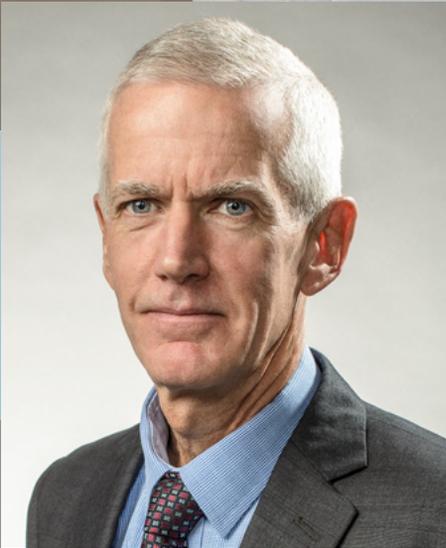


Rich Foster VP Canada Operations L3 TECHNOLOGIES – CANADA



CDR's Editor-in-Chief, **Peter Kitchen**, recently had the opportunity to talk to L3's new head man in Ottawa, a former RCAF officer, about what's going on at that company's various operations in Canada. Here is that discussion.

CDR: You have taken over from Peter Gartenburg, a former Air Force officer and long-time VP at L3 in Canada, but we know you also were an RCAF officer, can you please tell us something about your background prior to joining L3?

RF: Peter did a great job for L3 over the years, is a good friend, and a very hard act to follow.

My last position in the Royal Canadian Air Force was as Deputy Commander. I proudly served in the Canadian Armed Forces for over 35 years as a military pilot flying mostly CF-18 aircraft, but also working as an instructor pilot on the Tutor aircraft and more recently on the Hawk aircraft.

Photo: L3's WESCAM operation will see its state-of-the-art surveillance equipment installed on Canada's new C295 FWSAR aircraft



CF-18 aircraft are serviced at L3 MAS in Mirabel

I have held other positions such as Special Assistant to the Vice-Chief of the Defence Staff, where I learned about the corporate side of the Armed Forces.

As Deputy Commander Force Generation in Winnipeg, I was responsible for all RCAF aircraft operational readiness and flight airworthiness. As Deputy Commander for the Joint Operations Command, I was responsible for all domestic support operations in Canada and Defence relations in North, Central and South America. It was a great career with the opportunity to meet and work with some very talented people.

CDR: As VP Canada Operations, what exactly is your role there?

RF: We provide a focal point for L3's divisions doing business in Canada. We provide assistance in Government and Industry relations as well as Business Development. We bring divisions from across L3 together to strategize on potential collaborative programs.

SIX L3 DIVISIONS IN CANADA

CDR: Can you please give us an overview of all L3's operations in Canada?

RF: L3 is a major business in Canada, with exciting, innovative technology and an expanding customer base. There are six L3 Canadian divisions employing over 2,000 employees operating in six provinces. Overall, L3 generates more than \$250M in revenues domestically and over \$520M in exports annually, and we are investing in in-country resources and are focused on growing our export market considerably. We have a Canadian vendor and supply base of over 800 companies.

We have a diverse business, which includes building EO/IR turrets flown on most



Foster replaced the long-serving Peter Gartenburg as L3's man in Ottawa

of our RCAF aircraft; integrating Platform Management Systems on our naval vessels like the Halifax Class and AOPS; integrating Internal and External Communication systems on naval vessels; providing Maintenance Repair and Overhaul and in-service support for the RCAF CP140, CF-18, CH147, CC150, CH148, Tutor and other aircraft fleets; and building and integrating data transfer units. Also, we are conducting research on communications and cyber that will improve the RCN's capabilities and allow for increased Canadian exports in the future.

CDR: We know that corporately, L3 currently has three operating segments: Aerospace Systems, Electronic Systems, and Communications Systems and the company has built its reputation on acquiring compatible businesses and allowing them to operate as independent profit centres. Your office there in Ottawa is somewhat of an anomaly because you are not an operating

business per se, so what is your role and what is the reporting structure?

RF: Actually there are now four business segments. The Electronic Systems segment split into two as of January 1st and L3 has just stood up a Sensors Systems segment.

L3's longstanding culture of decentralized operations provides independence and flexibility, along with accountability. That said, we are focused on collaboration, delivering value and achieving efficiencies. This promotes better collaboration in R&D, ITB, and future exports - all good for Canada. In Canada and across L3, we are focused on internal growth as well as future acquisitions.

My role is to help glue all this together for L3 in Canada. By understanding government policies and requirements I can advise L3 divisions on possible synergies to capture projects through collaboration.

L3 TECHNOLOGIES IS NOW A MORE APT APPELLATION

CDR: L3 recently modified its corporate name, (from L-Communications to L3 Technologies) what was the thinking behind that?

RF: L3 Technologies is so much more than just communications now. Yes, we still build first-class internal and external communication systems, data-links and other products. But WESCAM builds and integrates MX-15 EO/IR systems on our CH-146 Griffon and the soon to arrive FWSAR Airbus 295 aircraft. MAPPS makes simulators and control management systems for CANDU nuclear reactors around the world.

MAS provides world class in-service support to the RCAF and has expanded its fleet engineering and depot maintenance capability to other F-18 users around the world, including the U.S. Navy, which currently has aircraft in Mirabel receiving maintenance. ESS provides system engineering, logistics analysis, as well as display and avionic support to our CP140 aircraft. L3 Technologies is a much more suitable name.

