




## A Message from the Prime Minister



Our Government took office with a firm commitment to stand up for Canada. Fulfilling this obligation means keeping our citizens safe and secure, defending our sovereignty, and ensuring that Canada can return to the international stage as a credible and influential country, ready to do its part. Rebuilding the Canadian Forces into a first-class, modern military is a fundamental requirement if we are to deliver on these goals.

We have already begun to deliver results on the *Canada First* Defence Strategy by acquiring urgently needed equipment such as C-17 Globemaster transport aircraft. Now we are setting a comprehensive, long-term plan that will provide the Canadian Forces with the people, equipment and support they need to carry out their core missions in Canada, in North America and abroad.

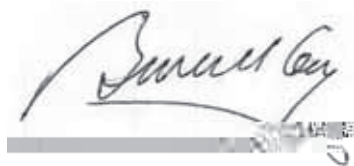
Supported by predictable, long-term funding, the Strategy not only delivers increased security for Canadians, but also significant economic benefits for citizens across the country. By unveiling a detailed plan for the future replacement of key equipment fleets, we are providing Canadian industry the opportunity to more effectively meet defence procurement requirements, and to position themselves for global excellence.

Canadians are rightly proud of the vital contributions made each and every day by our men and women in uniform. With the *Canada First* Defence Strategy and the detailed plans we have presented in this document, they should now believe that their military will have the tools and resources needed to meet the challenges of the 21st century.

## **A Message from the Minister of National Defence**

It is my privilege to introduce this comprehensive strategy for the Department of National Defence and the Canadian Forces, which builds on the vision that the Government has progressively laid out since coming to power in January 2006.

The *Canada First* Defence Strategy puts forward clear roles and missions for the armed forces, outlining a level of ambition that will enable them to protect Canadians from the variety of threats and challenges they may face in the years to come. It calls for the Canadian Forces to support the Government's broader

A handwritten signature in black ink, appearing to read "Stuart Gray", is positioned above a horizontal line. The signature is written in a cursive style.

e *Canada First* Defence Strategy provides a detailed road map for the modernization of the Canadian Forces, building on the Government's investments in the military since taking office in 2006. It will produce a first-class, modern military that is well trained, well equipped and ready to take on the challenges of the 21st century. is Strategy is based on the Government's vision for defence as

element of a whole-of-government approach to meeting security requirements, both domestically and internationally.

- Increase the number of military personnel to 70,000 Regular Forces and 30,000 Reserve Forces;
- Increase the Forces' core equipment fleets,

### **A Military with Stable, Predictable Funding**

The *Canada First* Defence Strategy is supported by a strategic investment plan based on a commitment to provide predictable funding increases over a 20-year period. Building on Budget 2006, which increased defence baseline funding by \$5.3 billion over 5 years, the Government has committed through Budget 2008 to raise the annual increase in defence funding to 2 percent from the current 1.5 percent starting in fiscal year 2011–12. Over the next 20 years, these increases will expand National Defence's annual budget from approximately \$18 billion in 2008–09, to over \$30 billion in 2027–28. In total, the Government plans to invest close to \$490 billion in defence over this period. Most importantly, the infusion of reliable funding will provide the certainty required to conduct long-term planning and meet future requirements.

### **A Military with the Right Equipment and Training**

Significant progress towards these objectives has been achieved through a number of key initiatives, including funded increases in the Regular Forces and the procurement of urgently needed equipment. In addition to the acquisition of four C-17 Globemaster strategic lift aircraft already in service, the Government is procuring 17 new C-130J Hercules tactical lift aircraft and has announced plans to acquire 16 CH-47F Chinook helicopters, three replenishment ships, 2,300 trucks, up to 100 Leopard 2 tanks and 6–8 Arctic/off-shore patrol ships.

