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Amateur Hour: The Interim Super Hornet Saga and the Perils of Prioritizing Politics Over Defence

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On 20 September 2015, then-candidate Justin Trudeau told a crowd of supporters in Halifax: “we will not buy the F-35 fighter jet. Instead, we will launch an open and transparent competition to replace the CF-18s . . . [ensuring] that bids include guaranteed industrial benefits for Canadian companies and workers.” He went on to explain the rationale of this decision: “By choosing to replace the CF-18s with a more affordable aircraft than the F-35, we will be able to guarantee the delivery of current procurements for the Navy. We will keep those promises!” In response to a question, Mr. Trudeau stated, “We know that choosing to cancel the F-35 procurement by the Conservative Government . . . we will be saving tens of billions of dollars in the coming decades” (CBC News 2015).

As promises go, it was perhaps the most ill-conceived one of the election: no part of the statement would hold up to scrutiny. Campaign planks like these tend to be ignored once a party assumes office. Instead of reassessing its erroneous assumptions upon receiving credible and classified information regarding Canada’s future fighter requirements, the incumbent Liberal government sought to press ahead with its flawed policy.

To navigate around key policy concerns, the government devised a new policy that invented an urgent capability gap so it could implement its solution. The latter was known as the Interim Fighter Capability Project, or colloquially the “interim purchase,” which the government intended to fill with the procurement of 18 F/A-18E/F Super Hornets. It would allow them to push back the selection of a final replacement for Canada’s CF-18s, very likely to be the F-35, for at least the next four years. In its pursuit, the government would ignore and suppress the corrosive and far-reaching consequences for the Royal Canadian Air Force (RCAF), causing significant, long-term damage to its organization and, ultimately, the country’s security.

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On 12 December 2017, the government announced the end of the Super Hornet interim purchase, instead acquiring 18 used Australian F/A-18As from the Royal Australian Air Force (RAAF). Given these events, it is time to take stock and understand how and why this series of events unfolded. The clear prioritization of politics over defence capability and sound business management calls into question the credibility of the Liberal government on its future defence promises, including the full replacement of the CF-18 fleet.

Prelude to the Liberal Government

Upon entering into office in the fall of 2015, the Liberals faced a situation surrounding the CF-18 replacement program that bore little resemblance to what they had expected. In the summer and fall of 2014, the Conservative government of Stephen Harper was handling the outcome of its “Seven Point Plan,” which was launched in the summer of 2012 after the controversy over the F-35 development and costs emerged. It was intended to rebuild public credibility around a decision, a key focus of which was preparing for a competition. To this end, the government established the National Fighter Procurement Secretariat (NFPS) to oversee an evaluation of the statement of requirements, as well as an options analysis of the various potential competitors. These steps were meant to prepare the groundwork for a full competition. Overall, the effort resembled other states’ evaluation processes, like the 2016 competition in Denmark that resulted in the procurement of F-35s.

Despite their preference for a competition at the outset of the process, the Conservatives discovered that, for a number of reasons, this was a nearly impossible outcome if the government was truly interested in a replacement that accurately reflected future requirements. The first reason concerned the NFPS’s review of the statement of requirements issued by the military in 2010, which led to the F-35’s sole source selection (Shimooka 2016, 28). After detailed consideration that included an analysis of classified information, the NFPS validated the military’s assessment criteria. The second, however, would have greater consequences for the next government. The options analysis found that the F-35 was the lowest cost option to procure and operate over the aircraft’s entire lifecycle, and provided superior industrial outcomes for Canadian industry. On the basis of the NFPS recommendations, the Conservative government decided to purchase four F-35s to start the process, but backtracked on the decision when it was leaked to the press (Koring 2017).

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For the opposition parties, the CF-18 replacement program was a constant target ever since 2010, when the Harper government selected the F-35. The Trudeau-led Liberals were initially muted on the topic. In 2014, candidate Trudeau made a flippant comment that Canadian foreign policy should not be defined by the desire to “whip out CF-18s” (CBC News 2014, 3:32). This was part of a broader point that there should be greater emphasis on non-military instruments of foreign policy.

