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CANADA'S TOP 50 DEFENCE COMPANIES

**General
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CH-146 Griffon Helicopter
LOADED WITH L-3 WESCAM
SURVEILLANCE GEAR



CANADA'S TOP 50 DEFENCE COMPANIES



L-3 WESCAM supplied surveillance gear for DND's INGRESS program to upgrade the Griffon helicopter

L-3 Communications

Supporting Canada's Military Over a Myriad of Platforms Makes this Industry Leader Canada's
TOP DEFENCE COMPANY FOR 2011

BY PETER DIEKMAYER



L-3's Bastien says the useful life of the CF-18 has been extended as a result of L-3 upgrades to the aircraft

The stakes are also high for **L-3 Communications** and its **L-3 MAS** division, which has been handling modernizations conducted on the aircraft out of its Mirabel, Quebec base.

The pounding that Canada's six CF-18 fighter jets have been inflicting on Libyan forces as part of the UN's establishment of a no-fly zone in this Mediterranean nation, initially came across in many media reports as a routine enforcement operation. It was anything but. As US secretary of defence **Robert Gates** acknowledged, attacking a sovereign nation is an act of war, and, as a result of the fog that such conflicts generate, the stakes were high.

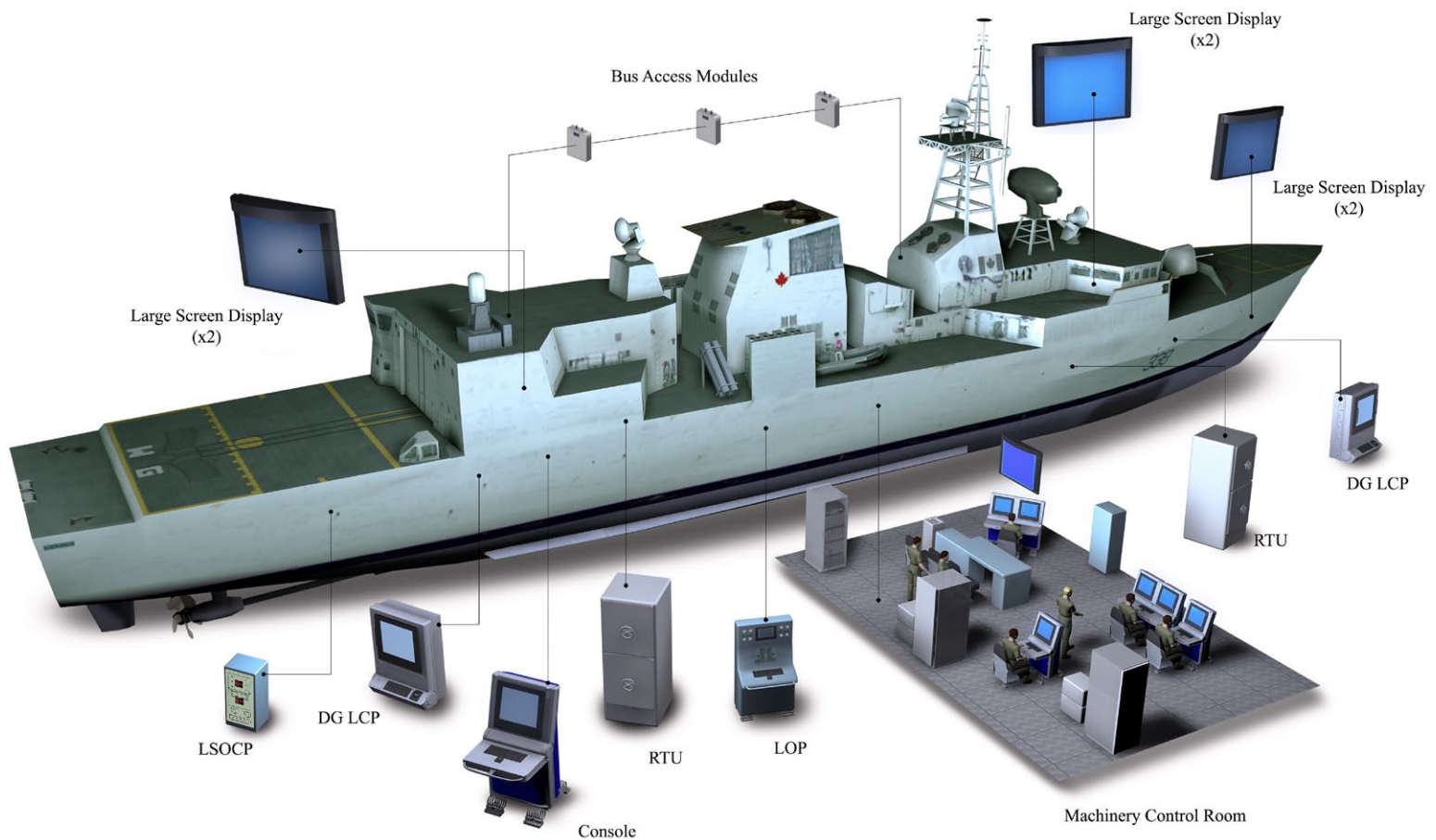
Defence stakeholders are watching closely to see how the most recent round of 200 or so system improvements that the company installed, which are supposed to keep the CF-18 fighter fleet in service until 2020, will perform under fire.

