



National Defence

Deputy Minister
National Defence Headquarters
Ottawa, Ontario
K1A 0K2

Défense nationale

Sous-ministre
Quartier général de la Défense nationale
Ottawa, (Ontario)
K1A 0K2

JUL 13 2020

Mr. Yves Giroux
Parliamentary Budget Officer
Office of the Parliamentary Officer
99 Bank Street, 9th Floor
Ottawa, ON K1A 0A9

Dear Mr. Giroux:

I am writing in response to your June 19, 2020, request (IR0501) for information and data on the Joint Support Ships (JSS) project and the interim Auxiliary Oiler Replenishment ship (iAOR) MV Asterix. We appreciate your flexibility regarding the timelines.

I am pleased to provide your office with 12 documents in response to your request, in addition to the formal reply form. The documents include costing data, timelines and assumptions, and general characteristics that you requested regarding the JSS and MV Asterix. As National Defence has not pursued the option to procure, lease or purchase a second iAOR, it is unable to provide this information in response to your request.

I must emphasize that the capabilities of the JSS and the iAOR are significantly different, and these differences have profound implications for resulting costs. In this respect, a simple cost comparison between these two platforms can lead to oversimplifications on the value of one platform compared to the other.

To assist in placing your cost analysis in context, I have included a placemat (**TAB 1**) that directly compares these two platforms in terms of capability. My officials are also prepared to walk your team through these differences when they meet to discuss the financial elements of the response. I would highlight a few of these elements here.

First, the JSS will be able to operate in a high threat environment and will be equipped with a full range of features to enhance its survivability. This includes military survivability standards for the platform's overall design as well as robust self-defence,

Canada 

communication, and surveillance systems which will allow it to detect and respond to threats while fully integrating and communicating with other warships within a naval force. The survivability features of the platform and full naval force integration are what underpins the Canadian Armed Forces' ability to send the vessel into harm's way with an appropriate level of assurance for the safety of Canada's sailors and the ship. The iAOR platform design is not built to an equivalent set of military survivability standards nor does the vessel have an equivalent suite of defensive, communications and surveillance capabilities. Furthermore, as a commercially owned and operated ship – crewed by commercial seafarers – it is very problematic to deploy it into high threat environments without a commensurate level of survivability and military capability, to that afforded to other Royal Canadian Navy sailors and ships.

The JSS will also be able to operate in minimal ice conditions and it will possess a Polar Code equivalent certification to operate in the Arctic, north of 60 degrees latitude, allowing it to access the Nanisivik Naval Facility during summer navigation seasons. Further, the JSS will have a dedicated helicopter detachment, increasing the surveillance range of the ship, wherever they are operating. The iAOR is also able to operate in minimal ice conditions but it lacks a Polar Code certification (or equivalent) to operate in the Arctic, north of 60 degrees latitude. In order to receive this certification further crew training and modifications to the vessel would be required. The iAOR has limited military helicopter capacity, reducing its ability to undertake surveillance in areas where it is operating.

Lastly, the JSS is purpose built to meet the Royal Canadian Navy's military standards and is designed to remain in service and provide robust capabilities for a minimum of 30 years. The iAOR was designed to provide at-sea replenishment activities in an interim period and is expected to reach the end of its life cycle in 16 years.

Next Steps

A meeting will be scheduled with your officials to walk through the information and answer any questions. Department officials will be in contact with your staff to schedule this meeting.

We understand that your staff may verify the enclosed data with third parties. We respectfully ask that you do not share the information and the data found in Tabs 3, 11, and 12 as this data is commercially sensitive. All other documents provided can be shared with third parties for the purpose of your analysis.

For your records, please find enclosed the required Reply Form.

I look forward to our continued collaboration.

Sincerely,


Jody Thomas

Enclosures: 13

List of Enclosed Documents

- **TAB 1** – JSS and MV Asterix Capabilities Crosswalk Placemat
- **TAB 2** – JSS Timelines and Assumptions
- **TAB 3** – JSS Costing Data
- **TAB 4** – JSS Project Costs Already Incurred
- **TAB 5** – JSS Cost Risk Register
- **TAB 6** – JSS General Characteristics Placemat
- **TAB 7** – MV Asterix - Acquisition Costs
- **TAB 8** – MV Asterix - Provision of Service Contract Costs
- **TAB 9** – MV Asterix - Provision of Service Contract Options for Purchasing or Extending the lease of the MV Asterix
- **TAB 10** – MV Asterix - General Characteristics Placemat
- **TAB 11** – MV Asterix Provision of Service - Contract
- **TAB 12** – MV Asterix Provision of Service – Statement of Work
- **TAB 13** – IR0501 DND Shipbuilding Request reply form