

News Release

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MINISTER SHEA LEADS PURCHASE OF NINE NEW COAST GUARD VESSELS

Halifax, Nova Scotia – The Honourable Gail Shea, Minister of Fisheries and Oceans, and The Honourable Peter MacKay, Minister of National Defence and the Cabinet Minister responsible for Nova Scotia and Newfoundland and Labrador, today announced that the Canadian Coast Guard's new mid-shore patrol vessels would be built in Atlantic Canada.

“The Government of Canada is committed to building and maintaining an effective fleet of ships for maritime security and services,” said Minister Shea. “Bringing these vessels into the fleet has been a priority for some time. We are pleased to be moving forward with this project, and are gratified at the positive impact it will have on the local economy and community.”

A \$194 million contract for nine new mid-shore patrol vessels has been awarded to Irving Shipbuilding Inc., based in Halifax, Nova Scotia. Preliminary work will begin immediately. The first vessel should be ready for service in 2011. All nine vessels will be delivered by 2013.

“Our government is following through on its commitment to having federal ships built in Canada,” said Minister MacKay “This investment gives a significant boost to the Coast Guard fleet and to our shipbuilding industry – creating jobs and supporting local businesses.”

Through Canada's Industrial and Regional Benefits Policy, the Government will ensure that the maximum economic benefit to Canada is generated as a result of the purchase of these new ships.

“The IRB Policy is a key element of the government's procurement process,” said Industry Minister Tony Clement. “Canada's IRB Policy requires that 100% of this contract's value will be reinvested in Canada, creating opportunities, jobs and helping our long-term industrial development”.

Halifax Shipyard estimates up to 155 people will be employed by the project over the next four years. For the greater Halifax community this means an added \$35 million in payroll. As well, the company estimated that approximately 50 local Nova Scotian suppliers will benefit from about \$32 million in purchases of local goods and services. This is in addition to 130 estimated suppliers from the rest of Canada.

“This contract is great news and the best tribute to the skill of the men and women at the Halifax Shipyard,” said Jim Irving, C.E.O. of Irving Shipbuilding Inc. “This is truly a “Made in Canada” effort and we salute the Government of Canada's commitment to build at home.”

The new mid-shore patrol vessels will replace existing vessels nearing the end of their life expectancies. Five of the vessels will be used primarily to support Department of Fisheries and Oceans conservation and protection programs in the Maritimes, Quebec and Pacific Regions.



The other four vessels will be used in a joint program with the Royal Canadian Mounted Police to enhance the maritime security along the Great Lakes - St. Lawrence Seaway system.

“Recent investments, including \$175 million in projects funded through the Economic Action Plan, demonstrate the government’s commitment to ensuring that the Coast Guard has the vessels it needs,” said Minister Shea. “Our Government recognizes the vital role the Coast Guard plays in supporting fisheries conservation and protection, and in maintaining the security of our coasts and waterways.”

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At the recent Shipbuilding Forum, the Government of Canada renewed its commitment to building and maintaining an effective federal fleet of ships for maritime security and services.

In making these investments, the Government will support a vibrant shipbuilding industry while also ensuring high standards of quality and value for taxpayers’ money.

Backgrounder: New Mid-shore Patrol Vessels

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FOR MORE INFORMATION:

Scott Cantin
Media Relations
Fisheries and Oceans Canada
613-993-5413

Joshua Zanin
Acting Press Secretary
Office of the Minister
Fisheries and Oceans Canada
613-992-3474

Internet: <http://www.dfo-mpo.gc.ca>