The Liberal Party made a more significant shift in September 2015, when candidate Trudeau made his campaign announcement in Halifax. In an accompanying policy piece released immediately after the event, the party outlined a number of facts that would prove to be incorrect:

At an 80 cent dollar, the per unit fly away cost of each F-35 is \$175 million, and the sustainment costs of each plane will be \$270 million – given that repair work must largely be undertaken in the United States.

Alternatively, the Super Hornet’s reported fly away price is around \$65 million at an 80 cent dollar, and a large amount of the sustainment activity can be undertaken here at home, creating good jobs for Canadians. The Super Hornet is merely used as an illustration of cost savings and is not indicative of which aircraft would win a truly open and transparent competition. (Liberal Party 2015)

The Super Hornet’s figures had been repeatedly cited by Boeing officials, including in a CBC news article a year earlier (Milewski 2013). The Conservatives had criticized the promise as being irresponsible. While the promise faded from public view, it remained vivid within the Liberal Party and guided their initial policy efforts upon entering into office.

The Liberal Government – Initial Steps: 2016

As with any incoming government, the Liberals were given an in-depth briefing on the state of Canada’s defence apparatus, which included a dedicated section on the CF-18 replacement process and the results of the independent NFPS evaluation. It was quickly evident the arguments put forward held little sway with the government, which was determined to implement its campaign promise. However, a number of challenges would impact the government’s ability to carry out its political commitment.

First, it was legally impossible to bar the F-35 from a competition, as this would contravene federal laws governing procurement. This was particularly the case given the clear advantages the fighter had over the other options. Relatedly, attempting to re-write a statement of requirements in order to entice other competitors to compete would take time and be fraught with difficulty, as the NFPS discovered. Finally, there was the issue of Canada’s participation in the Joint Strike Fighter (JSF) partnership. A clear decision to bar the F-35 from being selected would result in Canadian firms losing their contracts on the program, which by the beginning of 2017 amounted to \$926 million (Berthiaume 2017b).

Given these difficulties, and the public services’ general attitude on this file, the Liberal government was searching for an alternative source of information. They found it with Boeing Aerospace. According to publicly accessible records, almost immediately upon entering into office, the Liberal government was willing to give lobbyists and representatives of Boeing Aerospace near unfettered access to senior bureaucratic and political officials within the government. This included the Prime Minister’s Office and the Minister of National Defence’s office, as

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well as senior bureaucrats from involved ministries (Office of the Commissioner of Lobbying of Canada 2017). There was one glaring exception in these meetings: the senior departmental officials within the Department of National Defence (DND) and the military. It was quickly evident that they would be marginalized from the entire process. This lobbying would have a direct consequence on the subsequent events; the capability gap and the interim purchase of F/A-18E/F Super Hornets. The political leadership worked on this file throughout the winter of 2016 and spring of 2017.

On 5 June 2016, *National Post* reporters John Ivison and Lee Berthiaume broke the story that the Liberal Party was considering the sole source selection of the Super Hornet. This set off a political maelstrom. Berthiaume (2016b) characterized the situation in an article the following day:

The Liberal government is intent on buying Super Hornet fighter jets, according to multiple sources. Prime Minister Justin Trudeau's cabinet reportedly discussed the issue last week, and while no formal decision was taken, one top-level official said: "They have made up their minds and are working on the right narrative to support it."

The reporters also noted Boeing's access to senior officials. Although company officials claimed that they had a wide range of business with the government, tellingly, almost all meetings between officials ceased a week before the story was leaked. This indicated that the government had made its decision on the file. This was given further credence by Berthiaume's and Ivison's claim that the government was now searching for a narrative to sell the decision.

In reality, the federal government's preparations on this area were well advanced. Several days earlier at Canada's largest military trade show, CANSEC, Defence Minister Harjit Sajjan raised the spectre that the Canadian Armed Forces was facing a "capability gap" that required an immediate response. He elaborated the position in Parliament: "In the 2020s, we can foresee a growing capability gap [between our combat aircraft and Canada's defence requirements] and this I find unacceptable and it's one thing that we plan to fix" (Pugliese 2016). This was an unprecedented claim. A month earlier, the Commander of the RCAF, Lieutenant-General Michael Hood, testified in front of a Parliamentary Committee and stated that the number of aircraft he currently possessed was sufficient for an orderly transition to a next generation fighter (NDDN Committee Meeting 2016).

