

THE SEASPAN SHIPYARDS REPORT

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In this, our fourth edition of the Seaspan Shipyards Report, we will update you on activities at our shipyards in Victoria (VSL) and Vancouver (VSY). Given the flurry of recent media coverage over the past several weeks on the National Shipbuilding Strategy (NSS), I want to take the opportunity to reinforce the importance of sticking with the plan to build ships in Canada by the shipyards that were competitively and fairly selected. NSS is about recapitalizing the fleets required by the Canadian Coast Guard and Royal Canadian Navy. It is also about rebuilding a sustainable national shipbuilding industry from coast-to-coast and avoiding the boom-and-bust cycles that have defined previous federal shipbuilding programs. The thirty-year program is, and will continue to be about delivering results to Canada, its taxpayers and an increasing number of Canadians who choose shipbuilding and ship repair as a career.

On March 29, Seaspan announced the start of construction on the Canadian Coast Guard's second Offshore Fisheries Science Vessel (OFSV). Meanwhile, significant progress continues on the first OFSV with all 37 blocks now under construction.

This is why it is critical not to waver from the plan - it is a good one. Come and visit us at Vancouver Shipyards to see for yourself what the NSS is producing.

Let us know if you have any questions or comments on our work or on the contents of this newsletter by e-mailing **Tim Page**, Vice President – Government Relations, Seaspan Shipyards at: tpage@seaspan.com. If you do not wish to receive this newsletter in the future please let Tim know.

Sincerely,

Brian Carter
President, Seaspan Shipyards



(Left to Right) **David Pyron** – Interim Director, Science Vessels – Vancouver Shipyards, **Brian Carter** – President, Seaspan Shipyards, **Jeffery Hutchinson** – Deputy Commissioner, Canadian Coast Guard, **Garnet Leblanc** – Operator, Vancouver Shipyards.



Currently all 37 blocks of the first OFSV are under construction at Vancouver Shipyards.

Minister Foote Visits VSY and Announces New NSS Contracts

Public Services and Procurement Minister **Judy Foote** met with Seaspan's Executive Team and tradesmen and women during her March 14 visit to VSY. She was joined by Deputy Minister **George Da Pont**, Parliamentary Secretary **Leona Alleslev** and local British Columbia MPs **Jonathan Wilkinson**, **Ron McKinnon** and **Randeep Sarai**. During her visit, she took the opportunity to reaffirm Canada's support for the NSS, its underlining principles and Seaspan's role in it. In addition, she announced long-lead item contracts for the Offshore Oceanographic Science Vessel and Joint Support Ship projects worth more than \$65.4 million which will be built in sequence at VSY following the completion of the OFSV program. These new contracts allow VSY to go to market to acquire larger and more sophisticated materials required for construction that take time to produce and deliver.



Minister Foote – Public Services and Procurement with Caitlin Hughes – Shipfitter Apprentice, Vancouver Shipyards.

NSS Non-Combat Package Generating Jobs and Economic Activity

Canada's funded economic impact analysis of Seaspan's NSS Non-Combat package projects that more than 2,300 direct, indirect and induced jobs will be created, \$580 million of output generated, and \$280 million produced for the Canadian economy on an annual basis for the first ten years of the program. Seaspan's direct contribution since the signing of the NSS Umbrella Agreement with Canada in February 2012 includes 365 new hires, an additional 300 tradesmen and women, and a contract value of over \$400 million awarded to over 160 Canadian companies. More proof that NSS is working and Seaspan is doing its part.

Central Agencies Visit VSY

On March 29, as part of Seaspan's continuing efforts to keep key Departments apprised of its NSS progress, VSY played host to senior officials from the Treasury Board, Finance and the Privy Council Office, along with our federal partners from the Coast Guard, DND, Industry Canada and PSPC. Officials were able to see and hear first-hand what independent third parties under contract to Canada have been reporting for some time, that VSY is functioning at a level consistent with its stage of maturity and is applying lessons it has learned through a culture of continuous improvement across the enterprise.

Foreign Cruise Ship Owner puts VSL on Notice over TFW

Celebrity Cruise Ship Lines has formally advised VSL that changes to Canada's Temporary Foreign Worker (TFW) program "will create a financial impact to our company and will leave us with no choice but to seek alternative dry docking locations outside of Canada." VSL is seeking an exemption to Canada's Labour Market Impact Assessment policy to preserve decade-old two-week work stints on foreign cruise ships in Victoria that impact 500 local tradesmen and women and put tens of millions of dollars of economic activity to the economy of Victoria on an annual basis at risk.

Seaspan Invests in Naval Architecture and Marine Engineering

On February 18, and as part of its NSS Value Proposition commitments, Seaspan announced a \$2 million investment over seven years to support innovative teaching and research in the Naval Architecture and Marine Engineering programs at the University of British Columbia's (UBC) Faculty of Applied Science. As a result of Seaspan's investment, two new UBC Chairs will be created – both of which are expected to be recruited for this summer.