



National Shipbuilding Strategy 101

It has been almost nine years since the Conservative government announced the National Shipbuilding Procurement Strategy (NSPS). Much to the relief of NSPS supporters, the Liberal government did not end the program when it was elected in 2015, although it is now referred to as the National Shipbuilding Strategy (NSS). It might be time to review the basics of the program – a refresher course called NSS 101.

In the cost-cutting days of the 1990s and early 2000s, the fleets of the Royal Canadian Navy (RCN) and Canadian Coast Guard (CCG) received little attention. This meant that the ships were becoming increasingly old and increasingly expensive to maintain. The announcement of the \$33 billion NSPS in June 2010 was welcomed as a major plan to renew (recapitalize) the fleets of both the RCN and the CCG. In addition to recapitalizing the fleets, the strategy was also designed to stop the boom-and-bust cycle in Canadian shipyards which meant that shipyards would be incredibly busy for a few years and then there would be a drought of a decade or more during which skilled personnel and technical expertise would be lost. Another goal of the NSPS was to create employment and ensure that Canada would continue to have capacity in a strategic industry.

The NSPS was broken into three components: combat ships; non-combat ships; and small ships (less than 1,000 tonnes displacement). The contract(s) to build over 100 smaller vessels, valued at \$2 billion, was to be offered for competitive bidding by shipyards not affiliated with the shipyards selected to build the large vessels.

In October 2011 the government announced its decision on which shipyards would undertake the large ship projects. Irving Shipbuilding in Halifax was selected for the biggest part of the NSPS, that is, to build the combat ships – consisting of 6-8 Arctic Offshore Patrol Vessels (AOPVs) and 15 Canadian Surface Combatants. Vancouver Shipyards (Seaspan) was selected to build the non-combat ships, including the following:

- 3 Offshore Fisheries Science Vessels;
- 1 Offshore Oceanographic Science Vessel;
- 2 (+ option for a 3rd) Joint Support Ships; and
- 1 Polar Icebreaker.

In February 2012, the government signed ‘Umbrella Agreements’ with Irving and Vancouver Shipyards that were to define the working relationship and the administration of the projects. After this both Irving and Vancouver Shipyards began massive updating of their facilities. The facilities had to be updated because it had been a long time since major projects like this had

been undertaken and the shipyards needed to incorporate modern equipment and technology to enhance their capacity to build the ships.

As the shipyards upgraded, work proceeded on the design of the ships. On the West Coast it was decided that the Offshore Fisheries Science Vessels (OFSVs) for the CCG and the Department of Fisheries and Oceans (DFO) would be built first. The first of these ships is named CCGS *Sir John Franklin* and was launched in December 2017 and has been through a somewhat bumpy series of sea trials. The second ship is nearing completion and construction of the third ship is well underway. Construction of the OFSVs is to be followed by construction of the Offshore Oceanographic Science Vessel, which is scheduled to begin in the near future.

In June 2013, the design of the Joint Support Ships (JSS) was announced. Canada will use the German *Berlin*-class design, adapted to Canadian circumstances and constructed by Vancouver Shipyards/Seaspan. Initially the plan was to call it the *Queenston*-class, but in 2017 the RCN returned to the former *Protecteur*-class designation, and the ships will have the same names – HMCS *Protecteur* and HMCS *Preserver* – as their predecessors. It was originally planned that the ships would achieve full operational capability in 2019 but that has been pushed back several times. Seaspan began to cut steel on some of the parts of the JSS in early 2018 in anticipation of start of construction of the ships, but serious construction will not begin until late in 2019.

This was not part of the NSS but, given the early retirement of the oil replenishment (AORs)/supply ships HMCS *Protecteur* and HMCS *Preserver* in 2014, the RCN no longer had ships to provide at-sea re-fueling for the fleet. The situation for the RCN had become acute. Because of this, in June 2015 the government announced that it was in negotiations with Chantier Davie Shipyards in Quebec on a service contract to provide a commercial supply ship to support the navy as an interim solution. MV *Asterix*, the interim supply ship, was welcomed by the RCN in March 2018, and is now operational on an extremely busy schedule. (See Briefing Note #11 for more information about *Asterix*.)

On the East Coast, the first ships being built at Irving Shipbuilding are the Arctic Offshore Patrol Vessels (AOPVs), the *Harry DeWolf*-class. In July 2012, a preliminary contract was signed to enable Irving to conduct a review of the existing design and specifications, and create an execution strategy for the AOPV project. The first ship of the class, HMCS *Harry DeWolf*, was launched in mid-September 2018, and continues to undergo a series of trials before being handed over to the RCN in summer 2019. The centre and stern mega-blocks for the second AOPV – HMCS *Margaret Brooks* – have been constructed, and the third AOPV – HMCS *Max Bernays* – is also well into the construction process. It was thought that only five of the ships would be constructed, but in fall 2018 it was announced that a sixth ship would be built. (See Briefing Note #14 for more discussion of the AOPVs.)

Following the AOPVs will be the construction of the Canadian Surface Combatants (CSC), the biggest element of the NSS. This project is to replace and update the capabilities found in both the *Iroquois*-class destroyers (which have already been retired from service) and the *Halifax*-class frigates. After some delay, the government sent out a Request for Proposals with a deadline of 30 November 2017. Bids were submitted by Spanish, Dutch and British companies. Spain offered its F-100 *Christopher Columbus*-class frigate; the Dutch, the *De Zeven Provinciën*-class frigate; and Britain the Lockheed-Martin/BAE consortium Type 26 anti-submarine warfare frigate. An Italian/French consortium bid was disqualified as it did not submit its proposal in

time. In the fall of 2018, the government selected the Lockheed Martin Canada/BAE Type 26 design to be built at Irving's Halifax shipyard. The government and Irving will work with Lockheed Martin Canada to customize the ship design to meet Canada's requirements. This design work is expected to take three to four years to complete. Construction is set to begin in the early 2020s. (For more information on the CSCs, take a look at Briefing Note #9.)

The government has also been receiving boats from the small boat construction component of the NSS. In July 2015, the government announced that it had awarded two contracts – one to Hike Metal Products in Wheatley, Ontario, and the other to Chantier Naval Forillon in Gaspé, Quebec – to build six vessels (with an option of four more) of the next generation of CCG search and rescue lifeboats. In 2017 the first new CCG search-and-rescue lifeboats were launched, and the last of the seven hydrographic survey vessels for the CCG was delivered in spring 2017.

This is where we stand with the NSS as it begins its ninth year. (If you wonder why the process of building ships is so slow and tends to go over budget, read Briefing Note #7 about shipbuilding in Canada.)