SEASPAN has all the elements required to build Canada's POLAR ICEBREAKER

BY JOETEY ATTARIWALA

According to the Government of Canada's Arctic and Northern Policy Framework, there is growing international interest and competition in the Canadian Arctic from state and non-state actors who seek to benefit from the region's rich natural resources and strategic position. This comes at a time when climate change and technology advancements continue to make the region more accessible.

With the eyes and ambitions of the world increasingly focused on the Arctic, Canada remains committed to exercising its sovereignty over this region, including in the various waterways commonly known as the Northwest Passage. The Government of Canada knows it must be ready to respond to new safety and security challenges and so has an urgent requirement for a large Polar-class icebreaker to replace the Canadian Coast Guard Ship (CCGS) *Louis S. St-Laurent*.

Launched in 1966, by its scheduled retirement in 2029, the CCGS *Louis S. St-Laurent* will have served Canada for six decades and will no longer be capable of playing its part in protecting Canada's national interests, and this is at a time when other countries will be operating nuclear-powered Polar Icebreakers in the Far North.

A BIG JOB TO DO

2029 may seem like a far-off date, but in the world of shipbuilding it is a very short timeframe in which to design and build a ship that has a big job to do. It's clear that Canada cannot afford any further delay in the procurement process, but the good news is that Seaspan Shipyards stands ready to step up and deliver this important capability.

Indeed, Seaspan has been preparing for its Polar mission since 2011, when its Vancouver shipyard was selected through a competitive procurement process to be Canada's shipbuilding partner for non-combat vessels under the National Shipbuilding Strategy (NSS). The non-combat work package assigned to Seaspan originally included the Polar Icebreaker and that seemed entirely logical.

INVESTING IN INFRASTRUCTURE TO BUILD POLAR ICEBREAKER

Accordingly, the company invested $1.5 billion in capital and operating spend, including $185 million to create a state-of-the-art shipyard purpose-built for the Polar Icebreaker. An independent third-party assessment conducted by MW Jones & Company in February 2020 confirmed that Seaspan has the capacity and capability to deliver Polar and the entire non-combat fleet — capacity and capability that does not exist anywhere else in Canada at this time.

Unfortunately, with the clock ticking, and despite Seaspan's investments to deliver it, the Polar Icebreaker was quietly removed from Seaspan's package of work in 2019. And in February 2020, as part of an overall options analysis, Public Services and Procurement Canada issued a Request for Information (RFI) to seek information on domestic capability and capacity to build a Polar Icebreaker that will meet high-level technical and operational parameters within the timelines required by Canada, which for all intents and purposes gets the requirement back to square one.

Some industry experts argue that that decision and the resulting delay are already putting the Polar program at risk, saying that the time required for a new competitive process will add years to the delivery date, and that any other shipyard taking on the project would need extensive investment in facilities (with a lengthy ramp up period) to deliver the program. By its own estimation, Seaspan is the only shipyard with the capacity, facilities and workforce in place today to deliver the Polar Icebreaker to the Canadian Coast Guard by 2029.

In addition to the program risk it will create, removing the Polar Icebreaker from Seaspan's work share could risk unraveling NSS success to date because without Polar, Seaspan could very well face what so many yards have faced before — a significant gap in its work schedule. This is extremely ironic, because one of the key pillars underlying NSS from the beginning has been the avoidance of the dreaded boom and bust cycles of past years that ultimately lead to industry atrophy.

BOOM & BUST CYCLES LEAD TO INDUSTRY ATROPHY

Seaspan's CEO Mark Lamarre explains that there is a simple solution to avoid the potential crisis and it is rooted in the core philosophy of NSS. "The solution is to allow Seaspan to build the Polar Icebreaker as originally intended and as planned for since the inception of the NSS. By returning the Polar program to Seaspan," Lamarre says, "Canada will mitigate the real risks that would be unavoidable in a new competitive procurement approach."

He explained, "Vancouver Shipyard was purpose-built to deliver the entire NSS non-combat program of work, including Polar, and with our cross-Canada supply chain and

Ready to deliver Polar Icebreaker by 2029

There are potentially thousands of long-term high paying jobs that will be created and sustained by the Polar project said Shaun Padulo, President of Heddle Shipyards

our new relationship with Heddle Shipyards, the benefits of a Seaspan Polar Icebreaker contract would be felt across the country."

Lamarre is referring to the fact that in June of 2020, Seaspan signed an exclusive teaming agreement with Heddle Shipyards in anticipation of building the Polar Icebreaker as part of Seaspan's NSS program of work pipeline, where modules constructed at Heddle's facilities in Hamilton, St. Catharines, Thunder Bay and Mount Pearl will be delivered to Vancouver via ground transport. It's a collaboration Lamarre describes as an extension of the company's build strategy, one that aims to keep "moving work to the left" — that is, moving work closer and closer to the point of fabrication, where this work is cheapest, fastest and most efficient to do.

That means working closely with trusted partners like Heddle that understand shipbuilding and ship systems and have the capability to do pre-outfit work, including install and test. The end result will be finished components and units — all built in Canada — that can be rapidly transported over land and easily "clicked into place" onto the ship structure at the Vancouver shipyard. This approach helps keep the production line hot and drives greater speed and efficiency.

POTENTIALLY THOUSANDS OF JOBS

Shaun Padulo is President of Heddle Shipyards and he told CDR, "I can envision the fabrication shops in Port Weller and Thunder Bay booming with activity. There are potentially thousands of long-term high paying jobs that will be sustained and created by the Polar project. We fully intend to disperse the work for our portion of the project across each one of our facilities. Polar will ensure a consistent long-term backlog of work for Heddle and allow us to sustain and grow jobs."

Lamarre added, "Heddle has broad domestic skills and facilities that so far have been untapped to support the strategy. Teaming with Heddle will extend the economic and social benefits of the NSS and enable us to leverage their skills and resources to deliver a flagship Polar Icebreaker worthy of the Canadian Coast Guard and its critical missions." ■

Joetey Attariwala is CDR's Senior Staff Writer