> |
|--|------------------------------|------------------------------|----------------------------|----------------------------|
| <b>Operating and<br/>Maintenance (O&amp;M)</b>             | 1,951                        | 2,305                        | 2,132                      | 2,174                      |
| <b>Capital</b> <sup>1</sup>                                | 6,418                        | 6,589                        | 8,195                      | 8,195                      |
| <b>Grants and<br/>Contributions (G&amp;C)</b> <sup>2</sup> | 1,777                        | 1,606                        | 220                        | 225                        |
| <b>Total</b>   | <b>10,146</b>                | <b>10,500</b>                | <b>10,547</b>              | <b>10,594</b>              |

<sup>1</sup> Includes capital for New SAR Initiatives Fund (NIF) and NSS Capital (\$95,000).

<sup>2</sup> Includes Canada's share of the costs for the COSPAS-SARSAT Secretariat (approximately \$215,000) as required under international agreement, plus anticipated NIF allocations through contributions arrangements for NIF in support of the NSP.



## **Part 12 – Office of the Ombudsman**

### **Establishment of the Office**

On 9 June 1998, the Minister of National Defence appointed André Marin to the position of Ombudsman for the Department of National Defence and the Canadian Forces. The establishment of the Office is 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.

After extensive consultations with Defence members and other ombudsman offices, Mr. Marin presented a report to the Minister setting out the framework for an effective Ombudsman's Office. Six months later, on 16 June 1999, the Office became operational through ministerial directives and a Defence Administrative Order and Directive (DAOD). At the time, it was agreed that these directives would be reviewed within six months and incorporated into regulations. This process is currently underway and is expected to result in enhanced efficacy and greater permanency for the Office.

### **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 contributing to substantial and long-lasting improvements to their welfare.

### **Operations**

When dealing with complaints, the Ombudsman's Office endeavours to find resolutions to problems by intervening at the level where change can be effected. The Office works within existing mechanisms and first directs individuals to the existing channels of redress. If, however, a complainant remains unsatisfied, the Office will determine if an investigation is warranted.

The Ombudsman receives complaints on a wide variety of issues ranging from medical problems to benefits to military justice. Within its first six months, the Office received 952 complaints. This number is expected to grow as awareness of the Office increases. During this time, the Office also completed three major investigations, resulting in recommendations to improve the handling of issues such as conflict of interest, treatment of sexual assault victims and public affairs policies.

### **Accountability**

The independence of the Ombudsman is crucial to the credibility of the Office. With this in mind, the reporting structure was designed so that the Ombudsman



is independent of civilian management and the military chain of command and reports directly to the Minister. In addition to submitting an annual report to the Minister, the Ombudsman may report to the Minister as considered appropriate, and may also report on the implementation of any recommendations made.

### Resources and Financial Tables

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

| \$000          | Current<br>1999-2000 |     | Estimated<br>2000-2001 |           | Estimated<br>2001-2002 |     | Estimated<br>2002-2003 |     |
|----------------|----------------------|-----|------------------------|-----------|------------------------|-----|------------------------|-----|
|                | FY                   | FTE | FY                     | FTE       | FY                     | FTE | FY                     | FTE |
| <b>Salary</b>  | 833                  | 18  | <b>3,506</b>           | <b>64</b> | 3,506                  | 64  | 3,559                  | 64  |
| <b>O&amp;M</b> | 1,293                |     | <b>1,652</b>           |           | 1,652                  |     | 1,676                  |     |
| <b>Total</b>   | 2,126                |     | <b>5,158</b>           |           | 5,158                  |     | 5,235                  |     |
| <b>Capital</b> | 550                  |     | <b>250</b>             |           | 150                    |     | 152                    |     |
| <b>Total</b>   | 2,676                | 18  | <b>5,408</b>           | <b>64</b> | 5,308                  | 64  | 5,387                  | 64  |

Notes: Contractors and temporary help staff have not been included in the salary or FTE total for fiscal year 1999-2000. These positions and the costs associated with them have been included under O&M for fiscal year 1999-2000. The Office anticipates that investigator positions will be staffed through the competitive process by the end of April 2000.