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The "capability gap" formed the foundation for the government's preferred policy preference for the Super Hornet. It was based on the deployment of fighters to NATO and NORAD rapidly and simultaneously. Canada had not been able to undertake both operations simultaneously since the early 1990s. The key reason was due to a lack of pilots and maintainers, not airframes. Part of the reason why the government and military allowed Canada's ability to lapse was that the scenario where a simultaneous contribution would be necessary was seen as exceedingly rare: it would be a massive conflict.

On a practical level, in the instances where Canada could not potentially meet one of the requirements if called upon to do so (usually NORAD), the government would simply give notice to the body of its shortfall. It should be noted that the United States has at times faced similar challenges. In 2008, a fleet-wide grounding of F-15 Eagles left the US Air Force (USAF) unable to meet its NORAD commitment. In that case, Canadian fighters filled in the gap.

Nevertheless, the Liberal government made this purported gap its pretext for a Super Hornet purchase, claiming that it could not, in good conscience, continue to “risk manage” the gap. The government claim was incongruent with other aspects of defence policy, where the military is constantly forced to risk manage much more obvious and threatening concerns. This includes having insufficient ships and surveillance to maintain sovereignty along the state’s extremely long coastline and an inability to effectively protect the surface approach to Arctic waters in winter.

Nevertheless, Minister Sajjan and Prime Minister Trudeau attempted to justify their position by arguing that the Harper government bore responsibility for the situation. “Canadians know full well that for 10 years, the Conservatives completely missed the boat when it came to delivering to Canadians and their armed forces the equipment they needed,” Prime Minister Justin Trudeau told his country’s parliament in early June. “They clung to an aircraft [the F-35] that does not work and is far from working” (Berthiaume 2016c). The statement illustrated the government’s deep disdain toward the F-35.

Within DND, the feeling was one of despair and anger. A key effect of the NFPS’s effort was that it widely convinced senior officials of the F-35’s appropriateness and necessity. The Prime Minister’s comments were discomfiting; they came less than two months before the USAF’s declaration of Initial Operational Capability (IOC) for the F-35 (Air Combat Command Public Affairs). DND and the RCAF had thus far largely been excluded from these discussions. Moreover, in making the case, they publicly repudiated Lieutenant-General Hood, with Public Services and Procurement Canada Minister Judy Foote stating: “I think if you ask Gen. Vance, he’d have a different view on that and I have a lot of faith in the minister of defence [Sajjan], who of course has been on the ground and knows only too well what the need is” (Payton 2016).

Undermining the credibility of the officer in charge of the RCAF in order to push an extremely ill-conceived and harmful policy sat poorly with many military and civilian members of the department. However, they became particularly enraged by a different tactic employed by the government.

In the spring of 2016, over 200 members of DND and other government departments were directed to sign lifetime non-disclosure agreements on their work. This was an extraordinary step, which was explained to the public as an “appropriate and necessary procedure” given the “subject-matter and commercial sensitivities associated with the work” (Berthiaume 2016a). From a legal and functional standpoint, this made little sense; federal civil servants were highly constrained by legal and policy instruments that prevented them from disclosing classified data. In reality, the gag order was intended to protect the government from any potential

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political fallout. This would have a chilling effect on the actions of civil servants and members of the Canadian Armed Forces, coercing them to not speak out on what was occurring within government. The allegations against Vice-Admiral Mark Norman, and his subsequent treatment without any charges, has only reinforced this atmosphere of fear. In my view, this was also done to take the entire decision-making process out of the hands of DND so the Liberal government could continue to ignore their expert and fully informed advice.