CDR: We tend to think of L3 as a mezzanine level defence contractor that supplies systems and components as opposed to complete platforms like the aircraft and ships that Boeing and Lockheed Martin build. Has that changed and is L3 in Canada prepared to bid on major programs as a prime here?

RF: Yes, of course, we are ready to serve as a prime, where we can. Our experience has enabled L3 divisions to become world-class integrators of systems and providers of in-service support. MAS is already the OEM,

and therefore prime, for the Tutor aircraft for example. We have the expertise and resources; it is just a question of where and when.

CDR: *In past years, L3 has grown in Canada via the acquisition route (L3 MAPPS, L3 WESCAM et al) though we have not seen any major acquisitions from the company in Canada recently. Has your strategy changed or are you just not seeing any opportunities here?*

RF: We continue to look for opportunities in Canada that provide a good fit. L3 is focused on growing in Canada and increasing L3's export market through Canada. This implies both growth and acquisition.

SCOUTING OUT NEW OPPORTUNITIES

CDR: *We know that some of your predecessors were involved in some key corporate acquisitions in Canada for L3. To what degree will you be focused on scouting out acquisition opportunities?*

RF: I have already been approached and we are already scouting out opportunities. I see my role here as one of connecting the right players, scouting out opportunities to position the company for future programs, and providing advice.

CDR: *What was the thinking behind forming the L3 CMS (Canada Marine Systems) group in Canada?*

RF: Canada Marine Systems represents over 11 L3 divisions coordinated to bid on Naval Shipbuilding or other Marine programs and was established to present "one unified face" to the customer here. We have a great team at CMS to provide the customer focus so that government and industry receive consistent support and data.

CDR: *Obviously, CSC is the big prize in naval programs in Canada but what other kinds of naval programs is L3 CMS looking at getting involved in?*

RF: L-3 CMS has a very broad spectrum of capabilities and products that allows us to offer an increased level of functionality, risk reduction and cost effectiveness. These include power and propulsion system integration and solutions, integrated communications systems, information assurance and cyber security, advanced acoustics and sonar technologies, platform management systems, and scalable training solutions.

We also provide in-service support and helicopter visual landing aids. All of these L3 systems are candidates for JSS, CSC, some of the Coast Guard ships, and for many other

programmes. Two Canadian divisions, L-3 MAS and L-3 ESS, have extensive experience and proven capability in Integrated Logistics and In-Service Support and have bid on programs, such as AJISS.

L3 MAS LOOKS TO PRIME UNMANNED PROJECT IN CANADA

CDR: *Unmanned systems are expected to be a big part of Canada's military down the road and we know that L3 MAS has experience in this area. Can you tell us what this business is looking at supplying for Canada's military in the unmanned area?*

RF: L3 can supply all aspects of a turn-key manned or unmanned C4ISR capability. We build broadband networks and architecture that provides an end-to-end capability from the platform, to the analyst, to the maintenance and aircrew requirements. L3 MAS could easily and efficiently prime a solution for Canada's military or government security departments using L3 MID's Spyder II, Q400 Multi-Mission Aircraft (MMA) or L3's Unmanned Systems FVR (Fixed-wing Vertical Take-Off and Landing Rotator).

CDR: *We assume that part of your mandate there in Ottawa will be to connect L3 operations outside of Canada with various on-going Canadian defence programs. Can you tell us about some of these L3 units that have important capability to offer for Canadian projects?*

RF: L3 has a comprehensive, cross-company portfolio that provides opportunities that can be leveraged effectively in Canada. For example, we recently established Communications Systems – Canada to conduct R&D in communications, cyber and crypto with the aim of supporting the RCN and exporting from Canada. All of Canada's tactical Rover systems for the Canadian Army and CANSOF are provided by L3. We also have the broadband capability to connect products across vast networks and could be a great fit with Canada's C4ISR Defence and Security Network requirements. L3 built and maintains the current CF-18 simulators used by DND. We also provide Super Hornet simulators for the U.S. Navy, proof positive that we can offer a very competitive price for an interim simulator solution in Canada. We are definitely looking at opportunities on projects such as Future Aircrew Training and the Future Fighter Lead in Training.

CDR: *As a keen observer of the defence scene in Canada, what are your expectations*



Naval communications gear from L3's CS East business unit

for defence spending from the current government?

RF: My expectations are based on optimism, pragmatism, and good leadership. Having served for over 35 years, I understand the importance of ensuring that the defence budget is used to not only secure the right equipment for our soldiers, sailors and air personnel but to enhance our Canadian economy by providing high tech jobs and increasing innovation in a competitive world.

I am a big advocate of ISSED's innovation program and am eager to see this policy implemented and developed. I strongly support increasing our STEM education through Federal and Provincial policies and programs. I am a proponent of procurement reform and encourage ongoing dialogue between government and industry to provide realistic solutions. I think our government is headed in the right direction. As a country, we need to increase our R&D and provide better incentives for L3 to invest in Canada.

CDR: *What's in the future for L3's Canadian operations overall?*

RF: L3 Canada is going to continue to grow and invest in resources here. Our commitment to expanding R&D in Canada to develop future exports will require increased collaboration and we are aligning our business structure to achieve that. We will continue to grow our supplier base in-country and we will continue to assist SMBs to operate in Canada by providing IP and knowledge to enhance Canada's industrial base.

My role is focused on increasing export opportunities from Canada and creating new opportunities for L3 products, experience, service and support. I can tell you that it is great to be part of a team that is committed to a mandate like that.

CDR: *Thank you.*