The Government will continue to enhance the capacity of the Forces through balanced investments across the four pillars that form the foundation of military capabilities – personnel, equipment, readiness and infrastructure. Specifically, National Defence will:



## II. STRATEGIC ENVIRONMENT

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Canadians live in a world characterized by volatility and unpredictability. Looking back, it is clear that the peace dividend that resulted from the end of the Cold War was relatively short-lived. The 1990s saw the emergence of difficult security challenges, including failed and failing states, civil wars and global terrorism. Many countries, including Canada, were slow to fully appreciate and adjust to these new realities. During this period, governments dramatically under-invested in the Canadian Forces, leaving them seriously unprepared to deal effectively with this increasingly complex global environment.

Today we live in an uncertain world, and the security challenges facing Canada are real. Globalization means that developments abroad can have a profound impact on the safety and interests of Canadians at home. Indeed, the terrorist attacks of September 11th, 2001 and those carried out since, demonstrate how instability and state failure in distant lands can directly affect our own security and that of our allies.

Ethnic and border conflicts, fragile states, resurgent nationalism and global criminal networks continue to threaten international stability. In addition, unequal access to resources and uneven economic distribution are proving to be increasing sources of regional tension even as existing low-intensity or frozen conflicts in Africa, South Asia, the Middle East and the Balkans remain largely unresolved.

The proliferation of advanced weapons and the potential emergence of new, nuclear-capable adversarial states headed by unpredictable regimes are particularly worrisome, as is the pernicious influence of Islamist militants in key regions. The ongoing buildup of conventional forces in Asia Pacific countries is another trend that may have a significant impact on international stability in coming years.

Canada also faces challenges on the home front. Catastrophic events such as floods, forest fires, hurricanes and earthquakes can overwhelm local capabilities. Over the last decade, our military has been called upon to assist civil authorities in dealing with a number of natural disasters, including floods in Manitoba and Quebec, the ice storm in Eastern Canada, and forest fires in British Columbia. As Hurricane Katrina has shown in the United States, such disasters will continue to occur, often with devastating consequences, and the citizens affected will expect immediate responses.

Other challenges to domestic security include possible terrorist attacks, human and drug trafficking, foreign encroachments on Canada's natural resources, and potential outbreaks of infectious disease. Should the need arise, the Canadian Forces are ready to play an important role in supporting their emergency management partners across Canada.

In Canada's Arctic region, changing weather patterns are altering the environment, making it more accessible to sea traffic and economic activity. Retreating ice cover has opened the way for increased shipping, tourism and resource exploration, and new transportation routes are being considered, including through the Northwest Passage. While this promises substantial economic benefits for Canada, it has also brought new challenges from other shores. These changes in the Arctic could also spark an increase in illegal activity, with important implications for Canadian sovereignty and security and a potential requirement for additional military support.

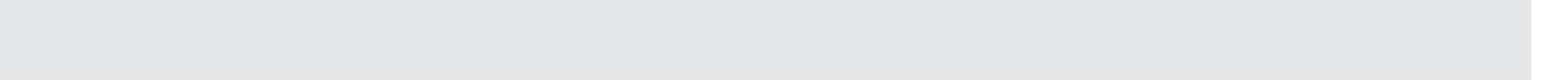
The Government has committed to making sure that Canada has the tools it needs to deal with the full range of threats and challenges to Canada and Canadians.

The *Canada First Defence Strategy* represents a major step in this direction by giving the Canadian Forces the capabilities they need to operate effectively in today's – and tomorrow's – uncertain environment.

In such a complex and unpredictable security environment, Canada needs a modern, well-trained and well-equipped military with the core capabilities and flexibility required to successfully address both conventional and asymmetric threats, including terrorism, insurgencies and cyber attacks. Indeed, Canadians expect and deserve no less than a highly capable military that can keep them safe and secure while effectively supporting foreign policy and national security objectives.