The amount of criticism levelled at the government after the 5 June leak on the interim Super Hornet proposal did seem to provoke it into a reassessment. A new round of consultations were launched with manufacturers and allies. The government constructed a 38-page questionnaire that was sent to Boeing, Dassault, Eurofighter, Lockheed Martin, and Saab on 6 July 2016. It addressed procurement and life-cycle costs, current and planned production numbers, and potential economic benefits to Canada, as well as rudimentary performance information, including a short section on interoperability (Department of National Defence 2016b; Government of Canada 2016b).¹ Most of the information had already been collected by the NFPS two years earlier. Nevertheless, four companies provided responses by 29 July – less than four weeks after it was sent – and follow-up meetings took place in August (Government of Canada 2016b). Government delegations were dispatched to Australia, Denmark, and other states to learn about their combat aircraft recapitalization processes.

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Even as it pursued these consultations, there seemed to be little question the government was committed to its decision to acquire the Super Hornet as an interim capability. This view was reportedly reinforced by the US Director of Operational Test and Evaluation’s report on the F-35 released in September 2016, which suggested the program still has significant development issues and may never reach combat effectiveness (Office of the Director, Operational Test and Evaluation). The report had several key inaccuracies and highlighted a number of issues that were largely resolved by the time of its publication (Bogdan 2017); nevertheless, it reinforced the Liberal Party’s view of the aircraft being unready for immediate service.

In early October, individuals within the US government became increasingly concerned with the developments in Canada. The then-Joint Strike Fighter Program Executive Officer, US Lieutenant-General Christopher Bogdan, travelled to Ottawa to discuss the state of the F-35 program (Leblanc 2016). He was rebuffed by the political leadership and senior officials, which needlessly undermined Canada’s previously good relationship with the JSF Program and a major ally. Moreover, they refused briefings that detailed threat, cost, and delivery options at that time. This was by no means the only time the political leadership internally suppressed information that contradicted its preferred policy viewpoint.

In the spring of 2016, the Department of National Defence prepared a number of documents that would be necessary to advance the file to a political decision. These had sections outlining the serious pitfalls of a Super Hornet purchase, including the serious effects it would have on pilot retention and how the overhead of a separate training and sustainment system would severely curtail the overall capability of the fighter force. Staff were directed to rewrite drafts, diminishing or even excising any negative commentary on the Super Hornet purchase, thus leaving it as the sole option available for consideration.²

On 22 November 2016, the Canadian government finally announced its preferred response to the fighter capability gap and the eventual replacement of its aging fleet of CF-18 aircraft. Minister of National Defence Sajjan was flanked by Chief of the Defence Staff General Jonathan Vance, Minister of Public Services and Procurement Judy Foote, and Minister of Innovation, Science and Economic Development Navdeep Bains as he announced a two-pronged approach. First, “immediate” negotiations with the US government and Boeing to “explore the acquisition of 18 new Super Hornet aircraft.” Second, “an open and transparent competition” to consider a replacement aircraft for the entire CF-18 fleet (Government of Canada 2016a). At the time, they claimed this would take as long as five years to run, with the expected replacement entering into service in the latter half of the 2020s (Brewster 2016b). Speaking about the process, then-Minister Foote again attempted to deflect blame onto the Conservatives: “Military procurement is complex, we’re not about to cut corners and simplify a process that’s very complex” (Giangreco 2016). Given how the Liberal government had just handled the file and what was to occur next, it was a near farcical statement.

The Interim Buy, Trump Administration, and the RCAF Personnel Crisis

The decision to acquire the interim fleet of Super Hornets may have been influenced by a factor with no direct relationship with the situation in Canada: the election of Donald J. Trump as US President in early November. In the run-up to the election and afterwards, he outlined two rough policy positions that affected Canadian deliberations.

First, candidate Trump made a number of statements during his campaign questioning the F-35’s cost and capability (Shear, Drew, and Kershner 2016). Although they were highly questionable assertions based on flimsy evidence, Trump helped to support the Liberal government’s contention that the aircraft was more costly and even promoted the Super Hornet as an alternative. He would later reverse his position, even lauding the F-35 for its capability, but the damage to the Canadian political discourse was done. The President’s statements only served to support the assertions made by the Liberal Party and the Prime Minister himself on the F-35.

