

Canadian



SHIPBUILDING AND REPAIR

By MARK WILSON

B.C. yard wants to be recognized as shipbuilding centre of excellence

Otherwise, Washington Marine Group says it won't be able to sustain all three of its facilities

JONATHAN WHITWORTH, CEO OF THE WASHINGTON MARINE GROUP, BELIEVES THAT UNLESS HIS ORGANIZATION IS RECOGNIZED AS A NATIONAL SHIPBUILDING CENTRE OF EXCELLENCE AND GETS A GOODLY SHARE OF VESSEL CONSTRUCTION UNDER THE NATIONAL SHIPBUILDING PROCUREMENT STRATEGY (NSPS), IT WON'T BE ABLE TO KEEP ALL OF ITS THREE YARDS (TWO IN VANCOUVER, ONE IN VICTORIA) OPEN.

"It is hard to image that without the NSPS we would have three facilities. It would certainly have an effect on WMG, and I will leave it at that," he said.

Asked if WMG has the capability to handle the entire workload of building 50 large vessels for the Canadian Coast Guard and navy, if construction is sequenced over 30 years, he answered: "Absolutely."

"The answer is firmly 'yes,' though with an asterisk denoting that the work would have to be staggered over a certain period and there would need to be investment in infrastructure."

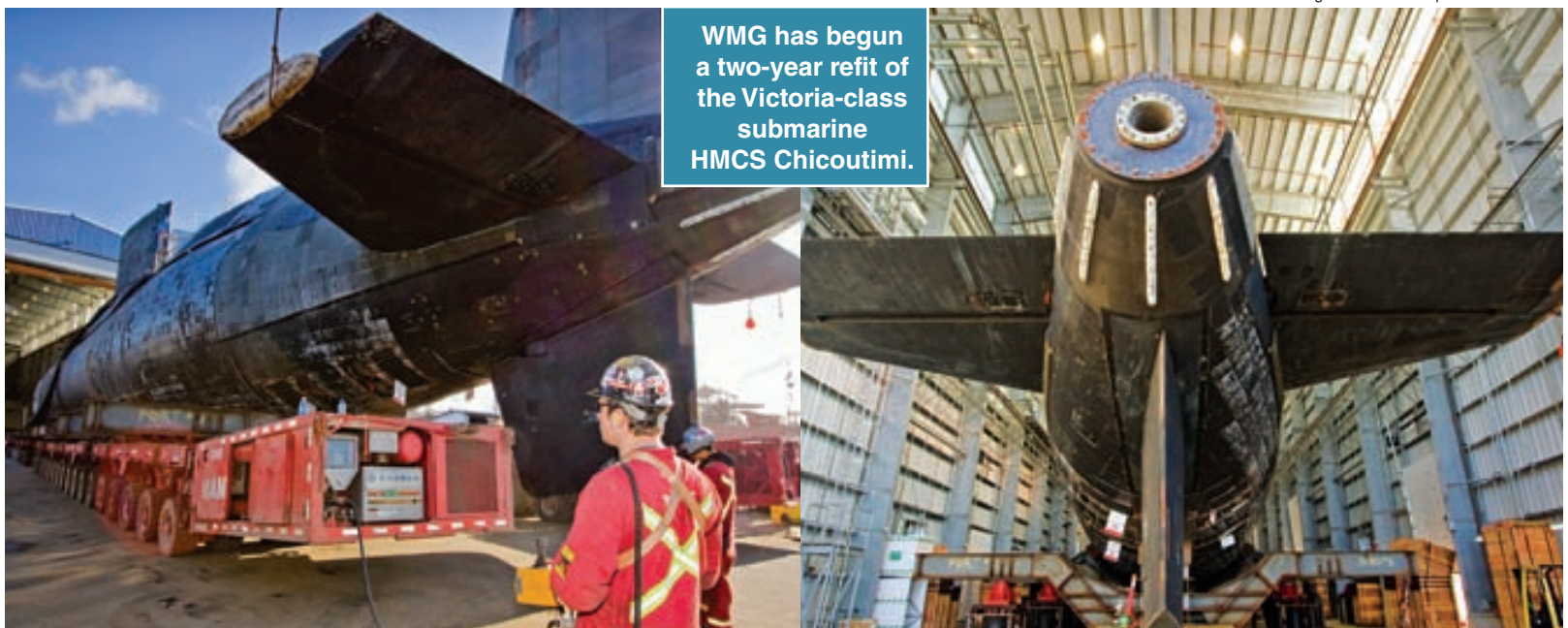
A further caveat is that WMG could not be the sole provider if the work was bunched. "No shipyard in Canada could do two or three of the programs simultaneously," Mr. Whitworth said.

