

# Shipyard transformation

Generating Nova Scotia employment today



**KEVIN McCOY**  
PRESIDENT, IRVING SHIPBUILDING

I find it so impressive that Canada and Nova Scotia not only understand the importance of maintaining a strong shipbuilding industrial base at home, but are willing to invest in it. It's also great to be part of a team at J.D. Irving, Limited that truly believes in shipbuilding in Canada and here at this yard.

I just completed 36 years of service in the United States. I am no stranger to ships and shipyards. I served in five of the US Navy's shipyards and commanded one of the US Navy's nuclear submarine shipyards. I spent three years as the Chief Engineer of the United States Navy and for the past five years, I was in Washington in charge of the US Navy's Shipbuilding, Modernization, and Maintenance efforts for Surface Ships, Aircraft Carriers, and Submarines.

When I was offered the opportunity to move to Halifax, Nova Scotia and take the helm of Irving Shipbuilding, it was an easy decision. One glimpse of what would be happening in Halifax Shipyard over the next 10 years and I was hooked. Rarely does one get a chance to be involved with such a large-scale transformation — an opportunity that may only come once in a career. I just knew I had to be part of it. Also my wife and I are thrilled to be living in such a beautiful part of the world; I feel I have already bonded with this area.

Now the investment continues. Approximately \$300M will be invested in the yard modernization program, which is designed to ensure our facilities are ready to build the first set of NSPS vessels, the Arctic Offshore Patrol Ships, scheduled to start in 2015. The program is actually designed to produce the larger Canadian



Photo: Contributed

*J.D. Irving, Limited kept faith with shipyard workers through robust and lean times and invested more than \$100M into the shipyard between 2007 and 2011, before the NSPS bid results were even known.*

Surface Combatant program, currently scheduled to begin production between 2020 and 2022. Based on my background and experience, I'm very confident in saying that the shipyard design and construction program we are undertaking at Irving Shipbuilding will create **the most modern shipyard** in all of North America.

Our facility plans are mature and we have begun preparation, demolition and, in some cases, construction activity.

Production flow will begin at the south end of the Assembly building, receiving pre-primed, pre-cut steel and flow from south to north from assembly and outfitting to paint to mega-block products and will exit onto the land-level facility.

The yard's new Ultra Hall begins with two fully-enclosed and self-contained paint booths, designed to allow for mechanical preparation and painting of ship sections. The Ultra Hall at the very north



Photo: Contributed



end of the building is where ship sections are joined together to form Blocks and Mega Blocks. Both the Assembly and Ultra Halls are supported by a 12 meter wide annex, which will house employee offices, training and meeting rooms, washrooms and locker rooms, lunch-rooms, tool cribs and small workshops. The land-level construction point is where final ship erection — the connection of the mega-units into full ships — will occur prior to launch.

Due to a lack of sufficient space within the footprint of the existing yard, we will be establishing an offsite steel fabrication facility on Windmill Road in Dartmouth. Owned and operated by Irving Shipbuilding, the facility will require an investment of about \$28M and is projected to employ 20 employees at peak during AOPS production, with a possibility of growth as we progress through the NSPS program.

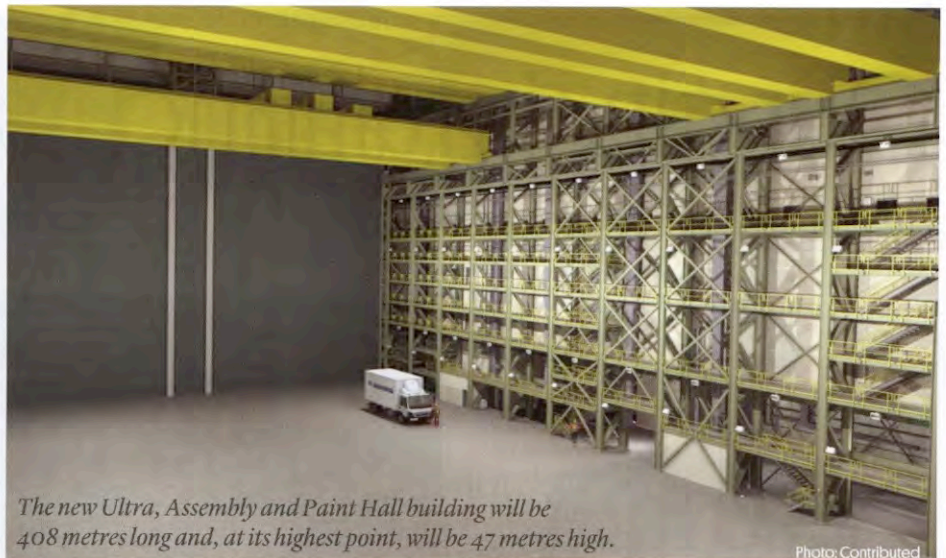
The facility will provide steel marking, cutting, burning, and fabrication as well as bending and forming to support our work at Halifax Shipyard, services we also plan to market to other industries such as the Offshore Oil and Gas and Oceans Technology sectors. The offsite fabrication facility is expected to be complete in the first quarter of 2015.

