



18 September 2018

The Honourable Harjit Sajjan, Minister
National Defence
101 Colonel By Drive
13th Floor, North Tower
Ottawa, ON
K1A 0K2

Harjit.Sajjan@parl.gc.ca

Information Request: IR0385

Dear Minister Sajjan:

As you are likely aware, the Parliamentary Budget Officer (PBO) provides independent and non-partisan analysis to the Senate and to the House of Commons about matters related to the nation's finances and the economy, the estimates, certain other documents government documents and the cost of proposals. In carrying out my mandate, I often require information held by government departments and Crown corporations and I am entitled to free and timely access – subject to limited exceptions – to such information under section 79.4 of the *Parliament of Canada Act*.

I am currently undertaking an analysis pursuant to paragraph 79.2(1)(b) of the *Parliament of Canada Act*, which mandates the PBO to prepare reports on matters of particular significance relating to the nation's finances or economy that are listed in an annual work plan.

For this analysis, I am requesting the following information:

- Total anticipated procurement costs for the planned acquisition of 25 Australian F-18 fighter aircraft, along with a summary of financial risks (for example, risks associated with schedule slippage, foreign exchange rates and inflation) and the associated impacts thereof as identified by DND's procurement project management team.
- Historical maintenance costs for the existing CF-18 fleet. This should include all lines of maintenance (first, second and third) and both material and labour costs.
- Historical aviation petroleum, oil and lubricant costs (AvPOL) for the existing CF-18 fleet. This should include on-base and off-base costs.

- Historical flying hours for the existing CF-18 fleet.
- Any base-level costs to be associated with the existing CF-18 fleet: an attribution percentage of total base costs is acceptable to this end.
- Any costs associated with the “Canadianization” of the incoming F-18s.
- If applicable, any additional costs associated with modernization of systems to bring the incoming F-18s up to the common RCAF / NORAD standard.
- Any information concerning anticipated usage rates (flying hours) for the incoming F-18s.
- Any other costs concerning the acquisition, life cycle costs, or planned system improvements for the incoming F-18s not already mentioned above.

With regards to the requested historical data (on maintenance costs, AvPOL, and flying hours), this should be provided in time series format, with multiple observations over time. Ideally, the frequency of the observations would be monthly or quarterly, with a minimum time frame of ten fiscal years. If this is not possible, annual observations would suffice, but a period of 25 fiscal years would be required. Additionally, if it is possible to provide the data on a by-aircraft (i.e., by tail number) basis, this would be preferred.

In order to provide the analysis to parliamentarians in a timely manner, I ask the information be provided to my office no later than **8 October 2018**. If access to the requested information cannot be granted by that date, a response must be provided by you or your deputy minister as soon as possible.

Should you or your staff have any questions about this information request, the analyst responsible, Christopher Penney can be contacted directly at Christopher.Penney@parl.gc.ca 613-294-2756.

Attached is a reply form. It too should be filled out and returned by 8 October 2018, whether or not you provide access to the requested information. Should you refuse to provide access to the requested information, you or your deputy minister must provide a written justification for the refusal as required under section 79.41 of the *Parliament of Canada Act*.

The response letter will be posted on the PBO website and, therefore, it should not be marked “confidential”. As well, the requested information should be attached separately. If this information is confidential, please clearly mark it as such, either on the electronic spreadsheet or the hard copy version.

Providing timely and effective analysis to the Senate and House of Commons and promoting greater budget transparency and accountability are the PBO's primary objectives. The degree to which this is possible depends, to a large extent, on free and timely access to quality information held by government departments. In doing so, you are assisting us in better serving the Senate, the House of Commons, and their members.

Yours sincerely,



Yves Giroux
Parliamentary Budget Officer

c.c.: Katharine Rechico, Privy Council Office, Assistant Secretary to the Cabinet,
Liaison Secretariat for Macroeconomic Policy
Jody Thomas, Deputy Minister, National Defence

Attachment: Reply form for IR0385