To this end, the Government is giving the Canadian Forces clear direction concerning their three roles – defending Canada, defending North America and contributing to international peace and security – as well as the types and numbers of missions it expects our military to fulfill. This level of ambition will see the Canadian Forces deliver excellence at home, be a strong and reliable partner in the defence of North America, and project leadership abroad by contributing to international operations in 318ns ns-5(d)-5()-135ns ns-5(d)-5()-315(ns )1ns-b 0 0ns-b6he ns(ns-utind)-







Providing international leadership is vital if Canada is to continue to be a credible player on the world stage.

is will require the Canadian Forces to have the necessary capabilities to make a meaningful contribution across the full spectrum of international operations, from humanitarian assistance to stabilization operations to combat.

Today's deployments are far more dangerous, complex and challenging than in the past, and they require more than a purely military solution. In Afghanistan, for example, the Canadian Forces' contribution is only one component, albeit an essential one, of a "whole-of-government" approach. Only by drawing upon a wide range of governmental expertise and resources will Canada be successful in its efforts to confront today's threats.

ese operations will often be conducted under the auspices of the United Nations and the North Atlantic Treaty Organization. Canada will continue

to support and contribute to these key international bodies. In addition, the Canadian Forces will participate, where circumstances dictate, in missions with like-minded states as a responsible member of the international community.

Projecting leadership abroad can take many forms – from taking part in a large international campaign, as Canada is currently doing in Afghanistan, to leading a specific component of a multinational operation, such as a naval task group. One thing is clear, however: Canada cannot lead with words alone. Above all else, leadership requires the ability to deploy military assets, including "boots on the ground." In concert with its allies, Canada must be prepared to act and provide appropriate resources in support of national interests and international objectives.

### Projecting Leadership Abroad: Lessons Learned from the Afghanistan Mission

- The mission in Afghanistan has demonstrated the importance of a clear, shared understanding of the mission's purpose and objectives among all participants.
- The mission has also shown the need for a strong, unified command structure and effective communication channels.
- The mission has further highlighted the importance of a robust intelligence and information management system.

## Level of Ambition – Six Core Missions in Canada, in North America and Abroad

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1. Conduct daily domestic and continental operations, including in the Arctic and through NORAD



**Conduct daily domestic and continental operations, including in the Arctic and through NORAD**

the investments required to implement the *Canada First* Defence Strategy are supported by increased, long-term funding. This commitment will reverse the damage done by major cuts to the defence budget in the 1990s. Indeed, after defence spending peaked in the waning years of the Cold War, funding for defence declined in real terms by roughly 30 percent as the government of the day

To address the problem, the Government increased defence funding through Budget 2006 by \$5.3 billion over five years, including a baseline increase of \$1.8 billion starting in 2010–11. In doing so, it established a firm foundation for the future and raised the baseline on which future efforts to rebuild the Canadian Forces will be anchored.

Moving forward from this strong footing, the Government, in Budget 2008, augmented the automatic annual rise in Defence funding from 1.5 percent to 2 percent starting in fiscal year 2011-12. Over the next 20 years, this increase is expected to expand the base of funding for the Canadian Forces.

reflects the new investments made by the Government as outlined in this document. Overall, the Government will spend close to \$490 billion on defence over the next 20 years (see Charts 3 and 3a for further details).

With this funding framework, National Defence will be able for the first time to plan for the future on the basis of stable and predictable funding, which

To deliver on the Government's level of ambition, the Canadian Forces must be a fully integrated, flexible, multi-role, and combat-capable military. They must also contribute as a core element of a whole-of-government approach to addressing both domestic and international security challenges.

Among other considerations, the Government's decisions on rebuilding the Canadian Forces are

## 1. Personnel

### Challenge:

At the end of the Cold War, the Canadian Forces had a total strength of approximately 89,000 Regular Force personnel. While this number declined to below 60,000 in the 1990s, the military's operational tempo significantly increased over the same period, placing extreme stress on Canadian Forces personnel. Operational fatigue, combined with the demographic reality of an ageing workforce, resulted over time in a "hollow force." Faced with new demands and the need to respond to new and unforeseen crises, the Canadian Forces require more recruits of higher quality with the right knowledge and skills.

