

SOCO (Single Over-riding Communications Objective): *Canada is bounded by three oceans, with the world's largest coastline, the second largest continental shelf, and the fifth largest exclusive economic zone. As a trading nation we depend on the oceans and waterways. That means that Canada is by definition a maritime nation, although it seems few appreciate that, and what it means in terms of national capability. The potential challenges to national security that exist as a result of that dependence are complex which is why Navy Day 2016 is important as it generates the dialogue which in turn fosters a better understanding of these challenges.*

Key facts (what are the three most important facts to remember as a result of these engagements)?

- 1) Canada is a Maritime Nation.
- 2) We have not always equipped our naval forces, coast guard and other government fleets accordingly. The government is working towards giving predictability needed for Canada's shipbuilding industry to thrive and guarantee a new generation of jobs and ships for tomorrow's sailors.
- 3) Ships are being built, and we need to keep the current momentum in order to ensure the Navy and coast guard are prepared for the evolving demands of the 21st century. Moreover, thousands of well paying, long-term jobs rely on these initiatives.

On Canada as a Maritime Nation:

- As a Maritime nation, bordered by three oceans and with the longest coastline of any country, Canada relies on shipping to import and export goods, and our ports are an essential part of that economy.
- Roughly 75 percent of the surface of the earth is covered by water and all but about 30 states have ocean borders – the sea plays an important role in most of our lives. Not only are the world's oceans a means of sustaining life, they are a source of food, resources, and energy, and are the great highways upon which we depend for much of our commerce and transportation.
- The oceans are a dominant influence on our way of life – it follows that misuse of the oceans, particularly environmental abuse and unlawful constraints on their use, constitutes serious threats to both global and national security.
- Predictably, the oceans have been subject to increasing political control over the years, and navies have evolved as one of the means by which states exercise control over the oceans, or select parts of them.
- To be sovereign at sea, a state must be able to control whatever takes place in the waters under its jurisdiction. This applies to the territorial waters within 12 nautical miles of the shore, to the waters of the 200-mile Exclusive Economic Zone (EEZ), and to the adjoining areas of the continental shelf.

- It is equally important for Canadians to realize the legal ramifications of not maintaining the capability to control activities in those waters. The Navy League of Canada believes this is an abrogation of sovereignty.

On Marine Industry:

- The National Shipbuilding Strategy is the logical cornerstone of the Government of Canada's revitalization plan for the future of the RCN/CCG.
- The NSS is a confirmation of the importance of shipbuilding, the marine industry and Canada's Navy/Coast Guard. Over the next two decades, the NSS will enable the RCN and Canadian Coast Guard to evolve their fleets to meet future demands and challenges.
- Each of the vessel classes to be delivered by the NSS is essential to Canada's security and sovereignty.
- The Canadian marine sector essential to Canadian sovereignty.
- Canada's marine industry is diverse, technically sophisticated, involves all the major sectors of our national industrial base, and generates a highly skilled workforce.
- Fundamental to the success of the NSS is the maximization of this significant national investment to achieve best value. Furthermore, this strategy will positively influence the economic impact across Canada, in support of our maritime industry.
- Time is a large factor in the success of the NSS, as program slippage has a devastating impact on both capabilities and quantities delivered. For example, defence-specific inflation is losing up to \$1 million a day in buying power - for every three years these projects are delayed, the navy's new fleet is reduced by one major surface combatant.
- The long-term benefits of this strategy will greatly come to assist Canada's middle class by not only providing thousands of well-paid, high-skilled jobs in the shipyards, but also spur innovation and commerce across all industries in Canada.

Why Canada:

- **Canada or Abroad?** We all seem to agree with the need to replace Canada's fleets but question where the ships should be built: in Canada or abroad?
- **We need to compare apples to apples.** This is an important question for Canada to ensure that essential national capabilities are obtained at a reasonable cost. Media reports speculate over the cost differentials to build offshore versus domestically. However, these reports typically do not reflect the total program costs of an offshore build, whereas the Government of Canada requires total program cost estimates to be reported. Therefore, there is a need to compare total program costs, versus individual ship costs when ascertaining best value for money.
- **Some Canadian requirements are unique.** Canada needs ships designed to meet future requirements to operate without restriction in Canadian waters, as well as deploy world-wide in support of Canadian foreign policy. This means that ships designed for the RCN/CCG must be able to operate in some of the most unforgiving waters in the world. Ships that are not designed for prolonged operations over strategic distances, whilst operating in drastically different climate conditions, simply will not meet Canada's requirements. Moreover, to meet its

mandate, the RCN must also be able to deploy for a prolonged period, with minimal support, to anywhere in the world at short notice.

- **Stay the Course.** Government needs to be encouraged to continue with their commitment to minimize program delay and ensure the promised ships are delivered. Will there be a need to ramp up skills and capacity? – Yes, but once established it is a small premium to pay to have the capability to design and build ships that meet Canada’s demanding and unique operating conditions and to have the ability to maintain and support these ships in Canada in a cost effective manner throughout their service life.

On Canada’s “Track record”:

- **The “CPF Experience.”** The best comparison is the design and build of the twelve Halifax-class Canadian Patrol Frigates that were designed in the mid-eighties and delivered from 1992 to 1997.
- At the time, the Canadian shipyard and industrial base was, if anything, less capable than it is today. In the end, Canada received twelve exceptionally capable ships at prices comparable to the design and build of other similar western warships.
- Two studies, one done by DND and one independent, pegged the overall cost of these ships to be within 7% to 12 % of ships built offshore.
- This project created numerous world class industrial capabilities that still exist in Canada, created thousands of jobs and have allowed these ships to be largely sustained by Canadian industry.
- **Not just frigates.** In the past two decades, Canada has successfully designed, built, and delivered three different ship classes for the Royal Canadian Navy. The Halifax-class frigates, Kingston-class Maritime Coastal Defence Vessels, and the Orca-class training vessels.
- Canada has a long history of successful naval and government shipbuilding and maintenance.
- Vancouver Shipyards Co. Ltd. has begun construction on the Offshore Fisheries Science vessels, which will provide essential research and environmental stewardship services.
- Irving Shipbuilding Inc. has commenced building the Arctic Offshore Patrol Ships for the RCN, which will provide surveillance in Canadian waters, including the Arctic.