

# THE SEASPAN SHIPYARDS REPORT

## Seaspan Invests in the Next Generation of Canadian Shipbuilding

With the end of summer comes the return of the Seaspan Shipyards Report. Our regularly produced and electronically distributed newsletter is intended to keep those who are interested in the National Shipbuilding Strategy (NSS) up-to-date as it relates to Seaspan's role in it.

The NSS is designed to deliver ships for the Canadian Coast Guard (CCG) and Royal Canadian Navy (RCN) through a long-term, predictable program of work – Built in Canada, by Canadians. At the same time, it is also generating employment and stimulating economic activity across Canada.

Seaspan is playing its part. We have made multi-year, multi-million dollar investments through the British Columbia Institute of Technology (BCIT) to support Aboriginals in trades, Camosun College to support women in trades, and the Canadian Welding Association (CWA) Foundation for both new welding equipment and teacher professional development intended for high school students.

At the same time, we are also running our own Intern and Trades Apprenticeship programs. Over the past two years, almost 60 Interns have benefited from work terms at Seaspan and half of our 2016 cohort of Apprentices originate from Aboriginal communities across the Lower Mainland.

Although it is still early days, Seaspan's commitment to developing a domestic supply chain is already delivering strong results for Canadians across the

country. To date, we have spent hundreds of millions of dollars through a growing number of Canadian suppliers. Over the first ten years of the NSS, we project to spend upwards of \$1.3 billion across Canadian industries.

Not only is progress well underway, it is evident the NSS program is working and Seaspan Shipyards is proud to be Canada's West Coast shipbuilding partner.

I hope that the information provided instills in you the same optimism our growing team has in the NSS. Please feel free to share our news with others in your community as you see fit.

Please 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](mailto:tpage@seaspan.com)

Sincerely,



**Brian Carter**  
President, Seaspan Shipyards

\*If you do not wish to receive this publication in the future, please let Tim know.

## Progress on the Offshore Fisheries Science Vessel (OFSV)

All 37 blocks of the first OFSV are under construction. The build program is progressing well, with 13 blocks of the second OFSV currently underway and the third and final OFSV slated to begin construction before the end of 2016. Those who have been able to visit Seaspan's Vancouver Shipyards (VSY) can attest to the energy and physical progress that is occurring on a daily basis. For those who have not, please visit our website and view NSS progress photos directly by clicking [here](#). We have 465 tradesmen and women working in the yard across two shifts. We have 365 Engineers, Program



*Major Milestone - On September 9, Vancouver Shipyards "mated/married" two Grand Blocks for the Canadian Coast Guard's first OFSV. The 256 ton grand block was lifted onto its hull block by Big Blue, fully enclosing the ship's main engines, and its main and auxiliary machinery spaces.*

Managers, Procurement Specialists, Planners, Estimators, Quality Control and Performance Improvement Professionals working in support of them and actively engaged on our next NSS programs – the Offshore Oceanographic Science Vessel (OOSV) and Joint Support Ships (JSS).

**Supplier Outreach at DEFSEC in Halifax**

Seaspan's recent participation in the DEFSEC Atlantic 2016 tradeshow and conference in Halifax from September 6-8 gave us a great opportunity to meet with a high number of potential suppliers as our NSS program of work matures. We are proud of our relationship with Atlantic Canadian businesses such as Genoa Design International Ltd. in St. John's, NL that is doing 3-D design work on the OFSV program and Hawboldt Industries Ltd. in Chester, NS, our OFSV supplier of trawl deck equipment. While in Halifax, we also held a standalone Industry Day Event attended by over 70 companies interested in doing business with Seaspan on the OOSV and JSS programs. As part of our supplier outreach efforts, we are also scheduled to participate in the STIQ Supplier Day in Montreal this October and the Western Innovation Forum in Vancouver in November.