While its strength has increased, at current manning levels of about 64,000 Regular and 26,000 Reserve personnel, our military is still hard pr rsepru4a 70()-106(o73et)10()2e



## Investing in People

- The Government will invest in the recruitment, training and retention of the military and civilian personnel of the Forces, including the recruitment and training of Indigenous personnel, to ensure the Forces are ready to meet the challenges of the 21st century.
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Looking ahead, several major equipment fleets will reach the end of their operational lives within the next 10 to 20 years, and will need to be replaced. Decisions on acquiring critical new systems to replace these ageing fleets must be made in the near term.

### **Canada First Defence Strategy**

#### **Previous initiatives:**

Over the last two years, the Government committed significant resources to rebuilding the Forces and made decisions related to the most urgent equipment needs while continuing the analysis supporting the *Canada First* Defence Strategy. During that period, the Government made significant commitments to acquire urgently needed equipment. This included C-17 Globemaster strategic and C-130J Hercules tactical transport aircraft, CH-47F Chinook helicopters, Joint Support Ships and trucks to increase

the deployability of the military, modern Leopard II tanks and mine-protected vehicles to enhance its combat-capability, and Arctic/offshore patrol ships to help the Forces operate in our northern waters.

These acquisitions are building a solid foundation for the continued modernization and strengthening of the military and will enable it to conduct operations more effectively and safely, both at home and abroad. However, more work remains to be done to ensure that the Forces have all the tools they need to do their job over the long term.

#### **What is new:**

Through this 20-year plan, based on a detailed assessment of requirements, the Government has committed to renewing the Forces' core equipment platforms.

These will preserve maximum flexibility in countering the range of threats facing Canada and include:



### **Destroyers and Frigates**

Starting in 2015, 15 ships to replace Canada's destroyers and frigates. While all these vessels will be based on a common hull design, the frigate and destroyer variants will be fitted with different weapons, communications, surveillance and other systems. These new ships will ensure that the military can continue to monitor and defend Canadian waters and make significant contributions to international naval operations.



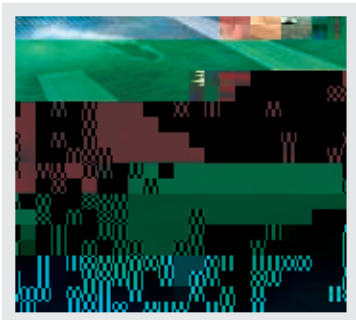
### **Fixed Wing Search & Rescue Aircraft**

Starting in 2015, 17 fixed-wing search and rescue aircraft to replace the current ageing fleet of Buffalo and Hercules aircraft. These new platforms will help improve the military's response to Canadians in distress across this country's vast territory and oceans.



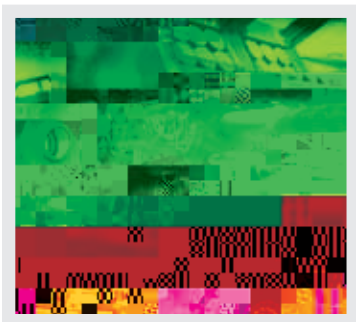
### **Fighters**

Starting in 2017, 65 next-generation fighter aircraft to replace the existing fleet of CF-18s. These new fighters will help the military defend the sovereignty of Canadian airspace, remain a strong and reliable partner in the defence of North America through NORAD, and provide Canada with an effective and modern air capability for international operations.



### **Maritime Patrol Aircraft**

Starting in 2020, 10-12 maritime patrol aircraft to replace the Aurora fleet. The new aircraft will become part of a surveillance "system of systems" that will also comprise sensors, unmanned aerial vehicles and satellites and keep Canada's maritime approaches safe and secure, including in the Arctic.



### **Land Combat Vehicles and Systems**

The progressive acquisition of a new family of land combat vehicles and systems that will provide a robust and flexible capability for Canada's soldiers on high-risk missions abroad. The earliest investments in this project will provide enhanced capabilities for use in Afghanistan.

Replacing these core platforms will require investments ranging between \$45 billion and \$50 billion in acquisition capital costs. Under accrual budgeting principles, these costs will be amortized over the useful life of the equipment, which extends beyond the time frame of the Strategy.