President Trump’s second position on burden sharing was arguably more consequential. This would be famously evoked by reports that Trump handed German Chancellor Angela Merkel an invoice for NATO services totaling \$374 billion (Pancevski 2017). Canada’s relatively low defence spending as a percentage of GDP in comparison to other NATO states was identified by many observers as being a liability (Brewster 2016a). This may have helped the government to push through the Super Hornet buy as a way to placate the new administration’s views.

Nevertheless, senior US military officials were not impressed.³ The acquisition of the Super Hornet would do little to address the qualitative deficiencies of the Canadian tactical fighter fleet, which would become increasingly obsolescent into the late 2020s. The USAF had completely modernized its Alaskan NORAD contribution with fifth generation F-22s since 2012. According to the Liberal government’s plans the RCAF’s fleet would see an equivalent upgrade for another ten years. Moreover Canadian delays would affect the F-35’s production schedule and directly increase the costs to the US government, as Lieutenant-General Bogdan noted in congressional testimony a year earlier (Reuters 2015).

The department itself was already preparing its Letter of Request to the US government for the Super Hornet buy. The acquisition of any major US defence capability is obliged to follow the Foreign Military Sales (FMS) process. The US government essentially acts as an agent of the foreign government, purchasing the equipment and its ancillary equipment, and providing training and support, among other things. Furthermore, if any

modifications or development are required, it will also administer that process. Between November 2016 and March 2017, the Government of Canada prepared its Letter of Request for the US government. This required several months to identify all of the equipment the RCAF required to make a Super Hornet fleet operational in a Canadian setting. Overall the Letter of Request process was completed in early March 2017 and sent to the US government (Public Services and Procurement Canada 2017).

Canada's request belied a number of problems with the Liberal government's decision. One aspect was the military's preferred delivery schedule for the Super Hornet. Modern fighter aircraft are not delivered in a single batch: usually several years of deliveries occur, allowing an air force to absorb the aircraft into its ranks. In the case of the Super Hornet purchase, Canada's purchases would have been spread out from 2019 to 2024, with a notational full operating capacity in 2025. However, the government's timeline was for the permanent replacement of CF-18s to start deliveries in 2026, which would again lead to significant depletion in availability as the fleet transitioned into another aircraft. Consequently, the best-case scenario for the interim buy would only result in the RCAF meeting the Liberal Party's simultaneous NORAD and NATO commitments for one year (in 2025), before the transition to a permanent fleet depleted the available numbers of fighters. Practically however, that simultaneous commitment would never occur, for a different reason not evident to the public: the pilot and support trade retention crisis.

Personnel issues are perhaps the most pernicious issue facing NATO air forces today, which the Liberal government completely ignored with regards to its Super Hornet purchase. As early as 1999, the USAF was short 1000 pilots (Taylor, Moore, and Roll, Jr. 2000), and the shortage has worsened to 1500 in 2017 (Secretary of the Air Force Public Affairs 2017). The RCAF faces similar issues in both maintainers and pilots: in 2016 these positions were only at 88 percent and 90 percent of manning levels, respectively (Department of National Defence 2016a). Retention issues can be attributed to a number of causes. Tactical fighter forces have tended to be heavily utilized since 2001, resulting in long deployments away from home for pilots and support crews.⁴ The RCAF faces additional challenges. Its primary fighter bases in Cold Lake, Alberta and Bagotville, Quebec are located far away from major population centres. This creates serious quality of life challenges for military families, as many struggle in the small town environment.

Finally, perhaps the most significant factor is the unprecedented hiring spree by civilian airlines (Mattock et al. 2016). This is an attractive alternative for pilots who are seeking to leave the RCAF. Airlines can typically offer equivalent or higher salaries with far less disruptive work environments that are generally located in major population centres. These challenges are viewed to be manageable with the right set of policies. In the US, increased pay and bonus structures, reduced operational tempo, and flexible return arrangements have been implemented to help improve the situation (Losey 2017).

The RCAF also faces significant limitations on the number of fighter pilots it can train each year. This fighter pilot portion of training is contracted to CAE, which has pipeline constraints in large part due to the number of aircraft it has available. According to DND, approximately 14 pilots can be graduated per year (Government of Canada 2017a). The RCAF can also train a number of pilots in the US, but this option has narrowed in recent years as the USAF ramps up its attempt to address its own pilot crisis.

