

# Harper announces shipbuilding agreements in Vancouver and Halifax

BY CARLA WILSON, TMESCOLONIST.COM JANUARY 12, 2012 8:23 AM



Workers cheer at Victoria Shipyards on Oct. 19, 2011 after hearing Seaspan had been awarded an \$8 billion federal shipbuilding contract

**Photograph by:** Lyle Stafford, timescolonist.com

Prime Minister Stephen Harper is lauding the "milestone" agreements for \$33 billion of work at west and east coast shipyards, which allow the federal government to temporarily step in if production problems occur.

"We are moving quickly to put in place the contracts required to build the ships that our country needs to defend its waters and do its share on the international stage," he said this morning in Nova Scotia.

Harper was at Irving Shipyard's Halifax yard this morning to announce an umbrella agreement reached on Friday with that company for \$25 billion in combat ship construction.

He arrives this afternoon at Vancouver Shipyards to also announce an umbrella agreement with owner Seaspan Marine, which also owns Victoria Shipyards. Seaspan and Ottawa hammered out their agreement-in-principle in the week prior to Christmas.

The Irving deal will usher in a "new era in shipbuilding," which will provide "vital equipment" to the next generation of soldiers, Harper said in Halifax.

Seaspan is aiming to build at least \$8 billion in non-combat ships, with the possibility of more in the future. This work is predicted to create 4,500 direct and indirect jobs in the province.

These umbrella agreements govern roles and responsibilities of the parties in the projects, carrying a total value of \$33 billion. Another \$2 billion worth of work on smaller vessels has yet to be tendered.

Federal officials expect the two umbrella agreements will be signed in about two weeks. Most details, other than a few confidential items, are expected to be posted on the National Shipbuilding Procurement Strategy's website.

After these agreements are signed off, the next step is to tie down contracts for individual vessels.

While a provision for Ottawa to step in if a work program falls behind schedule or fails to meet its budget is not in all federal shipbuilding contracts, it has been used before. It is considered a safety net for taxpayers.

With files from Postmedia

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