

Canada's Combat Ship Team: We're Ready On Day One

Canada's Combat Ship Team submits its surface combatant solution combining innovative Canadian technology with the world's most advanced warship

OTTAWA, Ontario, July 20, 2018 - Canada's Combat Ship Team submitted its final proposal for the Canadian Surface Combatant (CSC) project to prime contractor Irving Shipbuilding in Halifax, after four years of investment developing a solution.

Canada's Combat Ship Team combines Lockheed Martin (NYSE: LMT) Canada's longstanding expertise in naval integration with the world's most advanced warship design – BAE Systems' Type 26 Global Combat Ship – and high-tech platforms from top-pedigree Canadian innovators CAE, MDA, L3 Technologies, and Ultra Electronics.

At the core of the Team's Value Proposition is the lowest risk solution that will deliver the right ship for Canada's CSC needs while also providing the best economic outcomes for Canada.

Right Ship for Canada's CSC Needs – Purposely designed for high-end anti-submarine warfare and capable of performing a variety of missions in any part of the world, the Type 26 is acoustically quiet, versatile, highly survivable, allows for the greatest margins of growth for future modernization, and, unlike other 10 to 15-year-old designs, minimizes obsolescence risk as a “bow-to-stern” digitally designed warship.

Best Economic Outcomes for Canada – Making \$17 billion in value proposition commitments to Canada, Canada's Combat Ship Team commits to spending billions in innovation across Canada's priority areas, including \$2 billion in supplier development and \$2 billion in Research and Development, and \$200 million in Advanced Manufacturing. Employing a combined 9,000 Canadians in 40 facilities across the country and engaging a Canadian supply chain of more than 4,000 small and medium sized enterprises, the Team will develop new and enhance existing Canadian defence capabilities, which will bring tremendous exports to global markets.

Lowest Risk Solution – Canada's Combat Ship Team brings together a pan-Canadian team with a proven track record in delivering complex defence projects on-time and on-budget for the Canadian Armed Forces. As Canada's only major Combat System Integrator and the provider of the CMS 330, Lockheed Martin Canada has been a trusted defence partner for more than 30 years delivering on the Halifax-class modernization project and modernizing frigates from the Royal New Zealand Navy and Chilean Navy. The Type 26 requires only minor change to meet Canada's CSC needs and builds upon knowledge gained from the UK's Type 26 Global Combat Ship and Australia's SEA 5000 programs.

The characteristics that differentiate Canada's Combat Ship Team are a pan-Canadian presence, a track record in developing innovative Canadian technologies, supporting high-skilled Canadian jobs, the world's most advanced warship design and exporting Canadian products and capabilities to the world. In addition, the Team is the only bid fully within the Five Eyes Intelligence Community – comprising Australia, Canada, New Zealand, the United Kingdom and the United States – providing access to the most trusted and sensitive technology. All of this contributes to a strong Canadian team, Canada's Home Team, which is ready to begin work on Day One.

For more information about our team, visit our website: www.canadascombatshipteam.com or follow us on twitter @CSCHomeTeam.

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Quotes

“The Type 26 Global Combat Ship is a flexible, next generation warship design that offers a low risk and affordable solution for the Canadian Surface Combatant program. With the UK Type 26 program running ahead of CSC, our Canadian ship will benefit from lessons learned on the UK and Australian programs. This schedule also enables Type 26 the opportunity to be the most advanced Canadian Surface Combatant. The Australian programme presents significant opportunities for synergies across the UK, Australian and Canadian programs, as well as for the strategic benefits of the Five

Eyes intelligence cooperation. Canadian companies such as W.R. Davis Engineering in Ottawa, Rolls-Royce in Peterborough and L3 MAPPS in Montréal have already begun work on delivering high-technology systems for the UK's Type 26, demonstrating the skills and capability available from the Canadian supply chain." **Anne Healey, Country Director, Canada, BAE Systems**

"Building on our proud Canadian history of more than 70 years, CAE is honoured to join forces with this pan-Canadian team that has been assembled for CSC. We welcome the opportunity to leverage the strengths of our combined organizations to support the Government of Canada and Irving Shipbuilding to deliver a modern, capable warship with an integrated training system that aligns with the Future Naval Training Strategy. CAE is dedicated to offering customers the most innovative training solutions to achieve the highest levels of operational readiness and performance." **Joe Armstrong, Vice President and General Manager - Canada, CAE**

"We're pleased to submit our final proposal for the Canadian Surface Combatant, knowing our approach fulfills the vision for the Canadian Armed Forces and implements the Defence Policy pillars. Our CSC solution provides a ship that will ensure the Royal Canadian Navy is STRONG; offers proven Canadian companies that will assure SECURE and successful program execution; and maintains sovereignty by bringing the direct jobs on CSC back to Canada to ENGAGE and sustain CSC ships throughout their enduring lifetime. Lockheed Martin Canada stands ready to continue serving as Canada's trusted Combat System Integrator, as it has stood for more than three decades. We will continue to provide affordable solutions, sustained job creation, and technology development in Canada for export potential through our proven collaborative partnership model to successfully manage the highly complex systems integration process - including integrating our CMS 330 Combat Management System with the Type 26 Global Combat Ship - and leverage the innovation and talent here at home that will ultimately result in unprecedented economic outcome for Canada." **Gary Fudge, Vice President and General Manager, Lockheed Martin Canada Rotary and Mission Systems**

"We are proud to be a member of Canada's Combat Ship Team and excited to announce the submission of our team's proposal. With a strong Canadian footprint, L3 Technologies is in a unique position to leverage our established Canadian companies to deliver Canadian marine technologies, systems integration support, and through life in-service support to the team in a number of areas, including integrated communications, electro optic and infrared sensors, torpedo handling systems, and integrated platform management systems." **Richard Foster, Vice President, L3 Technologies Canada**

"MDA is extremely proud to be a core member of Canada's Combat Ship Team. MDA will lead and deliver an integrated electronic warfare suite and certain radar systems/subsystems for the ship. This project will form the basis of an MDA global product strategy, aimed at achieving long-term and significant future MDA exports from Canada. The Canadian export potential resulting from MDA's strategy is significantly larger than MDA's CSC role, resulting in a large potential economic return on investment for Canada." **Mike Greenley, Group President MDA**

"Ultra Electronics is delighted to be a member of the CSC Home Team that is bringing the Type 26 Frigate to Canada. Drawing on our more than 70 years of experience supplying world leading defence equipment to both Canadian and international customers, Ultra is the leader of the Underwater Warfare segment for the Frigate on the CSC Home Team. This work will generate high-tech jobs in Nova Scotia for sonar design, manufacturing, and through life-support, and add to our existing significant export capability. We are well positioned to be ready on day 1." **Leo Gaessler, President, Ultra Electronics Canada**

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