In addition to these major fleet replacement programs, Defence will continue to make ongoing investments in other capital projects to improve and replace key existing equipment and capabilities. These projects will focus on individual weapons, communications equipment and smaller support vehicles. Defence will also look at acquiring radars and satellites to improve surveillance capabilities, especially in the Arctic.

Translating scientific advances into military capabilities is crucial to success in operations. The new equipment that will be acquired, including the fleet of land combat vehicles and systems, the ships to replace the frigates and destroyers and the next-generation fighter aircraft, will incorporate advances in technology. New command and control elements will exploit advances in information systems, including miniaturization.

### 3. Readiness

#### Challenge:

Readiness refers to the Canadian Forces' flexibility and preparedness to deploy in response to Government direction. It encompasses the resources needed to maintain equipment, conduct training, and prepare units for operations. Over the last 15 years, the military have been forced to economize in this area. Fewer resources for training and spare parts, coupled with an increasing operational tempo and ageing equipment eroded the Canadian Forces' preparedness to undertake operations on short notice.

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## 4. Infrastructure

### Challenge:

National Defence is the single largest property holder in the federal government, owning approximately 21,000 buildings, 13,500 works (including 5,500 kilometres of roads, jetties, training areas, etc.) and 800 parcels of land covering 2.25 million hectares (four times the size of Prince Edward Island). More than half of Defence's infrastructure is over 50 years old and much of its portfolio was not designed for today's operational requirements. National Defence is also the custodian of a number of heritage buildings and has a strong program to promote environmental stewardship, including thorough cleanup and remediation initiatives.

Following budget cuts in the 1990s, the resources earmarked for infrastructure maintenance and replacement were reduced significantly. As a result, much of National Defence's infrastructure is ageing and in poor repair, and will require refurbishing or replacement over the coming years.

### Canada First Defence Strategy

#### Previous initiatives:

Beginning in 2006, the Government began to address the infrastructure issue. For instance, the new equipment acquisitions, such as the C-17 Globemaster and C-130J Hercules aircraft, include funding for associated infrastructure projects. This means that the cost of new hangars and other facilities directly related to these capabilities has already been taken into account in the overall cost of these projects. This new approach will reduce pressure on the broader infrastructure budget.

#### What is new:

To ensure that the Canadian Forces have the facilities they need, the *Canada First* Defence Strategy includes measures that will result in an overall improvement in the condition of defence infrastructure over the long term. In particular, our military will benefit from new investment and the ongoing implementation of a national approach

to responsible stewardship and risk management. In concrete terms, Defence will move from spending an average of 2.5 percent of realty replacement costs annually from 2000 to 2006, to an average level of just under 4 percent annually over the next 20 years. Sufficient resources will also be set aside for the future acquisitions required under this Strategy to build or upgrade associated infrastructure. Overall, the Strategy aims to replace 25 percent of existing infrastructure over 10 years and 50 percent over the next 20 years. In coming years, National Defence will also further improve the management of its heritage sites and continue to promote and exercise environmental stewardship in the conduct of its activities.

### Investment Plan

The *Canada First* Defence Strategy provides an affordable roadmap that encompasses initiatives in all four pillars of military capability. To ensure that the investments outlined in this document are brought forward in a coherent way, National Defence is developing a comprehensive, multi-year Strategic Investment Plan. This Plan will assist National Defence in implementing the Strategy by helping to manage the complexity involved in balancing resources across the four pillars, including the sequencing of key projects so that equipment is not delivered without the necessary personnel to operate it and the infrastructure required to support it. It will integrate funding demands from across National Defence into a single, coherent plan, and ensure that the timing of major investments corresponds to the availability of funds. This will not only minimize the risk of capability gaps, but will also ensure affordability over the next 20 years.