According to **Richard Bastien, vice-president (business development)** at L-3 MAS, the CF-18s, which form Canada's primary offensive capabilities, would probably not still be in the air, had it not been for those incremental modernizations. "Many of those planes have been around for almost 30 years and were scheduled for retirement in 2005,"

notes Bastien. "Not only have the changes we made extended their useful life, they will be extremely valuable in their current combat missions."

OPERATIONS ACROSS CANADA

And, CDR magazine agrees. As a result of L-3 Communications' important work on the CF-18s and a host of other mission-critical air, land and sea systems that the various L-3 operations in Canada supply to Canada's military, as well as other nations around the world, we have named it our Number One Defence Company for 2011.



L-3 MAPPS supplies IPMS for Canada's frigates



Gartenburg says there are many projects at DND that L-3 is well suited to participate in

According to **Peter Gartenburg**, L-3 Communications **vice-president (Ottawa operations)**, the company's work on the CF-18s, arguably Canada's most daunting offensive weapon, represents only a part of its Canadian operations, which employ close to 2,300 people, many of them highly skilled and specialized professionals that are based in six plants and numerous other locales spread

across several Canadian provinces.

In addition to the **L-3 MAS** operation, these also include **L-3 MAPPS**, **L-3 Wescam**, **L-3 CMRO**, **L-3 Targa Systems**, and **L-3 Electronic Systems**. "Size matters," says Gartenburg. "A lot of people only know L-3 Communications through the parts they touch and are often very surprised at the range of defence, public safety, C4ISR, and civilian products that we supply."

These wide-ranging capabilities make L-3 Communications an ideal in-service support partner/provider for foreign suppliers in the military vehicle business as well as other industries says Gartenburg. "Our size also gives us the flexibility to do things that many SMEs simply cannot do to the same degree, such as spreading sub-contracting work across the country (important in meeting industrial and regional benefits requirements), participating in industry associations, and giving government feedback and input."

L-3 MAPPS, A WORLD LEADER IN MARINE CONTROL SYSTEMS

One of the key reasons for L-3 Communications' success notes **Wendy Allerton**, **regional director (sales and marketing)** at L-3 MAPPS, stems from the synergies created

from being part of a global defence sector powerhouse. "We have developed several centers of excellence here in Canada that enable us to produce top of the line products that we can export around the world," notes Allerton. "However we also have the flexibility to draw on a global network of talent and technologies."

Allerton isn't over-stating the facts. L-3 Communications group as a whole, includes more than 80 companies and 67,000 employees that generated \$15.6 billion in revenues during 2009. L-3 MAPPS, which has a head office in Montreal, and operating units in the US, the UK, India and Malaysia, supplies control and simulation systems for the marine, power generation and space sectors.