**Seaspan Provides Input to the Defence Policy Review, Canadian Transportation Act Review and Innovation Consultations**

Building ships for Canada by Canadians is Seaspan Shipyards' number one priority. The plethora of summer-time federal consultations, however, provided a timely opportunity to reinforce the importance of the NSS as a strategic, long term plan. As the NSS continues to grow it will strengthen Canada's economy and maritime security, enhance its ability to protect our marine habitat and the environment, enable Canada to promote its sovereign interests, and provide valuable careers to thousands of Canadians for the next 30 years. Seaspan's input to the Defence Policy Review, the Canadian Transportation Act Review and Innovation Consultations can be found on our website at [www.seaspan.com/news](http://www.seaspan.com/news)

Visits to VSY by Fisheries Minister LeBlanc and Innovation Minister Bains

Providing ongoing visibility of our work – to our federal customers is important to Seaspan. While this can be a challenge, given the distance between Ottawa and Vancouver, we are grateful for the local support we receive on a consistent basis from **Jonathan Wilkinson**, our North Vancouver Member of Parliament. It is especially encouraging when we receive visits from those directly responsible for the success of the NSS. In August, we had the pleasure of welcoming **Dominic LeBlanc** – Minister, Fisheries, Oceans and Canadian Coast Guard to VSY. He was accompanied by Canadian Coast Guard Commissioner **Jody Thomas**. Most recently, **Navdeep Bains** – Minister, Innovation, Science and Economic Development spent time touring VSY. Both Ministers exhibited keen interest in our shipbuilding strategy and saw, first hand, how our advanced manufacturing facility is flexing its muscles to optimize production efficiencies. In building a first of class vessel in a newly modernized shipyard, we have identified and are applying lessons learned to our engineering, planning, program management and production practices. As these learnings continue to be implemented, we will gain confidence in managing risk, containing costs and meeting production schedules.

**Seaspan's Victoria Shipyards**

With the successful completion of upgrades to five of the Royal Canadian Navy's frigates under the Halifax-Class Modernization/Frigate Life Extension (HCM/FELEX) Refit Program on the West Coast, Seaspan's ship repair business at its Victoria Shipyards (VSL) is now focused on putting the Navy's submarines back to sea, preparing to receive the first of two New Zealand Navy's ANZAC frigates in 2017, maintenance and repair work to its regular cruise ship business, and, actively supporting companies pursuing the prime contractor role for the in-service support contract for AOPS and JSS. VSL also plays a critical role in Seaspan's delivery of vessels under the NSS; it is in Victoria that the final outfitting, as well as the test and trials phases of our NSS work will take place. For that reason, we are very interested in supporting our landlord's (Public Services and Procurement Canada's) planned redevelopment of the Esquimalt Graving Dock (EGD). VSL occupies about 80% of the EGD footprint, has invested significantly in capital infrastructure improvements to the facility over the past twenty years and, today, generates about 90% of its revenue.



Left to right – **Jody Thomas** (CCG Commissioner), **Jonathan Whitworth** (Seaspan CEO), **Dominic LeBlanc** (Minister – Fisheries, Oceans and Canadian Coast Guard), **Brian Carter** (President – Seaspan Shipyards), and Assistant Commissioner, Western Region, **Roger Girouard**.



Left to right – **Tim Page** (Seaspan Shipyards VP – Government Relations), Minister **Navdeep Bains** (Minister – Innovation, Science and Economic Development), and **Nikolai Ivanovic** (Director – Ship Construction) touring Vancouver Shipyards on September 19.

**DND Associate DM Turner and NSS Directors General visits VSY**

While Seaspan garners the majority of public attention to its portfolio of NSS work in Vancouver, the program is effectively managed through a Canada-VSY joint governance infrastructure with considerable oversight by several federal government departments. In September, Seaspan's VSY was the location for the monthly meeting of one of the NSS governance bodies – the Portfolio Management Committee – comprised of Directors General from DND, PSPC, FOCC and ISED and VSY Vice Presidents.

Earlier in the month, DND's Associate Deputy Minister, **John Turner** visited VSY to meet with Seaspan Shipyards President, **Brian Carter** with an expressed interest to better understand Seaspan's shipbuilding strategy and witness the progress being made on the OFSV program.