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The tight manning levels were a critical issue for the RCAF in regards to the interim buy. With fighter pilots and support staff in short supply, adopting and operating a second fleet of aircraft was a virtual impossibility, much less achieving the government's objective of meeting the NATO and NORAD commitments simultaneously. Given the existing CF-18 fighter pilot shortfalls, as well as staffing a training pipeline and squadron of Super Hornet pilots, the RCAF would nearly require double the number of fighter pilots they currently possess. In reality, the acquisition of a small, unique fleet of aircraft would have reduced the overall combat capability. This was one of the key reasons why military staff wanted to avoid this outcome at all costs.

The interim buy and the government's handling of the tactical fighter file had serious consequences for the manning of the RCAF. Prior to 2016, the air force was able to manage its retention issues. However, since then, the bleeding turned into a torrent with pilots taking their release from the RCAF in numbers far outstripping the ability of the training system to replace them.⁵ Of particular concern is the segment of pilots taking their release: for the most part, they are experienced flight leads with a decade or more of service who are critical to maintaining the corporate knowledge to operate the tactical fighter fleet. This has led the fighter force into a major crisis as, in coming years, it may be unable to generate sufficient appropriately trained personnel to operate the tactical fighter fleet.

The reason for this change must be understood in light of the other factors affecting retention, like quality of life. Factors like operational tempo, family, and financial considerations are generally acceptable for pilots, resulting in a manageable retention rate for the RCAF. However, the government's actions on the tactical fighter file and their consequences changes the calculation. Many pilots felt disrespected by the political leadership after the treatment of Lieutenant-General Hood, as well as being given insufficient equipment to undertake the job at hand. In particular, Canadian pilots have faced next generation aircraft, including the F-35 in large-scale multinational exercises like Red Flag in Nevada, and suffered significant (albeit simulated) losses. Moreover, they have also been exposed to the threat of new Russian air defence systems while undertaking operations in Eastern Europe. In the words of one pilot, "in a shooting war, we'd be dead within seconds of wheels up."

To these professionals, the concept of a competition to determine which aircraft best suits their needs is laughable given their experiences and previous assessments: there is only one option. However, the prospect of not seeing a proper replacement for the CF-18 for another eight years or so – long after many would have ceased flying or retired – has tipped the personal calculus towards taking their release and entering into the private sector. The number is at a stage now that drastic action must be taken to avert a major collapse.

The End of the Interim Buy: Australia, Bombardier, and the US Letter of Offer.

With the manning issue foremost on their minds, the military looked for solutions other than the interim buy. In reality, the best approach towards meeting the capability gap would be a major infusion of funding into the CF-18 operations and management budget, which would enable more pilots to be trained and current airframes to obtain life extension. On its own, this would go nearly all the way to meeting the government's objective to close the capability gap. This would be required in any case, since there was little chance that the military could meet the goal otherwise without a fully manned CF-18 fleet.

However, the Liberal government had made it clear that they needed additional airframes. Thus, the military devised the compromise of purchasing Australia's soon to be retired Hornets. These aircraft were fit for the purpose: it would allow the government to claim they were meeting the capability gap. Canadian industry had undertaken a significant portion of life extension work on the aircraft, so they could be easily incorporated into the RCAF fleet. They would not disrupt the tactical fighter force's manning system, although they do little

to improve the situation. The RCAF would likely still have an insufficient number of pilots, maintainers, and funding to fill the government's capability gap.

Pressure for the Australian option came not only from within the government but from the outside as well. In February 2017, 13 former senior RCAF officials submitted a letter to the government, outlining these issues. While ridiculed by some in the press (Pugliese 2017b), the letter, and the option it suggested, started to gain traction within the government.