Allerton credits this flexible structure for many of L-3 MAPPS' achievements, particularly those related to its Integrated Platform Management Systems (IPMS) which is currently used on Canada's frigates, submarines, ORCA class patrol vessels, Iroquois class destroyers as well as in 150 ships and submarines in 18 navies around the world.

In fact, L-3 MAPPS's marine controls for systems such as propulsion, ancillary and aux-



"We are going to work very hard to get involved with JSF", says, L-3's Bastien

iliary machinery and electrical generation and distribution, provide a prime example, of how sophisticated technological improvements, to non-weapons systems, can make a huge difference in overall naval productivity. "L-3 MAPPS is a great Canadian success story," says Allerton. "We started with just a \$3.4 million contract under the old SHINMACS (Shipboard Integrated Machine Control Systems) and from that have built capabilities which translated into billions of dollars worth of exports."

L-3 WESCAM OFFERS SYSTEMS FOR LAV III UPGRADE

Another L-3 Communications division that has seen particularly strong growth in recent years has been L-3 Communications WESCAM. The company, is based in Burlington, Ontario, and produces turrets and stabilization systems mostly for air vehicles such as

planes, helicopters and UAVs, as well as custom lens assemblies and solutions for the live sports coverage industry.

According to **Allan Bignell**, its **vice-president and general manager**, L-3 Communications WESCAM has expanded its product line to include more (and bigger turrets) which it now produces in 10", 15" and 20" variants, which can hold up to ten electro-optical, infrared and active laser sensors, ranging from wide-area to zoom cameras, illuminators, range finders and targeting designators. "It's been pretty hectic around here," admits Bignell, who joined Wescam in 2002, after obtaining a Ph.D. in electrical engineering and doing a stint at CAE.

The company sometimes sells the turrets alone, but it also supplies integration support and systems integration capabilities. Increasing use of information-centric warfare has driven demand for its products at a rate of

20 percent compounded growth for the past several years. During that time staffing has shot up from 525 people to close to 800. One big recent change says Bignell, has been WESCAM's renewed emphasis on supplying ground systems, such as those that could be used in the upcoming LAV III upgrade.

L-3 MAS - THE SHARP EDGE

Of course, L-3 Communications' biggest challenge has been keeping those 80 CF-18s in service, says Bastien of L-3 MAS, an accomplished ex-military officer who did a 32-year career in the Canadian Air Force where he ended up as second in command, prior to joining L-3 MAS. Bastien bills the division as the country's "leading provider of aircraft feet management, product life-cycle extension, and in service support services, to government departments, agencies and military customers."

L-3 MAS: READY FOR THE NEXT GENERATION



L-3 MAS is Canada's only fighter aircraft sustainment Centre of Excellence. For more than 25 years, Canada has relied on us for the in-service support, life extension and modernization programs that have kept its fighter fleet operationally ready to defend Canada's interests. This unique capability, when combined with our proven program execution, innovation and customer value, clearly makes L-3 MAS the ideal partner to meet the sustainment needs for Canada's Next-Generation Fighter — the Joint Strike Fighter (JSF).

To learn more, visit us at L-3com.com/MAS.

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Canada's CF-18s were able to participate in the Libya operation in part because of on-going maintenance provided by L-3 MAS



Allerton says, "L-3 MAPPS is a great Canadian success story"

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In addition to those CF-18s, L-3 MAS, which employs 1,000 people at its operating facilities in Mirabel, Cold Lake, Bagotville, and Shearwater, also provides extensive fleet maintenance, fatigue management, engineering and maintenance for the Australian Air Force's F/A 18s at a base in Williamstown in the land down under. In addition, the company's win of a contract to provide in-service support for Canada's new CH-148 Cyclone marine helicopters is also expected to keep it busy during the years to come.

