

Ministre des Services publics
et de l'Approvisionnement
Receveur général du Canada



Minister of Public Services
and Procurement
Receiver General for Canada

Ottawa, Canada K1A 0S5

The Honourable John McKay, P.C., M.P.
Chair
Standing Committee on National Defence
House of Commons
Ottawa, Ontario K1A 0A6

Dear Mr. McKay:

Pursuant to Standing Order 109 of the House of Commons, and on behalf of the Government of Canada, I am pleased to provide a government response to the seventh report of the Standing Committee on National Defence, titled Public Procurement of the CP-140 Aurora Replacement, which was presented on November 24, 2023.

I would like to thank you and the members of the Committee for your continued efforts and dedication to supporting the Government's defence policies and programs, including through the review of major procurement initiatives such as the replacement of the CP-140 Aurora maritime patrol aircraft.

On November 30, 2023, the Government of Canada announced that it will be acquiring up to 16 P-8A Poseidon aircraft manufactured by Boeing for the Royal Canadian Air Force through the United States Foreign Military Sales program to replace the current fleet of CP-140 Aurora. Acquired in the 1980s, the CP-140 fleet provides distinct capabilities regarding maritime patrol and domain awareness. At the time of its introduction, it was assessed that the fleet would reach the end of its usable life in 2002. Investments of approximately two billion dollars have been made throughout the years to provide several life extensions to the aircraft. The fleet is now expected to reach the end of its useable life in 2030, after 48 years in service. As it ages, the CP-140 aircraft is becoming increasingly challenging and costly to sustain, and less operationally relevant in facing the threats against which it must defend.

Concurrent with the decline of the CP-140, the rapidly degrading geopolitical environment and the multidimensional threats to global security create significant challenges for Canada. This is especially true when it comes to defending its domestic security and its sovereignty, particularly in the Arctic, and promoting peace and security globally. Moreover, the pace of technology is continuing to accelerate, and Canada's adversaries are deploying increasingly sophisticated, stealthy and lethal capabilities on land, at sea and underwater against which the CP-140 is increasingly ill-equipped. This combination of circumstances has created an immediate and growing imperative for a more advanced aircraft that can operate seamlessly with allies to promote our collective defence and provide credible deterrence.

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To maintain an operational and tactical advantage over current and future potential adversaries and defend Canadian interests at home and abroad, the Canadian Armed Forces (CAF) require an upgraded capability to better identify, detect, track and potentially engage advanced surface and subsurface threats. This new capability must also possess more modern self-defence capabilities to operate in the current and future threat environment and be able to operate with allies during joint operations to meet our NATO, NORAD and other international obligations.

To identify the best capability to replace the CP-140 Aurora fleet, the Government performed due diligence when considering the various procurement options. This included the possibility of undertaking a competition, using a sole-source procurement or proceeding with a maritime patrol aircraft development program. To assess potential sources of supply, Public Services and Procurement Canada and National Defence undertook several market analysis activities, including open-source information review, consultation with allies and market assessment studies of procurement options. In February 2022, the Government also issued a request for information to industry in order to seek feedback on requirements for the CP-140 Aurora replacement, as well as on industry's interest, capacity and experience to provide an aircraft that would meet the requirements.

Following its thorough analysis of the operational requirements and procurement options available, the Government concluded that the Boeing P-8A Poseidon is the only currently available multi-mission aircraft that meets all of the Canadian operational requirements and allows for a seamless replacement of the CP-140 Aurora fleet before it reaches its expected end of life in 2030.

The Boeing P-8A Poseidon has been in full production since 2014 and can only be procured from the United States government through its Foreign Military Sales program. The P-8A is a mature and proven capability with more than 160 aircraft in service in several defence partner countries, including all Five Eyes allies as well as Norway, Germany and South Korea. As our allies will continue operating and supporting the P-8A for decades to come, procuring this aircraft ensures that the CAF will remain able to operate seamlessly with them. Lastly, as the P-8A shares significant commonality with Boeing's 737NG commercial aircraft, which is in service worldwide, it has well-established supply chains.

Canada's recent experience on complex developmental aircraft acquisitions has highlighted the significant cost and risks associated with developing a uniquely Canadian solution. The development of a Canadian multi-mission aircraft that would meet all CAF requirements would have significantly increased risks and incurred additional developmental costs. Moreover, such a solution would not have provided a replacement of the CP-140 before the end of its usable life in 2030, which would have significantly exacerbated the CAF's already existing capability gap.

Soliciting bids and pursuing a competition when it has been determined that only one solution meets the CAF's requirements within the required time frame would result in unnecessary delays and undermine Canada's ability to acquire that solution in a timely and cost-effective manner.

The procurement of the P-8A Poseidon will ensure that the CAF have the equipment they need to carry out their important work. The P-8A offers the best capability available and will support the core missions of the CAF as stated in Canada's defence policy, *Strong, Secure, Engaged* well into the future.

I remain committed to working collaboratively with key partners and stakeholders to ensure that this procurement process will secure the best value to the Crown and provide economic benefits to Canadian industry.

Yours sincerely,



The Honourable Jean-Yves Duclos, P.C., M.P.
Minister of Public Services and Procurement

Enclosures

c.c.: Mr. Andrew Wilson
Clerk
Standing Committee on National Defence

