



DND photo FA2013-3001-13 by Sergeant Paz Ouiliké.

A new CH-147F *Chinook* medium-to-heavy-lift helicopter on its delivery flight to Ottawa, 25 June 2013.

Procurement, Optics, and Cyclones

by Martin Shadwick

Equipment and procurement issues, broadly defined, continue to dominate much of the public face of defence in Canada. By no means a new phenomenon—recall, for a moment, the media firestorm that engulfed the Mulroney government's plans for the EH101 maritime and search and rescue helicopter in the early-1990s—this tendency has been reaffirmed of late by the extensively reported travails of the RCAF's CF-18 *Hornet* replacement and Fixed-Wing Search and Rescue (FWSAR) aircraft projects. Other examples include the Arctic Offshore Patrol Ship (AOPS) and the oft-redefined (and now arguably mislabelled) Joint Support Ship (JSS), and the debate over the acquisition, and ultimate cancellation, of the army's proposed Close Combat Vehicle (CCV).

This is not to lament, in absolute terms, the current levels of media, academic, and other interest in important, and correspondingly expensive or extremely expensive, equipment and procurement initiatives. Indeed, one would like to see an expansion of such coverage and analysis on the premise that the more Canadians know about defence, defence procurement, and defence policy, the better, be it through high-quality reportage and analysis, through the activities of 'think tanks' and research

institutes (be they university-affiliated—now significantly less likely in the regrettable absence of the Security and Defence Forum—or independent), through the activities of the Office of the Auditor General (OAG) and other agencies, or through sundry other mechanisms and outlets, including high-quality websites and blogs. In comparative terms, however, there is a risk that a single-minded (if entirely understandable) preoccupation with politically controversial or technologically and/or fiscally troubled capital projects could unintentionally and unduly divert attention from their more successful—or at least *comparatively* more successful—brethren. On the aerospace side, this produces a focus upon the trials and tribulations of CF-18 replacement and FWSAR, while essentially ignoring, for example, the delivery in 2014 of the fifteenth and final CH-147F *Chinook*—a project that more than restored, both qualitatively and quantitatively, a medium-to-heavy lift transport helicopter capability that should not have been allowed to lapse in the early-1990s. On the naval side, it produces a focus upon the machinations of the JSS and AOPS projects while ignoring the technical, budgetary and scheduling successes of the modernization and life extension initiative for the twelve *Halifax*-class patrol frigates. Similarly, on the army side, it produces comparatively heavy attention to CCV, while largely overlooking the successes of the LAV III upgrade.



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Much more importantly, an undue or unbalanced preoccupation with troubled (or *perceived* to be troubled) procurement initiatives also runs the risk of diverting media, public, and political attention from other vital questions and challenges surrounding the Canadian Armed Forces (readiness at a time of intense fiscal restraint, for example), as well as from the *core* issue: the appropriateness and credibility (or otherwise) of broader Canadian defence at a time of intense fiscal pressures, and a troubling and unstable geostrategic environment. Expressed another way, we need a more holistic approach—one that combines the best of informed, frank, and candid analysis of often controversial procurement initiatives, with a recognition that not all procurement initiatives are inherently flawed ‘boondoggles,’ and an understanding that there is infinitely more to defence than defence procurement.

That is, arguably, a prudent goal at any time, but, as Jeffrey Simpson and others have reminded us, the relationship between defence economics, defence procurement, defence policy, and the broader political optics of national defence are unusually complex at the present time. Part of that complexity reflects fiscal and geostrategic realities that would challenge any government, but it arguably also reflects Simpson’s analysis, articulated in his *Globe and Mail* column of 28 June 2014, that “Canada’s Conservative government loves the idea of the military; it just doesn’t always like the military.” The “idea of the military conforms to the Conservatives’ sense of the country and its history—‘true north, strong and free’—and

the idea of the military fits the party’s political agenda. So we have monuments to the War of 1812, a National Day of Honour to recognize the Afghan mission, military ceremonies at home and abroad and, most recently, the announcement that [\$83 million] will be spent over the remainder of the decade to commemorate military history and veterans.” Meanwhile, “while all this is being done for public consumption, the defence budget—which is, after all, what reflects any government’s real policies—is now smaller after accounting for inflation than in 2007, not long after the government was elected with a pledge to boost military spending.”

For “a variety of reasons, [procurement] projects get delayed, run over budget or don’t get built at all. At each stage, the government looks bad.” The resulting headlines, posits Simpson, “got the government very annoyed at the military, as opposed to the idea of the military.” It is “still easier politically, and less costly financially,” he observes, to be in love with illusions about the military and its past glories than with the hard realities of today’s military and its requirements.” The fiscal realities confronting defence in Canada today effectively torpedo the ‘warrior nation’ hypothesis advanced in some academic and other circles in recent years, but, to others, the result may simply be a paradox—the language of a ‘warrior nation,’ but not the budget or military capacity of a ‘warrior nation.’