So far, L-3 MAS has completed two major rounds of modernizations on the CF-18s. The most recent round saw the company incorporate kits supplied by Boeing which included highly sophisticated avionics systems into the aircraft. These kits included a Joint Helmet Mounted Cueing System (JHMCS), a Multi-functional Information Distribution System

(MIDS) a Multi-purpose Display Group Upgrade (MDGU) color displays, and a Cockpit Video Recording System Upgrade. Shipments of the upgraded aircraft wrapped up early last year, and according to Bastien, the company is already gearing up for a third round of modernizations.

F-35 – THE ELEPHANT IN THE ROOM

The elephant in the room at L-3 MAS, when any discussion about the CF-18s takes place, is Canada's plan for a proposed acquisition of the F-35 fighter aircraft. Much of the deal remains shrouded in mystery, including its cost (which a recent independent estimate pegs at \$30 billion, \$12 billion more than government officials originally projected) and plans related to in-service support that will be associated with the aircraft's operations.

However, Bastien has some ideas about what should be done.

"Being the center of excellence for fighter sustainment here in Canada, MAS intends to pursue that role well beyond 2030," says Bastien. "As a result we are going to work very hard to get involved with JSF, by adding value in whatever capacity we can."

Yet despite the company's recent successes, no one at L-3 Communications is resting on their laurels. "We think that the future is pretty bright," says Gartenburg. "In fact there are many projects in the works at DND (The Department of National Defence) that we are ideally suited to participate in. So hopefully we'll be around for a long time to come."

Programs that L-3 Communications are bidding on or positioned to contribute to include TAPV (Tactical Armoured Patrol Vehicle), Light Armoured Vehicle (LAV) upgrades, FWSAR (Fixed Wing Search and Rescue Aircraft), JUSTAS program UAV as well as naval programs including the Canadian Surface Combatant, the Arctic Patrol Vessel, Joint Support Ships and several others.

With that very substantial potential "to do" list, it would thus be no surprise, if L-3 Communications, which has now become the first company to be selected for a second time by Canadian Defence Review as the country's top defence contractor (L-3 was initially selected as the top company in 2006) was not in line for a "three-peat" sometime in the near future. ■

Peter Diekmeyer is CDR's Quebec Bureau Chief



Michael T. Strianese is Chairman, President and CEO at L-3 Communications Corporation.

He recently reacted to CDR's ranking of L-3 as the #1 defence company by expressing some thoughts on the L-3's view of the Canadian market:

Canada is a key, important market for L-3. We saw several strategic and important wins for L-3's Canadian operations in 2010, as well as the expansion of our products and services base in Canada.

On the ISR side, our INGRESS imaging and data link systems in the Griffon helicopter and our Rover ground stations are delivering new capabilities and interoperability to the Canadian forces in Afghanistan. We're pleased to have been able to complete the recent upgrade of Canada's CF-18 fighter aircraft, particularly as they have now been called upon to join the coalition in enforcing the no-fly zone in Libya.

Our facilities in Mirabel are a true centre of excellence, with the expertise needed to perform in-service support on Canada's next generation of fighter planes. Similarly, CP-140 Aurora patrol aircraft, with the enhanced mission systems developed and supported by L-3 are showing their capabilities in-theatre. And, of course, the new L-3 automation systems going into the Halifax Class frigates will allow those vessels to respond to the evolving operational needs of Canada's Navy.

Canada is an essential component of L-3's international growth strategy and there are many opportunities here. L-3 is committed to our operations in Canada and we continue to invest in them to facilitate growth and business success.

CORPORATE SNAPSHOT

Company:

L-3 Communications

Major Products

Aircraft modernization and maintenance, C4ISR, electronics systems, homeland defence products, systems integration

Key contacts:

Peter Gartenburg,
VP Ottawa Operations

Web-site:

<http://www.l-3com.com>

Canadian Locations:

Montreal, Mississauga, Ottawa,
Trenton, Burlington, Don Mills

**Number of employees
(in Canada): 2,300**

**Number of employees
(worldwide): 67,000**

**Sales (worldwide):
\$15.6 billion (2009)**