Being a realist, Mr. Whitworth believes it is a wan hope that WMG could get to hog all the business, no matter how sterling its credentials. "Unlike some of the East Coast shipyards, WMG hasn't been given money for infrastructure improvements or to open facilities, to close facilities, or to reopen closed facilities," he said. "We have survived by ourselves."

"We want to win on our merits and are not looking for handouts. We know our capabilities and have a great system."

Being designated a shipbuilding centre of excellence could bring between \$40 million and \$140 million of government money for infrastructure and for training,

Photos: Washington Marine Group



WMG has begun a two-year refit of the Victoria-class submarine HMCS Chicoutimi.

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Washington Marine Group operates two shipyards in Vancouver and one in Victoria (pictured).



**JONATHAN
WHITWORTH**

**Want to
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depending on how much of the work the group receives under the NSPS, and on its timing.

Workload and delivery demands will dictate how many additional workers WMG hires. "We could be creating between 700

and 1,200 new jobs as well as guaranteeing training for the people we take on," Mr. Whitworth said.

"A fixed amount of work over a long time will get us away from the usual boom-and-bust of the shipbuilding cycle. And, unfortunately, we are in one of the cyclical troughs right now."

Asked if he is worried that a designation as a shipbuilding centre of excellence won't be awarded the West Coast, Mr. Whitworth said: "Unfortunately, the answer is 'yes.'"

"We expect to learn in the next months whether the federal government wants to proceed and where the project money is coming from; there is still \$19 billion miss-

ing from the budget for the coast guard work. If those hurdles are surmounted, the question to answer is will it be one yard, two yards, three yards, or more, that are named as centres of excellence?

"We are hoping that with our demonstrated capability we will be included in whatever number government deems to be the correct one.

"It isn't as though we are stepping out of the shadows," Mr. Whitworth continued. "We have been chosen as the sole-source yard to support the Victoria-class submarines and we are sharing in the refit of the navy's Halifax-class frigates. We have been successfully handling major projects for many

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years. We want to be recognized for our technical ability and to grow it, to make sure we have the facilities in place to meet Canada's needs for the next 30 to 50 years."

Mr. Whitworth, who joined WMG from the U.S. marine transportation industry Sept. 1, said he has been pleased with what he has found since moving from Florida.

"The people I have met in the shipyards and on the management side are committed to wanting all three yards to be successful," he said. "Right now, we are struggling through the woes of the economic downturn and keeping focused on keeping costs in line with the work coming through the door.

"Our other major concern is that our request to become a shipbuilding centre of excellence is

heard in Ottawa."

How WMG will act if it is named a shipbuilding centre of excellence has still to be announced. "We haven't necessarily broken out what will go to training and what will go to facilities," Mr. Whitworth said. "It depends on how many of the NSPS projects come to our facilities. Obviously, the more projects that have to be done at the same time, the higher the investment need."

He said that there is a further reason for reticence. "We are in competition with our friends on the East Coast."

One of six Orca-class training vessels built at Victoria by a unit of Washington Marine Group.



WMG, Thales team up to pursue Arctic Offshore Patrol Ship

The Washington Marine Group has strengthened its position as a bidder on building and servicing six icebreaking patrol vessels for the Canadian navy by allying with the Canadian arm of French-based Thales Group.

Thales Group, with 68,000 employees in 50 countries, is the world's ninth ranking defence contractor, active in aerospace, defence and IT programs. Thales Canada Inc. has offices in Ontario and Quebec.

WMG, with three shipyards on the West Coast, and Thales Canada have formed a strategic alliance to secure a contract worth more than \$2 billion to deliver Arctic Offshore Patrol Ships (AOPS), the vessels being an initial part of the federal government's National Shipbuilding Procurement Strategy. The allies, if successful, could provide 700 to 800 skilled jobs in British Columbia and 40 to 60 high-technology jobs in Ontario.

WMG is currently supplying in-service support for the Canadian submarine fleet, mid-life extensions for Halifax-class frigates stationed on the West Coast and

building motorized lifeboats for the Canadian Coast Guard. Previously, WMG has built Orca-class training vessels for the navy and coast guard buoy tenders and icebreakers, among other government jobs.

Thales Group's naval involvement includes partnering in the delivery of aircraft carriers to the United Kingdom and France, providing dockyard support to the Royal Australian Navy and supplying hardware and software to various navies.

Thales Canada will contribute expertise in the electronics field to the bid for the AOPS contract.

Paul Kahn, president and CEO of Thales Canada, said his company is pleased to partner with a strong and capable shipyard in pursuit of the AOPS program. "We have had a strong relationship with the Canadian navy since 1967, and our experience working with large and small navies around the world will provide WMG with tailored, field-proven systems," he said.

Thales Group was known until 2000 as Thomson CSF.

– Mark Wilson