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The Harper government can take some solace in the fact that the Sikorsky CH-148 *Cyclone* maritime helicopter, memorably and not inaccurately characterized by former defence minister Peter MacKay as “the worst procurement” in the history of Canada (“and that,” wryly noted the *Canadian American Strategic Review*, “is up against some pretty stiff competition”), was ordered in 2004 by the Liberal government of Paul Martin to replace the long-serving Sikorsky CH-124 *Sea King*. The *Sea King*’s original intended successor, a Canadianized variant of the Anglo-Italian EH101, dated back to the Progressive Conservative governments of Brian Mulroney and Kim Campbell, but was unceremoniously cancelled by incoming Liberal Prime Minister Jean Chretien in 1993. His government’s 1994 white paper on defence promised a less expensive and more appropriate alternative for the post-Cold War era, but the following ten years were effectively squandered by what Chretien biographer Lawrence Martin characterized as “a decade-long marathon of indecision, unconscionable delays, and political meddling in helicopter procurement requirements...” The Martin government, having grasped the reality that the *Sea King* would not last forever, authorized a new maritime helicopter competition, pronouncing the CH-148 *Cyclone*—a member of the S-92/H-92 family—the victor in July 2004. Under the terms of the 2004 contract, Sikorsky was to provide “28 fully-integrated, certified and qualified helicopters with their mission systems installed...” Delivery of the first *Cyclone* was pegged for November 2008.

Optimistic—indeed, imprudently optimistic—from the outset, the original delivery schedule was soon invalidated by the myriad challenges inherent in developing a full-fledged, multi-role maritime helicopter from the baseline H-92, itself a militarized variant of the civilian S-92. Accordingly, the contract was amended in December 2008 “to reflect a new, tiered schedule with delivery of interim helicopters beginning in November 2010, and delivery of fully compliant helicopters beginning in June 2012.” It was amended for a second time in June 2010 to provide for the “delivery of the first six interim helicopters with a preliminary version of the mission software starting on November 30, 2010.” Following a September-October 2013 “options analysis, overseen by [an] independent third party, on the way forward for a maritime helicopter capability”—interpreted by some as a genuine review of alternatives to the *Cyclone* and by others as mere ‘political theatre’—contract amendments three and four were signed in April and June 2014. With these amendments, the government and Sikorsky expressed confidence “that Canada will see delivery of helicopters with the level of operational capability required to begin retirement of *Sea Kings* in 2015, and that a [program] to enhance those capabilities will culminate in the delivery of a fully capable CH-148 *Cyclone* [maritime helicopter] in 2018.”

As part of the contract renegotiation process, Canada agreed to forego a number of *Cyclone* features, including the ability to



DND photo PM08-0001. © Sikorsky Aircraft Corporation

Composite image of the CH-148 *Cyclone* in flight.

secure the helicopter's rear ramp in various positions during flight, unobstructed hand and footholds for technicians to conduct maintenance, the ability to self-start the helicopter in very cold weather conditions, selected crew comfort and ergonomic features, and, disconcertingly, a system to automatically deploy personnel life rafts in emergency situations. Drawing by far the most criticism, but stoutly defended by Ottawa, was the decision—labelled the “biggest concession” by *Defense Industry Daily*—to “default to FAA civilian standards under FAR Part 29, instead of insisting on [a] 30-minute [run-dry] capability if the main gearbox loses all of its [lubricating] oil.” The latter decision is likely to fester for an extended period of time.

Although undoubtedly exasperated by the repeated and lengthy delays (a decade in the case of fully-operational *Cyclones*), the capability walk-backs and the embarrassing political optics—even though a Liberal government actually purchased the still-not-ready-for-prime-time *Cyclone*—the Harper government arguably had few realistic alternatives to the third and fourth contract amendments with Sikorsky. Abandoning the *Cyclone* would have carried profound political, military, financial, industrial, and legal implications,

and, lest we forget, would have left Ottawa in need of yet another would-be successor to the already 51-year old *Sea King*. Those would-be successors, moreover, have their own issues. Sikorsky's ubiquitous *Seahawk* has been an export success, but because of its smaller size and other characteristics, it has traditionally had few admirers in the Canadian military. The AgustaWestland AW101 offers intriguing operational attributes, but a return to the EH101/AW101 family after all these years would unearth some messy political baggage. The NHIndustries NH90, while also possessing intriguing operational characteristics, has encountered its own technical issues and delays, thereby forcing some frustrated customers (the RCAF and RCN are not alone!) to accept helicopters in interim configurations. That said, Sikorsky would be unwise to flirt with yet another contract amendment.

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DND photo FA2006-42, © Sikorsky Aircraft Corporation

Another composite image of the CH-148 *Cyclone* in flight.