In late April, the Australian government approached the Canadian defence attaché, to start preliminary discussions (Government of Canada 2017b). However, this was only in regards to the sale of spare parts. The process to acquire the RAAF Hornets gained real impetus due to two issues, one of which is unrelated to the fighter program. On 27 April 2017, Boeing launched a trade complaint against Bombardier Aerospace for its sale of 125 C-Series aircraft to Delta Airlines (Petitions for the Imposition of Antidumping and Countervailing Duties from The Boeing Company as Petitioner, In re 100- to 150-Seat Large Civil Aircraft from Canada, No. A-122-859 (U.S. Dep't of Commerce April 27, 2017)). The complaint was noticed by the government, which had made a significant investment in the Montreal-based manufacturer. It worked behind the scenes to resolve the issue, but to little avail. Australia and Canada continued their engagement, with reciprocal visits among high-level staff detailing the condition of the RAAF hornet fleet and outlining what might be available at what cost (Pugliese 2017a). By early September, DND had a fairly firm idea of how the purchase would unfold.

However, Boeing's trade dispute was not the only factor. In late August, Berthiaume (2017a) revealed DND had undertaken another costing exercise on the Super Hornet. This likely contributed to a growing realization by the political leadership that the interim buy of Super Hornets was going awry. On 12 September, the US State Department responded to Canada's Letter of Request to purchase the Super Hornet with a Letter of Offer and Acceptance, which detailed the cost of the requested capabilities and services (Defense Security Cooperation Agency 2017). Its contents must have come as a shock to the political leadership, which was convinced the cost of the Super Hornet was far lower than the F-35.

The Foreign Military Sale (FMS) response gave a very different story, which corroborated the findings of DND, the 2014 NFPS report, and foreign assessments like the one undertaken by the Danish government. It showed a per-unit cost of the aircraft at approximately US \$120 million per aircraft, with the total contract coming to US \$5.7 billion. This was significantly higher than the oft-quoted US \$65 million per unit. Boeing and its allies attempted to mitigate the damage. In the immediate aftermath, the company gave a press briefing where they claimed the FMS cost was artificially inflated, and the actual contract cost would be much lower. On 19 September, a leak revealed a letter by a number of suppliers with ties to Boeing urging the government to continue with the sale (Canadian Press 2017). The efforts had little effect. The government could not understand the incongruence between what they had expected the Super Hornet to cost and the reality. Consequently, several officials were sent to the US government to gain clarification. They reported the costing was accurate. This alone may have ended the deal, as the government at this point started to move forward on the Australian purchase. It was overshadowed, however, by what occurred next.

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On 18 September, Trudeau warned Boeing that “We won’t do business with a company that is busy trying to sue us and put our aerospace workers out of business,” a clear shot against a Super Hornet deal. Nine days later, the US Commerce department released its long-awaited trade ruling against Bombardier, slapping a 220 percent countervailing duty on each C-Series sold (CBC News 2017). This predictably prompted a severe backlash from the Liberal government, who continued to link the trade issue with the Super Hornet procurement.

In reality, the government was already moving forward with the purchase of secondhand Australian jets. Only two days after the Bombardier ruling, Canada sent a formal letter to the Australian government to start the acquisition process. Although the Liberal Party continued to negotiate with Boeing to drop the trade complaint, it is questionable whether the Super Hornet was truly on the table at that point. The entire episode was a stroke of political good fortune. It turned a potential liability surrounding the mishandling of the Super Hornet purchase into a useful tool.

Whatever potential Boeing had to recover from the Bombardier spat was gone with this clear and significant disconnect between the cost estimates. Staff were pulled from the section, and moved into either the Australian deal or the CF-18 replacement program. The interim buy of Super Hornets was effectively dead, which was confirmed in the 12 December 2017 announcement of the purchase of 18 RAAF F/A-18A airframes, and the re-launched procurement process for 88 replacement aircraft for the CF-18 fleet.

Conclusion

The 12 December announcement by the Liberal Government was the definitive end of the interim buy of Super Hornets, avoiding what was likely to have been one of the most disastrous defence procurements in Canadian military history. With the possible exception of the Ross rifle debacle in the First World War, no major procurements would have resulted in such catastrophic damage to the military’s capability at such an exorbitant cost. By its own numbers, the Liberal government would have committed \$5.7 billion to alleviate the “capability gap” for a single year – and that only in the very best case scenario, since the personnel crisis made even such an outcome impossible.

