

New shipbuilding era launched on Canada's West and East coasts

Umbrella agreements announced by Harper on west, east coasts

BY CARLA WILSON, TIMES COLONIST JANUARY 13, 2012



In Vancouver on Thursday, Prime Minister Stephen Harper announces new umbrella deals for shipbuilding on Canada's west and east coasts.

Photograph by: Andy Clark, Reuters

Prime Minister Stephen Harper heralded a new decadeslong era of shipbuilding on Canada's West and East coasts by announcing Thursday umbrella agreements with shipyards for \$33 billion of federal work.

Ships have been built on the West Coast for more than a century. Under the new federal shipbuilding program, Harper said, the west "will be starting a new chapter in the illustrious history of maritime history of this country."

He made the announcement in front of 400 shipbuilders inside a massive fabrication shop at Seaspan Maritime's Vancouver yard. Seaspan also owns Victoria Shipyards.

Harper was at Seaspan to mark the latest celebration in what was a fierce cross-country competition to build combat and non-combat ships.

Last fall, Seaspan won the right to negotiate \$8 billion worth of contracts for at least seven non-combat vessels. Irving Shipbuilding of Nova Scotia won the \$25 billion non-combat package.

First on the Seaspan agenda will be construction of science vessels. It's not yet known which of three fisheries and one oceanographic ships will be built first, information that is expected in about three weeks.

Seaspan will also build Canada's new polar icebreaker, the Canadian Coast Guard's John G. Diefenbaker. It will be a "tangible and visible expression of Canadian sovereignty over the north," Harper said. "This is work of national importance."

Announcement of the umbrella agreement followed an event at Irving Shipbuilding's yard in Halifax.

The agreements signify a major step in the process leading up to the construction of the ships and the revitalization of an industry that has suffered ups and downs for decades.

The total package of work on each coast is anticipated to create 75 million person hours of work, including 4,000 jobs in B.C., Harper said.

These umbrella agreements cover the responsibilities and authority agreed upon by the federal government and the shipyards.

They give the federal government the right to step in and take over completion of a project if it falls behind schedule or if costs skyrocket.

Negotiations also gave Ottawa the right to view the books of the companies while the federal work is underway.

It's expected that the umbrella agreements will be signed in a couple of weeks. After that, the shipyards will sign individual contracts for the vessels they will build.

Jonathan Whitworth, Seaspan CEO, told Harper the company is "passionate about building quality vessels on time and on budget. I promise you that we will not let you down."

Seaspan will do the majority of the federal ship construction in Vancouver, leaving about 20 per cent of the work to be done at Victoria Shipyards in Esquimalt. Finishing work and trials are planned for the Island.

Seaspan, part of the Washington Group of Companies, is investing \$350 million in infrastructure and modernization, Whitworth said. Vessel construction will likely start in the first quarter of 2013.

"We have hundreds of employees to hire and train," he said.

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