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December 2017

# POLICY UPDATE

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## **GAMING THE CF-18 FIGHTER REPLACEMENT: THE POLITICIZING OF A MILITARY PROCUREMENT**

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Canada's elected officials are responsible and accountable for defence policy, thus making these issues political by nature. Informed political debate and civilian leadership are indeed essential in a well-functioning liberal democracy. However, politicians do a disservice to both the electorate and the nation's military members when they allow ill-conceived political promises and socio-economic preferences to distort the procurement process of military equipment. Under Canada's parliamentary system, the cycle of major Crown projects is progressively out of sync with the electoral cycle. This increasingly leads to short-term politicization (deliberately distorting analysis or judgments to favour a preferred line of thinking regardless of evidence)<sup>1</sup> of large defence acquisitions in "a political game of brinksmanship between political parties".<sup>2</sup> None is more apparent than the saga of replacing the CF-18 fighter.

The CF-18 was designed to be a 25-year aircraft that was subsequently life-extended beyond 40 years and projected to be replaced around 2025. In 1997, the Chrétien government enrolled Canada as a level three participant nation in the F-35 program with no obligation to purchase. Following significant analysis on possible follow-on fighters by the Department of National Defence,<sup>3</sup> the Harper government announced the sole-source selection of 65 F-35 aircraft in July 2010. This miscalculated decision to sidestep a formal competition initiated the politicization of the CF-18 replacement as the Conservatives made use of the proposed acquisition for partisan purposes. Without a sound communication strategy and evidence-based information, the ensuing debate became balkanized and the government's centralized message control prevented the bureaucracy from providing explanatory details. With the government unable to control the building controversies, the opposition eagerly continued the politicization.<sup>4</sup>



Figure 1: Defence Minister Peter MacKay and Industry Minister Tony Clement walk past a mock-up of the F-35 Joint Strike Fighter after announcing the government's plan to purchase 65 of the stealth jets in Ottawa on July 16, 2010. (Adrian Wyld/The Canadian Press)



In October 2014, the Harper government's decision to deploy CF-18s to Iraq provided the Liberals with the opportunity to use the CF-18 as a political prop. Although dismissed by many as juvenile humour, Justin Trudeau cleverly delivered classic feminist rhetoric that portrayed the CF-18 deployment as Harper "whipping out" a male appendage "to show the world how big they are". This was a legitimate assertion in the arena of political debate aimed at reshaping the issue and one that was no doubt well-polled prior to establishing the future prime minister's feminist credentials. However, this articulation presaged a continuing failure to appreciate the importance of a fighter force and the need for a mature approach to its replacement, free from political interference.<sup>5</sup>

The Trudeau government was elected in 2015 on a platform that promised transparency and evidence-based policy. Interestingly, the Liberals lifted a play from the Chrétien Red Book in politicizing a major military platform for cancellation.<sup>6</sup> The Liberal manifesto, *Real Change*, delivered mixed messages in stating, "We will not buy the F-35 stealth fighter-bomber. We will immediately launch an open and transparent competition to replace the CF-18 fighter aircraft."<sup>7</sup> This parochial promise may have been good political strategy, but it severely undermined the reasonable pursuit of a follow-on fighter. In fact, within one year of being elected, the Trudeau government repeated their predecessor's behaviour which they had roundly criticized, and unexpectedly announced the sole-source procurement of 18 Super Hornets with the promise of a competition by the end of their mandate.<sup>8</sup>



Figure 2: Two U.S. Navy F/A-18 Super Hornets of Strike Fighter Squadron 31 fly a combat patrol over Afghanistan, Dec. 15, 2008. (U.S. Air Force)



