



26 June 2015

Mr. Matthew King, Deputy Minister  
Fisheries and Oceans Canada  
200 Kent Street  
15th Floor  
Ottawa, ON K1A 0E6

Matthew.King@dfo-mpo.gc.ca

Follow up to Information Request: IR0175

Dear Mr. King:

Thank you for your correspondence of 31 October 2014 and 26 May 2015 in response to our request under s 79.3 of the *Parliament of Canada Act* for the financial analysis that forms the basis of the budget estimate of \$1.3B for the Polar Class Icebreaker Project.

Providing Parliament with independent analysis of the costs of the Polar Class Icebreaker Project is a high priority for my Office because of the substantial cost of the project, the inadequacy of the funding set aside for other naval procurement projects, and questions surrounding your department's decision to decline Davie Shipyard's offer to build the ship to specification for a guaranteed price substantially below the current budget estimate.

In your first letter, you refused to provide your analysis. In your latter letter you provided only data on your inflation assumptions and the light weight displacement of the ships, which may or may not correspond to the most recent design of the vessel. My analysts have advised me that the information provided is insufficient for our purposes and does not satisfy the request.

The PBO intends to release its report on this project this summer. At present, the PBO's report would be limited to reporting to Parliament on the degree to which your budget estimate of the cost of the Polar Class Icebreaker Project is unsubstantiated by the information we have been provided and that your refusal to disclose requested data has prevented the PBO from providing an accurate independent estimate of the project's cost.

As you are aware, Parliament is responsible for approving all government spending. The Parliamentary Budget Officer (PBO) was created to provide independent analysis to Parliament about the spending it is being asked to approve. In carrying out that mandate, I often require access to information held by government departments.

When a department refuses to provide me with the information required for the performance of my mandate, I have been directed to report the matter to the appropriate Parliamentary Committee and ask them to use their power to send for papers and records to compel the department to produce the required information. Specifically, on 26 March 2015, the Joint Committee on the Library of Parliament passed the following motion:

[I]n the event the Parliamentary Budget Officer is unable to obtain documents or records with the information required to act on the duty to provide advice to Parliament, the Parliamentary Budget Officer may write to the chairs of the Committees outlined in section 79.2 of the [Parliament of Canada Act], and ask them to use their considerable powers to send for papers and records.

The PBO has requested the analysis that forms the basis of your budget estimate of \$1.3B for the Polar Class Icebreaker Project. That analysis includes the financial data on the costs of components and qualitative and quantitative economic data on the technical specifications which are cost-drivers for the project.

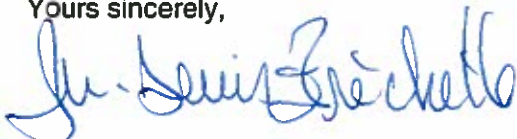
Unless you provide the data my analysts need by 10 July 2015, the PBO will be reporting your refusal to the appropriate Parliamentary Committees and requesting that they compel the production of your analysis.

Your response letter will be posted on the PBO website and, therefore, it should not be marked "confidential". Any confidential information should be attached separately and clearly marked as such.

Should you or your staff have any questions about this information request, the analyst responsible, Peter Weltman can be contacted directly at Peter.Weltman@parl.gc.ca, 613-218-1854.

I want to thank you for your assistance in this matter. Providing timely and effective analysis to the Senate and House of Commons is the PBO's primary objective. 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,



Jean-Denis Fréchet  
Parliamentary Budget Officer

c.c.: Mr. Douglas Nevison, Assistant Secretary to the Cabinet,  
Privy Council Office, Liaison Secretariat for Macroeconomic Policy