The first version of the Plan will be submitted to the Treasury Board Secretariat in November 2008 as

## VI. POSITIONING CANADIAN INDUSTRY FOR SUCCESS

The unprecedented commitment of long-term, stable funding over the next 20 years will directly support *Advantage Canada*, the Government's strategic plan for boosting the economic prosperity, global competitiveness and quality of life of Canadians. Indeed, the *Canada First Defence Strategy* represents a significant investment in the country's industry, knowledge and technology sectors that will yield sizeable dividends for every region of the country. It is clear, long-term plan will give these sectors the opportunity to better position themselves to compete for defence contracts in Canada and in the global marketplace.

### Global Excellence

Combined with the improved framework for competition and trade provided through *Advantage Canada*, the *Canada First Defence Strategy* will help position Canadian companies for success in the global marketplace. Its infusion of long-term, stable funding will allow industry to plan ahead, make better use of investments in capital and technology, and become more effective players in the supply chains of the world's primary defence equipment manufacturers. In short, this Strategy will help Canadian companies build global excellence and leverage Canada's competitive advantage.

### Technology and Innovation

Through Defence Research and Development Canada (DRDC), National Defence has a long history of working with Canadian industry and with its allies to develop technology that meets the needs of the Canadian Forces. As National Defence implements this Strategy, DRDC will collaborate with defence partners to derive maximum benefit from technology and ensure that the Canadian Forces continue to be a state-of-the-art military.

The significant procurement initiatives contained in this plan will also open up valuable new opportunities for Canadian industry, building on the Government's Science and Technology Strategy. Specifically, the new long-term funding framework will allow large, well-established companies in

Canada's high-value-added technology sectors to align their own manufacturing, support, and research and development plans to better support defence procurement requirements. Significant benefits will also accrue to small and medium-sized companies that have established themselves as world leaders in specific technologies. They will be better positioned to grow and expand their businesses and to invest in emerging technologies at a level that will improve the likelihood of developing a viable product. Finally, much of the technology and innovation that will be required to rebuild the Canadian Forces will have valuable commercial applications, resulting in additional long-term benefits for industry.

### A New Relationship

The *Canada First Defence Strategy* will set the stage for a renewed relationship with Canadian defence industry and research and development organizations across the country.

The Government will take specific measures to enhance its interaction with industry. For example, it will continue to improve the way it procures new equipment, fostering greater transparency and engaging industry earlier in the process. These ongoing procurement reforms will further streamline the contracting process and ensure that it continues to remain open and fair. In addition, the Government will revise the current industrial benefit policies attached to significant procurement projects with a view to encouraging industry to make long-term investments in Canada.

With the Government's significant investment in the Canadian Forces, Canadians will profit from the development of high-tech, high-value sustainable jobs in all regions – directly through the development of military capabilities and indirectly through technological spin-offs and commercial applications. It will put Canadians to work protecting Canadians. Universities and colleges will also benefit through increased opportunities to undertake cutting-edge research.

## VII. CONCLUSION

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The *Canada First* Defence Strategy represents a major milestone, and reflects the Government's commitment to rebuilding the Canadian Forces into a first-class military capable of providing enhanced security for Canadians. It strikes the right balance between what the Forces need today, and what they will likely need in the future to address a different set of security challenges. Recognizing that the global security environment and the capabilities required to deal effectively with it will continue to evolve, the Government is committed to reviewing this comprehensive plan on a regular basis to ensure that it continues to meet the needs of the military and Canadians.

The implementation of the *Canada First* Defence Strategy will give the Forces, who sacrifice so much for their country, the resources they need to perform their vital missions to a standard that Canadians expect and deserve.

This 20-year plan to rebuild the Forces, supported by an unprecedented long-term, predictable funding framework, will ensure that Canadians can depend on a military capable of delivering excellence at home, meeting its commitments as a reliable partner in the defence of North America, and projecting leadership abroad in support of international security. It will also allow the Government to develop a stronger, mutually beneficial relationship with industry. Above all, a revitalized and transformed Canadian Forces, working in partnership with the knowledgeable and responsive civilian personnel of the Department, will help ensure the safety and security of our citizens well into the 21st century.