Despite the end of the Super Hornet purchase, the entire episode has caused serious damage to the military and Canada’s reputation abroad. Members of the RCAF have little trust in the government’s handling of this file, and are electing to “vote with their feet” and leave the air force. This is exacerbated by the timeline for a CF-18 replacement with the first aircraft not arriving until 2025. This is a full 15 years after the original decision to procure the F-35 was made. This will only expose Canadian pilots to greater danger in the pursuit of current government policy, such as the defence of Eastern Europe from Russian aggression. Ironically, the entire process will likely deliver the same answer as in 2010. All the other options remain more costly, offer poorer industrial benefits, and provide vastly less capability. If interoperability is a major concern, by the 2025–2030 timeframe, there will be as many F-35s in operation with allied states as all of the other competitors combined.

The sad irony is that their decision not to proceed was in some part based on considerations unrelated to the deal itself: a trade spat in civilian aircraft with Boeing. It is uncomfortable to think of what may have happened if it never occurred or was withdrawn in a deal for Super Hornets. The episode has caused harm to Canada’s standing with its principal ally, the United States, which has expressed concern over the RCAF tactical fighter fleet’s technical capability. Their concerns undermine the Liberal government’s claim on the capability gap, which was predicated on having insufficient numbers of aircraft available for missions. However, if the operational value of those aircraft is minimal, the quantity of them is moot. The plan announced on 12 December 2017 ensures that Canada will field a growingly obsolescent fleet of 35-year-old aircraft for effectively another decade. One wonders what the United States now thinks of the situation.

In the run up to the 2015 election and immediately after it, the Liberal Party made a number of promises related to governance which should be considered: It committed to giving the Canadian Armed Forces the equipment it needed when it needed, it would “unmuzzle” government scientists and listen to expert advice, and provide transparency on its actions. These are a good set of first principles for undertaking defence procurement. However by its own metrics, this government has been an abject failure. Every step of the process was politicized. Expert military and public service advice was silenced and ignored, in order to push a procurement that would actually result in the precise opposite outcome it was trying to achieve.

As the government moves to ramp up its program to determine a permanent replacement for the CF-18 fleet, these basic principles should be adopted. Nevertheless, there are already signs of the same failings occurring. The five-year timeframe for a competition, including a two-year pre-RFP consultation process, is patently ridiculous, particularly in this field. Only one (Denmark) of the other JSF partner states (Australia, Italy, the Netherlands, Norway, Turkey, and the United Kingdom) undertook a full competition. The Danish process took just under three years, and came back with nearly the same recommendation as the Harper government’s NFPS process. Other states, like Finland and Belgium, plan to execute competitions in a similar time frame. Rather, recent actions by the Liberal government are clearly and simply an effort to push off an uncomfortable and politically sensitive decision until after not just one, but potentially two more elections. Moreover, the acknowledgement that a company’s overall economic influence on a country, and other subjective elements in relation to industrial benefits will be assessed, just leads to further potential for politicization.

“Military procurement has a disappointing history in Canada, where a large portion of the blame can be laid upon political interference.”

Military procurement has a disappointing history in Canada, where a large portion of the blame can be laid upon political interference. The interim buy of Super Hornets was no different, and early signs of a full CF-18 fleet replacement program suggest the same problem. This is unfortunate, as obtaining the right equipment for the women and men of the Canadian Armed Forces to safely and effectively accomplish the tasks assigned to them should be our number one priority. From this retrospective of political folly, that should be a lesson taken to heart by the incumbent and future governments.

About the Author



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Endnotes

1 The list of tactical measures of performance was somewhat truncated from previous requests for information from industry. See Public Services and Procurement Canada, 2016, "Final Industry Engagement Request: Capability, Production and Supportability Information Questionnaire."

2 Confidential interviews conducted in 2017.

3 Confidential interviews conducted in 2017.

4 See I. P. DeCarlo, 2016, "Next Generation Pilots: Human Resource Management Challenges for the RCAF," Canadian Forces College, JCSP Service Paper.

5 Confidential interviews conducted in 2017.



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