This so-called interim buy immediately drew overwhelming criticism from all quarters due to its lack of both transparency and evidence. In an effort to support this decision, Defence Minister Harjit Sajjan made use of alternative facts to create a capability gap that the government alleged demanded this drastic interim measure. Prior to that point, the Commander of the Royal Canadian Air Force was confident the CF-18s would meet operational needs until 2025, before the government “changed the policy with the number of aircraft I have to have”.<sup>9</sup> At the same time, the government’s transparency promise took another significant hit when it required all personnel working on the project to sign an unprecedented non-disclosure agreement to prevent the military’s factual analysis from being disclosed. Despite open opposition from the Senate and overwhelming evidence led by 13 previous RCAF commanders in an open letter to the prime minister – as well as most academics and experts agreeing that such a purchase was unnecessary and would likely emasculate the fighter force due to personnel shortages<sup>10</sup> – the government was determined to move ahead. That was until the Super Hornet’s manufacturer, Boeing, successfully petitioned the U.S. Commerce Department to impose a countervailing duty on Bombardier’s C-series aircraft for unfair trade practices. With mock indignation, once Boeing’s complaint was negated by a C-series production deal between Airbus and Bombardier, the government walked away from the U.S. government’s approved purchase of Super Hornets and is today considering the acquisition of used Australian F-18s.<sup>11</sup>

Where is the capability gap that was so imminent as to require the \$7 billion sole-source purchase of Super Hornets? Why has the government not commenced the promised competition immediately if the need is so urgent? The answer is simple – political gamesmanship. The Liberal government never intended to provide the money for the full fighter replacement in the near term. It is clear from their stated timelines that a decision on the platform and allocated funding is two elections away.<sup>12</sup> The evidence also points to the unsettling realization that the government was willing to use the fighter force as the sacrificial lamb in the Bombardier/Boeing dispute and intended to draw upon the fiscal framework of the permanent replacement for the CF-18s to support this veiled intercession.<sup>13</sup> Despite all the evidence against the Super Hornet purchase, it was the pawn that the government offered as an incentive to Boeing to leave Bombardier alone. In effect, a federal subsidy in disguise.

It is curious that the electorate isn’t more concerned over the gamesmanship of political parties who are playing with the lives of Canadian military personnel and large sums of taxpayer funds. The Chrétien government’s politicization of the EH-101 helicopter<sup>14</sup> cost taxpayers \$500 million to cancel the contract and the Trudeau government was willing to spend \$7 billion on a fighter no one wanted, for a capability gap that does not exist. Although the government’s defence policy statement, *Strong, Secure, Engaged*, was well-received, its credibility is suspect when its principal author resorts to the use of alternative facts to pursue a political agenda. The search for used F-18s indicates that the capability gap will be one of the Liberal government’s own making as it consciously delays the promised competition for partisan purposes.

The debate over the CF-18 replacement has never been about filling a military need. It has been all about fulfilling misguided political promises and solving the government’s parochial socio-economic issues over defence requirements. Whether one rationalizes it as terminological



inexactitudes, or as my former elementary school teacher would say, “bold-faced lies”, the evidence leads to the conclusion that the government has been deliberately distorting analysis to favour the purchase of Super Hornets and further delay the promised competition. The Standing Committee on National Defence’s deliberate shaping of the narrative to promote the purchase of the Super Hornet in its report on *Canada and the Defence of North America: NORAD and Aerial Readiness*,<sup>15</sup> Sajjan’s alternative facts that created the capability gap, and the immediate reversal of the Super Hornet purchase – once it became known that Boeing could not be bought<sup>16</sup> – all provide evidence of the government’s intentional manipulation of the process.

The real question though is whether the political capital that the government has already expended, with the resulting loss of credibility and integrity, will have political consequences. Using funds allocated for the long-term viability of the fighter force for short-term support to Bombardier will not sit well with many constituents who continue to question the “[p]olitics, pandering, and pork for a Quebec conglomerate”.<sup>17</sup> For most of the electorate, it will not be a question of regional subsidies, but one of feeling manipulated by government double-speak over a wide range of issues,<sup>18</sup> including the CF-18 replacement. If the Liberals wish to prioritize funding for social programs, then they should be up front and honest. If the government wants to assist a Canadian company under duress, then it should find solutions that do not jeopardize national security. If the current government wants to regain the public’s trust, it is time to stop politicizing the CF-18 replacement and immediately run a balanced competition to which they signed up, free from political gamesmanship.



