



Marine Industry Advisory Committee

Marine Industry Advisory Committee Summary Report



Montreal Meeting – June 18, 2019

Prepared by
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Marine Commodity Management Office



Marine Industry Advisory Committee

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Acronyms

ABCMI	Association of British Columbia Marine Industries
AOPS	Arctic Offshore Patrol Ship
BIC	Buy in Canada
CA	Contract Authority
CBSA	Canadian Border Security Agency
CCG	Canadian Coast Guard
CFA	Canadian Ferry Association
CGC	Coast Guard Collage
DG	Director General
DND	Department of National Defence
G2B	Government to business
GoC	Government of Canada
HR	Human Resources
IDEaS	Innovation for Defence Excellence and Security Program
ISED	Innovation, Science and Economic Development Canada - formerly Industry Canada
ISS	In-Service Support
ITB	Industrial Technological Benefits
JSS	Joint Support Ship
KPI	Key Performance Indicator
LNG	Liquid Natural Gas
OPP	Oceans Protection Plan
OSME	Office of Small and Medium Enterprises
MCMO	Marine Commodity Management Office
MIAC	Marine Industry Advisory Committee
MPM WG	Marine Procurement Modernization Working Group
MSSVS	Marine Services and Small Vessels Sector
NCR	National Capital Region
NSS	National Shipbuilding Strategy
PBL/C	Performance Based Logistics/Contracting
PSPC	Public Services and Procurement Canada
RFP	Request for Proposal
RMC	Royal Military College
RCMP	Royal Canadian Mounted Police
RCN	Royal Canadian Navy
RRM	Repair, Refit and Maintenance
SA	Supply Arrangement
SR&ED	Scientific Research and Experimental Development Tax Incentive Program
SVC	Small Vessel Construction
TA	Technical Authority
TC	Transport Canada
TI	Technical Inspector
VP	Value Proposition
VPM	Vendor Performance Management
VPM WG	Vendor Performance Management Working Group



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Executive Summary

This report covers the deliberations and outcomes of the second MIAC meeting held between Government of Canada and marine industry officials on June 18, 2019 in Montreal with takeaways in the following areas of discussion:

Canadian Welding Bureau:

- CWB focusing on opportunities and challenges facing the Canadian marine industry's shortage of skilled welders
- Welding program success of great interest to members
- CWB is refining its training strategy and would welcome MIAC as well as senior leadership of government and class input
- ACORN program established as a national program with a prime goal of providing world-class training material and support programs in a fully uniform, transparent and accountable fashion
- Automated welding equipment often operated by skilled welders
- ☐ Provide MIAC membership contact information to CWB
- ☐ MCMO to maintain situational awareness on evolution of CWB program
- ☐ CWB to be invited to present update at next MIAC meeting

Halifax Report:

- Minutes are published on Buy-and-Sell, for onward distribution within respective organizations
- 'Propelling your Business' placemat was a first foray at assembling the information in one location
- Suggestion that a federal employee who can point to the all the programs offered by the GoC would be useful
- CCC appears to be missing from the placemat
- ☐ MCMO to add CCC to the placemat
- ☐ MCMO to investigate and highlight the contact person(s) that could best explain the respective programs

Addressing HR Capacity:

- Demand for skilled labour will be greater than availability
- Need for action to address skilled labour shortage across the six sub-sectors
- Aging and retiring workforce
- Overview of comprehensive labour market survey/analysis/results carried out by ABCMI in BC
- Pathways to action outlined
- Call for Federal Government leadership in developing a HR strategy to address shortages
- ☐ MCMO to initiate conversation with marine institutes and academia to initiate dialogue in elevating awareness of marine trades/careers.
- ☐ MCMO to map marine trade skill development programs from entry level to advanced programs
- ☐ MCMO in cooperation with MIAC members to prepare an approach for a study



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CanExport:

- MIAC membership benefitted from market expansion program activities

Underwater hull cleaning:

- Currently the government does not normally perform underwater hull cleaning
- An unfouled hull saves 6-20% on fuel consumption (reduces greenhouse gasses by the same percentage) and decreases vessel operation performance
- No Canadian underwater hull cleaning environmental policy in place, but there is a need to protect and save the environment
- MCMO is seeking best practices within the different market segments
- MCMO is considering issuing an RFI from industry to receive input

Fleet Renewal and Vessel life Extension:

- Prime Minister recently announced over 15.7B dollars for the recapitalization of the fleet for the construction of 18 large vessels
- 2B dollars invested in maintenance, refit and life extension to keep fleet operating

Emerging Issues:

- Marine is not recognized as a market segment, MCMO is working with partners to have marine added to the list in 2021
- ☐ Need to ensure that Marine is represented in codes
- Suggested that the creation of a Maritime Strategy would provide a framework around the growth and sustainment of Canada's maritime sector
- ☐ MCMO to conduct a review of strategy documents and extract key themes for situational awareness by MIAC and tabled in November.