We've also got activity ongoing in the south end of our yard with the construction of a parking garage that should be complete by January 2014. It will be used by Irving Shipbuilding employees, customers and suppliers and will accommodate about 520 cars.

Demolition of the current shipbuilding facilities has already begun and we anticipate it will continue through to the first quarter of 2014.

We're continually assessing all of our construction activity and ensuring our neighbours are aware of those things that might impact them directly. We're also looking for their feedback and have set up a 1-800 number so they can get updates easily (1-855-975-1655). We thank them for their patience.

We will be taking down our buildings in stages, as we continue to work on the Mid-Shore Patrol Vessel Program. When the last vessel is moved out of the



The new Ultra, Assembly and Paint Hall building will be 408 metres long and, at its highest point, will be 47 metres high.

Photo: Contributed

Mod Shop at the first of next year, we will move the ship down toward our current launch position to complete work on-board while the remaining sections of the Mod Shop and pipe shop are demolished.

Our construction timelines are designed to ensure we are ready to begin production on the AOPS vessels in 2015. We will continue our Mid-Life Refit

program for the RCN Frigates throughout our construction phase and we plan to continue our commercial repair work as well. We are aggressively seeking and bidding work that will help keep as many of our skilled shipbuilders working through our facility construction phase as possible.

Particularly of note, the Province of Nova Scotia has been very supportive of the opportunities that lie in front of the shipbuilding industry in our province — and that support has been backed with commitment and strong beliefs. We thank the Government of Nova Scotia for their vision and action — and we certainly acknowledge our accountability to that commitment of support.

The Halifax Shipyard Modernization Program will equip our shipbuilders with new machinery and equipment, housed in brand new, state-of-the-art facilities — all of which will mean new, more efficient processes. And no one is more anxious to get started with production than our employees.

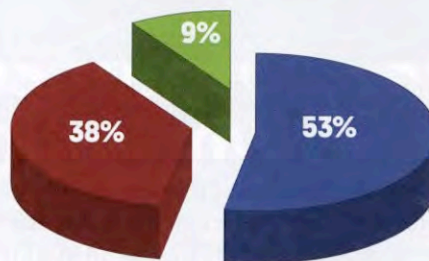
The real heart of our yard is our people; we have one of the best workforces in Canada.

These are skilled employees that enjoy what they do — and the ability to continue to do that over a 25-to-30 year span of ongoing programs, along with a state-of-the-art facility, will attract our employees back to our company and will ensure the workforce grows over the life of the contracts.

Opportunities come with great responsibility, not only for delivering great ships at a fair cost, but also in terms of building and maintaining a world class shipbuilding industrial base for Canada right here in Nova Scotia — and we are determined to deliver on that commitment.

### Irving Shipbuilding Yard Modernization Program\*

(As of 8/8/13)



Owned/Operating in NS: 52.48%  
Owned/Operating in Canada: 38.15%  
International: 9.36%

\* % of total contract value to date

The \$300M investment is already driving activity and jobs for local and national companies, long before cut steel on AOPS takes place.

\$127M in yard contracts have been awarded so far and more than 75 Nova Scotia companies have received contracts or associated work.

53% of the contract value so far has been awarded to companies right here in the province and 38% has gone to Canadian firms.

Over the two year modernization period — that equates to 370 full time equivalent jobs here in Nova Scotia and a further 363 across Canada.