

June 27, 2016

Hon. Harjit Singh Sajjin MP  
Minister of National Defence

Subject: Defence Policy Review Roundtable on July 6, 2016

Dear Minister,

Thank you for the invitation. This is a unique opportunity to influence the thinking of our political leadership in this important policy area. Let me say at the outset that I am representing not just my own company – Honeywell/COMDEV – but the entire Canadian space sector. Like most of my industry colleagues, thinking about how we can use our skills and expertise to advance Canada's defence and security capabilities are part of our everyday lives. Our engineers and technicians use their knowledge and ingenuity to solve problems and meet challenges every day. Perhaps I come to the subject from a somewhat different perspective as a 'space guy.' We don't build ships or planes or tanks – important as they are to the modern battlefield. But, we connect all of these capabilities, we help to identify where danger lies, and we assist significantly with the capacity of the Canadian Forces to get the job done.

Again, like most of us, I have been involved in the development and advocacy of policy and program proposals to the government for many years. Everyone at the roundtable was involved in the work done by the Hon. David Emerson on Aerospace and Space; and, of course, Tom Jenkins with his study on Leveraging Military Procurement. We all support advancing industrial objectives, but understand that first and foremost, we must meet the Canadian Forces' needs and objectives - may I say, without breaking the bank. In the space business, our advocacy efforts with government go back to 2002, and have carried on since. And, I can tell you we haven't always had a receptive audience. The last DND Space Policy was approved in 1998 and a subsequent attempted update in 2010 was never adopted. This inertia in establishing space policy, which provides purpose and direction, is mirrored in the federal response to Emerson's Aerospace and Space reports from 2013, which were accepted by the Canadian government, but has had very little of the space industry's recommendations implemented. It is increasingly difficult for a vibrant industry to invest and develop the resources and capabilities it will need when there is a lack of direction from the national government. For something as critical as space capability, this needs to be addressed.

Participating in this Defence Policy roundtable comes at a unique time for the space sector. We are currently involved in a review of space priorities with your colleague, the Minister of Innovation, Science and Economic Development, Navdeep Bains; and our sector is also feeding into the Science Review of your colleague the Minister of Science, Kristy Duncan.

The Defence Review, in my view, should draw in the best of innovation and science to advance our collective security and national defence interests. Defence and space are a natural fit for Canada. Most Canadians know and are rightly proud of the fact that Canada was the third nation in space with the launch of Alouette 1 in 1962. But, I would be surprised if many Canadians were aware that Alouette 1 was designed and developed at the Defence Research Bureau in Shirley's Bay in Ottawa. Since Alouette, Canada's space industry has been an integral part of Canada's national defence and security capability. Initially, we launched satellites to communicate. Then, we recognized that other requirements could only be met with space-based assets. Today, the conduct of military operations places tremendous reliance on space-based information capabilities. We continue to increase our reliance on space-based assets to collect intelligence and provide strategic, operational, and tactical information across the depth of the battlefield. Because information is absolutely critical to the success of military operations, the deployment and operation of satellites are an effective strategic force multiplier, particularly in a nation with the size and geographic diversity of Canada. The global space industry is going through a rapid transformation with the introduction of smaller, flexible spacecraft and the leveraging of commercial capabilities for communications, surveillance and other

applications, allowing for responsive program delivery at lower cost to meet operational needs in timescales of 2-5 years rather than 10-15 years. This is a tremendous opportunity for Canada to take a leadership role in implementing such technology advances, meeting our domestic needs and supporting our allies, while spurring Canadian industry to create jobs, realize spinoff benefits, and provide exports.

Canadian-made space systems watch over Canada's massive landmass using the Radarsat family of satellites – the Radarsat Constellation Mission will continue this important work when launched in 2018. Our coastal approaches and high Arctic region are secured with Canadian developed AIS satellites that provide near real-time maritime situation awareness to our defence and security community. Communications satellites connect Canadians, but also provide essential capabilities for our national defence and security needs, for our expeditionary forces, for first responders, and for other Canadian Forces assets deployed around the globe. Canada is an active participant in providing space assets for space situational awareness in concert with our allies. It is clear that Canada has a world-class industrial capability to provide space assets and exploit the downstream data generated, and it is essential that we leverage this capability to provide sustainable domestic economic benefits. Every major space-faring nation has a dynamic government space program, both military and civil, supported by their domestic industry, which catalyzes their industry's ability to address the commercial space market. While meeting operational needs is the priority, utilizing Canada's domestic industrial capabilities needs to be actively supported in the defence procurement process, in particular for near term upcoming space procurements such as the Enhanced Satellite Communications Program, the next generation of Radarsat capabilities, Medium Earth Orbit Search and Rescue (MEOSAR) Transponders, and Surveillance of Space 2 (SoS2). This should include early involvement of domestic industry players in discussing requirements with DND prior to issuing RFIs or RFPs, so that the opportunity to use Canadian capabilities and expertise are optimized.

I am more encouraged today than I have been in many years that we are moving in the right direction. I think that the many reviews that the government has initiated are essential to chart the way forward in a rapidly changing world. And in defence, we have seen changes in the Department's view of space. Space has always been an orphan at DND. Important, but not at the 'big table.' I am pleased that in recent years, we have seen a new focus on space – and cyber – as important strategic capabilities that will shape the future operational picture. In the past, space was always a joint capability. As such, it was difficult for space to make it to the top of any Commanders' priorities. There was always a ship, a truck or an aircraft – or some other essential capability that found precedence over space capabilities. In today's world, and more so in the future, space-based capabilities will provide the key to meeting operational needs successfully. Let me say that moving space under the wing of the Commander of the Royal Canadian Air Force is excellent news. Now, space has a three-star at the table to present its case.

And, it could not have happened at a better time, as the government is considering Canada's future defence needs. Our NORAD and NATO Alliance partnerships, our commitments in the Middle East, and our needs here at home, in the Arctic and, of course, our procurement priorities and challenges will all be central to your decision making. Canada being a provider of space-based capabilities to effectively meet domestic needs and international obligations is an opportunity to address these issues and meet the government's innovation agenda.

Space is but one example of the incredible talent and industrial capacity of Canada's defence industrial base. Much like the Canadian Forces, Canadian industry is a solid partner and a steady hand behind the scenes. Collectively, we are among the best in the world – in scientific excellence, engineering, innovation and cost effective program implementation. Certainly, the export performance of Canada's aerospace, defence and space sectors speaks volumes. We are world leaders. As you consider the way forward for Canada's national defence policy, I would ask you to consider us as a key part of your defence strategy. The value and strength that a strong, energized, innovative and growing Canadian industrial team can provide to Canada's defence and security requirements should not be forgotten. We are your suppliers, but above all we are your partners.

Thank you and best regards,

Michael Pley, P.Eng., C.Dir.