<sup>1</sup> “Politicization can manifest itself in many ways, but in each case it boils down to the same essential elements: ‘Almost all agree that it involves deliberately distorting analysis or judgments to favor a preferred line of thinking irrespective of evidence ...’” – Guarding Against Politicization – A Message to Analysts – Robert Gates, March 16, 1992, online at [https://www.cia.gov/library/center-for-the-study-of-intelligence/kent-csi/volume-36-number-1/html/v36i1a01p\\_0001.htm](https://www.cia.gov/library/center-for-the-study-of-intelligence/kent-csi/volume-36-number-1/html/v36i1a01p_0001.htm)

<sup>2</sup> Remarks by Dr. Craig Stone, Conference Report, “Creating A Big Bang: Implementing the Procurement Ambition in Strong, Secure, Engaged,” Canadian Global Affairs Institute, Oct. 26, 2017, 8-9.

<sup>3</sup> Over 40,000 person-hours were expended in analysis of potential options to replace the CF-18 fleet conducted by public service subject-matter experts in the National Fighter Procurement Secretariat with the results verified by an independent review panel in 2014. The basis for a truncated competition in 2018 is readily available. Accessed on Nov. 28, 2017 at <http://www.tpsgc-pwgsc.gc.ca/app-acq/amd-dp/air/snac-nfps/cdp-nr-eng.html>

<sup>4</sup> Richard Shimooka, *The Fourth Dimension: The F-35 Program, Defence Procurement, and the Conservative Government, 2006-2015*, The Conference of Defence Associations Institute, September 2016, 19.

<sup>5</sup> See Kim Richard Nossal, “Complexities of Foreign Policy Bipartisanship: Lessons From Canada,” *Australian Institute of International Affairs*, Nov. 6, 2017.

<sup>6</sup> The Chrétien government politicized the EH-101 helicopter purchase announced by the Mulroney government and promised to kill the EH-101 if elected. This resulted in \$500 million in cancellation costs, government manipulation of the competition that chose the problem-plagued Cyclone helicopter, and delayed the replacement of the Sea King helicopter by 20 years. See Chapter 2 in Kim Nossal, *Charlie Foxtrot: Fixing Defence Procurement in Canada*, (Toronto: Dundurn, 2016).

<sup>7</sup> Liberal Party of Canada, *Real Change: A New Plan for a Strong Middle Class*, 2015, 70.

<sup>8</sup> Murray Brewster, “Liberals to Buy 18 Boeing Super Hornet Fighter Jets to Fill ‘Capability Gap’: Competition to Replace Fleet Could Take up to 5 Years,” *CBC News*, Nov. 22, 2016 online at <http://www.cbc.ca/news/politics/fighter-jet-purchase-announcement-1.3862210>

<sup>9</sup> Evidence, Proceedings of the Standing Senate Committee on National Security and Defence. 42nd Parliament, 1st Session, No. 25, Nov 28, 2016, p. :91 online at <https://sencanada.ca/Content/SEN/Committee/421/secd/pdf/09issue.pdf> ; Also see the article and update to David Pugliese, “RCAF’s Lt.-Gen. Hood throws a monkey wrench into Liberal claims about CF-18s”, *Ottawa Citizen*, Nov. 25, 2016, where Defence Minister Sajjan’s office produces an apocalyptic requirement where all fighter commitments are required to be “available on any given day” that is not replicated for any other platform. Online at <http://ottawacitizen.com/news/national/defence-watch/rcafs-lt-gen-hood-throws-a-monkey-wrench-into-liberal-claims-about-cf-18s>

<sup>10</sup> Lee Berthiaume, “Senate Committee Calls for Liberals to Kill Interim Super Hornet Purchase,” *Canadian Press*, May 8, 2017; “Open Letter to the Prime Minister from Former Air Force Commanders,” *Canadian News Wire*, Feb. 23, 2017 – Of note, the lead author, Gen. (ret’d.) Paul Manson, is a former chief of the defence staff and the lead military officer in the gold-standard purchase of the CF-18s; David McDonough and Brian Lee Crowley, “Should We Purchase Interim Super Hornets? A Survey of the Experts,” Macdonald-Laurier Institute, June 2017.

