



National Defence

Défense nationale

National Defence Headquarters  
Ottawa, Ontario  
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Quartier général de la Défense nationale  
Ottawa (Ontario)  
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19 January 1998

Distribution List

**UNREGULATED ACTIVITIES AND  
INTERNAL COMPETITION ON BASES AND WINGS**

References: A. 7055-21-2 (CRS) 10 Oct 97  
B. CDS 105 201330Z OCT 97

1. Reference A provides the findings of a review of public support to non-public fund (NPF) activities at four Canadian Forces Bases. This review highlights a significant number of resale outlets such as unit canteens, stand easys and wet canteens operating outside the bounds of departmental policy. Currently, these activities are neither operating in accordance with the rules and regulations governing public and NPF support for military activities (CFP 110), nor are they in compliance with the departmental provision of services policy (DNDP 55) which permits base/wing commanders to make resources available to non-military activities such as governmental, commercial, private and charitable organizations. Whether military or non-military, all activities taking place on a military establishment are subject to departmental policies governing the use of resources, including but not limited to accommodation, personnel, equipment, transport, telecommunications, supplies, and utilities.

2. In addition to these entities operating outside departmental policy, most are operating at the expense of the base fund and the military community, and, in some cases, are employing public resources (eg, personnel, space, materiel) to generate revenue. While the types of operations outlined at reference A may share many characteristics with NPF activities, in fact, they are not NPF activities. NPF activities are military activities operating in accordance with departmental policies governing public support to Personnel Support Programs. Reference A identifies the use of public resources in support of activities that are currently neither public nor NPF. The use of public resources in this manner is outside the provisions of the Financial Administration Act.

3. Accordingly, if there are cases on your units where public resources are provided on a non-cost recovery basis to entities not authorized for support in accordance with public and non-public policy, this practice is to cease forthwith. As a guideline, any commercial activity/point of sale for goods or services with the exception of messes, CANEX, Treasury Board authorized cafeterias, Base Fund regulated activities and concessions operating in accordance with CFP 110 must be examined thoroughly. While this scrutiny is not intended to include section coffee funds, it shall include any point of sale for goods or services that generates revenue to support other programs or activities. Your range of options to address this includes:

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- a. closing the entity in question;
- b. operating the entity as an NPF operation in accordance with CFP 110 and NDHQ Action Directive D8/89 - Restructuring of CANEX; or
- c. operating the entity as a concession in accordance with CFP 110 and NDHQ Action Directive D8/89 - Restructuring of CANEX.

4. It is recognized that identifying entities operating outside departmental policy and re-engineering their operations will require time. Your units will implement any required changes not later than 1 May 98 and report through the chain of command the measures taken to comply with departmental policy.

5. On a separate but related matter, AFC directed at reference B, that ADM(Per), in concert with the Environmental Chiefs of Staff, address the broader issue of internal competition as it affects messes. This competition, while it includes unit canteens and stand easys, also encompasses recreation clubs such as golf and curling activities as well as CANEX food and beverage outlets. As you will recall, AFC reaffirmed the central role of our messes in fostering the customs and traditions of the Canadian Forces and contributing to operational effectiveness through the development of esprit de corps and unit cohesion.

This strong endorsement demands that we make a concerted effort to ensure that our messes function in a financially sound manner. To this end, unit PSP operations are to be reviewed with the objective of rationalizing, by 1 May 1998, the number and the location of outlets, particularly those which retail alcohol and food services. In the final analysis, we must strike an appropriate balance between serving our members and generating revenue so that base/wing funds can continue to play a pivotal role in enhancing the quality of life in our military communities.

6. In summary, it is essential that we deal with the issues of unregulated activities and internal competition thoroughly and without delay. To meet the imperatives of CRS and AFC on these two issues, your reports are to be forwarded to ADM(Per) by end May 1998. ✓



J.M.G. Baril  
General

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**Distribution List**

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Amendment to Delegation of Authority – Administration of Non-Public Property

Reference: 7331-1 (DGPFFS) Delegation of Authority – Administration of Non-Public Property, dated 6 January 2009 (attached)

1. Request approval to amend the NPP Board composition / quorum requirements table at paragraph 3g. The requested areas to change are highlighted in yellow.

**Current Table**

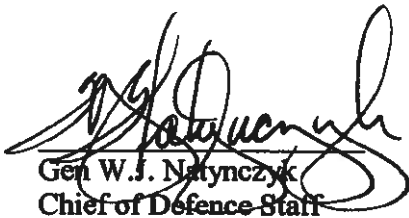
Members	Notes
Vice Chief of the Defence Staff (VCDS) general officer representative	
Chief of the Maritime Staff (CMC) flag officer representative	
Chief of the Land Staff (CLS) flag officer representative	<p>In the event that a member is unable to attend a Board meeting, an officer at the rank of colonel/captain(N) may be designated to represent the member; however, such representative will be recorded as 'in attendance' and will not be counted towards meeting the quorum requirements.</p>
Chief of the Air Staff (CAS) general officer representative	
Strategic Joint Staff (SJS) general/flag officer representative	
Chief of the Reserves and Cadets (C Res and Cdts) general/flag officer representative	
Assistant Deputy Minister (Finance and Corporate Services) (ADM (Fin CS)) general/flag officer or colonel/captain(N) representative.	
CF Chief Warrant Officer (CFCWO)	
CMS Chief Petty Officer (CPO1)	
CLS CWO	<p>No alternate permitted</p>
CAS CWO	
CMP CWO or DGPFFS CWO	
A retired CF member representative	
A military family member representative	No alternate permitted

*Note: SJS has not attended as representation is considered provided by the 3 ECS repr. (initials)*

**Proposed Table**

Members	Notes
Vice Chief of the Defence Staff (VCDS) general officer representative	It is expected that General Officer / Flag Officer members normally attend all meetings of the NPP Board. In the exceptional event that a member is unable to attend a Board meeting, an officer at the rank of colonel/captain(N) may be designated to represent the member. The designated representative may fully act on behalf of the member at NPP Board Meetings, including voting, and shall be counted towards meeting the quorum requirements.
Chief of the Maritime Staff (CMC) flag officer representative	
Chief of the Land Staff (CLS) flag officer representative	
Chief of the Air Staff (CAS) general officer representative	
Strategic Joint Staff (SJS) general/flag officer representative – delete member	
Chief of the Reserves and Cadets (C Res and Cdts) general/flag officer representative	
Assistant Deputy Minister (Finance and Corporate Services) (ADM (Fin CS)) general/flag officer	
CF Chief Warrant Officer (CFCWO)	No alternate permitted
CMS Chief Petty Officer (CPO1)	
CLS CWO	
CAS CWO	
CMP CWO or DGPFS CWO	
A retired CF member representative	No alternate permitted
A military family member representative	No alternate permitted

Approved / ~~Not Approved~~

  
 Gen W.J. Natynczyk  
 Chief of Defence Staff

17 Jun 10