<sup>11</sup> Steven Chase and Nicolas Van Praet, “Ottawa Suspends Talks with Boeing over Super Hornet Jet Purchase,” *Globe and Mail*, June 1, 2017; Statement – “Exploring Options to Supplement Canada’s CF-18 Fleet,” Public Services and Procurement Canada, *PR Newswire*, Oct. 9, 2017.

<sup>12</sup> Minister Sajjan has stated that the competition will commence before the end of this government’s mandate and will take five years to complete. This, coupled with the fact that significant increases in projected DND capital spending do not appear until the 2024/2025 timeframe, indicate that the Liberal government has never had the intention of procuring a fighter quickly. – See Projected DND Capital Spending in note 12; See Paul Wells, “Why Military Funding in Canada is in Such a Lousy State,” *Macleans*, May 4, 2017.

<sup>13</sup> “Defence officials have subsequently indicated that the funding set aside in the fiscal framework for the permanent replacement of the CF-18 will be used to cover the costs of the interim fighter project, but this leaves open the question of where funding for the full time CF-18 will come from. This also raises the issue of whether the costs, which are unknown, but which leaked information indicates could range between \$5 billion to \$7 billion, are worth the return on investment. Further, the difficulty of creating two separate fleets presents a number of problems for the RCAF which already has difficulty maintaining



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sufficient numbers of pilots and skilled maintainers for its single existing fighter fleet.” – David G. Perry, “2016 Status Report on Major Equipment Procurement,” *SPP Research Paper*, vol. 10:22, Canadian Global Affairs Institute, September 2017, 6.

<sup>14</sup> See note 6, Nossal, 2016; David Perry, “Creating a Big Bang: Projected DND Capital Spending (\$B),” chart presented at the Canadian Global Affairs Institute 5<sup>th</sup> Annual Defence Procurement Conference – Panel 2, Oct. 26, 2017, online at <http://www.cpac.ca/en/programs/public-record/episodes/54495382>

<sup>15</sup> See Alan Stephenson, *Symbolism and the CF-18 Replacement*, Canadian Global Affairs Institute: Policy Update, November 2016.

<sup>16</sup> Boeing International president Marc Allen corroborated this linkage in an interview. “Mr. Allen urged the federal government to stop making a link between Boeing’s case against Bombardier and the Super Hornet contract ... ‘Do we think the two should be tied together? No, we don’t think they should be,’ Mr. Allen said. ‘If you ask me my opinion, I wouldn’t want the U.S. government trading national security for trade.’” – Daniel Leblanc, “Ottawa Seeks Second-Hand Jets from Australia amid Boeing, Bombardier Dispute,” *Globe and Mail*, Sept. 5, 2017.

<sup>17</sup> National Post View, “The Liberals’ Money-Wasting, Defence-Shirking, Politically Craven Jet Circus Gets Worse,” *National Post*, Sept. 8, 2017, online <http://nationalpost.com/opinion/np-view-the-liberals-money-wasting-defence-shirking-politically-craven-jet-circus-gets-even-worse> ; Also see Andrew Coyne, “The Odd Merger of Bombardier and the Canadian Government,” *National Post*, Sept. 22, 2017.

<sup>18</sup> Paul Wells identifies a number of issues where the Liberal government is vulnerable at the midpoint of their mandate. Paul Wells, “Justin Trudeau at the Halfway Point, or the Precipice,” *Macleans*, Oct. 19, 2017.



## ► About the Author

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**Col Al Stephenson** (Ret'd) is an aviation consultant and a 35-year veteran of the Canadian Forces. Stephenson's knowledge of NORAD and NATO follows from his experience as a CF-18 pilot and staff officer at all levels of command. He holds a PhD from Carleton University and is also a CGAI Fellow.

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