The second MIAC meeting was highly successful thanks to the great participation of industry representatives and partner departments. The next meeting is planned in Vancouver, November 13, 2019. The following table outlines the meeting's action register:

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	<u>Action Item Name</u>	<u>Action Item Description</u>	<u>Action Item Status</u>
1	CWB contact information	Provide MIAC membership contact information to CWB.	
2	CWB activities	MCMO to maintain situational awareness on evolution of CWB program	
3	CWB invitation	CWB to be invited to present update at next MIAC meeting	
4	Propelling your business placemat - update	CCC to be added to export side. Government liaison between departments and industry to guide businesses in the right direction for programs, (OSME / RDA's) MCMO to investigate. If there are any programs that industry is aware of please advise MCMO	
5	Propelling your business placemat - contacts	MCMO to investigate and highlight the contact person(s) that could best explain the respective programs	
6	HR Strategy	MCMO to initiate conversation with marine institutes and academia to initiate dialogue in elevating awareness of marine trades/careers.	
7	HR Strategy	MCMO to map marine trade skill development programs from entry level to advanced programs	
8	HR Strategy	MCMO in cooperation with MIAC members to prepare an approach for a study <ul style="list-style-type: none"> • Statement of requirements – scope • Critical path • Notional objectives • Notional timelines – situation now and in the future 	
9	Strategy documents	MCMO to conduct a review of strategy documents and extract key themes for situational awareness by MIAC and tabled in November.	



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Overview

The Marine Industry Advisory Committee (MIAC) is the external forum that the internal to government Interdepartmental Marine Committee (IMC) can leverage to discuss Small Vessel Construction and Sustainment recommendations as well as opportunities and challenges collectively facing the Canadian marine industry and government. In addition to providing advice and recommendations to the IMC on plans and actions moving forward, the MIAC may also establish tiered subject matter expert panels to solicit more detailed feedback and advice on specific segment relevant topics.

This summary, while not exhaustive, embodies the feedback from industry and government representatives to the topics constituting this second meeting.

1.0 Opening Remarks and Background

Charles McColgan, Director General of MSSVS, MIAC Chair

The Chair welcomed each of the members and provided opening remarks. It was emphasized that as the Chair he is committed to the success of the MIAC by monitoring and tracking progress. He stressed the importance to the membership that if the MIAC is deviating from what the membership wants to see to please raise the flag. He noted that membership time is important and valuable so that if “we go off the rails”, to inform him so no one’s time is wasted. While he had not chaired the first meeting, he saw the clear path and the great opportunity to make positive impacts in the road ahead.

2.0 Canadian Welding Bureau – Adapting to the needs of industry

Presented by Michelle Stanford, Senior Vice President of the Canadian Welding Bureau (CWB)

This segment of the agenda was dedicated to exploring the opportunities and challenges facing the Canadian marine industry’s shortage of skilled welders in shipbuilding. The membership appreciated that the speaker was able to join remotely to provide this presentation.

Ms. Stanford provided an overview of CWB:

- Not-for-profit organization
 - Membership association - 40,000
 - Canadian certification body for welding:
 - Conducts 3rd party audits & welder testing
 - Endorse safety standards
- For-profit-portion (all proceeds go to a charitable foundation)
 - Education program – ACORN: CWBi Acorn is a new national initiative to provide standardized training, testing, assessment, credentials and recruiting at a national level. It can best be thought of as a flexible learning platform that can be easily adopted on its own, or adapted to fit within existing training initiatives. It is intended to be national program with a prime goal of providing world-class training material and support programs in a fully uniform, transparent and accountable fashion. It will be centrally administered and managed through CWB Group’s CWB Education on behalf of industry,



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educators and students who want to support the program. Administered directly through CWB Education, CWBi Acorn and its associated programs and testing/ assessment are run fully independently of the activities of the CWB Group, and associated company certification and welder qualification processes.

- Consulting Business
- ISO Registration
- 7000 clients
- New Marine Annex:
 - Development and implementation of new Marine Annex which is an upgrade of current standards
 - There will no longer be a need for dual certifications
 - Expected Summer 2019
- Strategic intent to form a National Consortium in Shipbuilding for welding:
 - Seaspan, Irving and Davie have expressed interest
 - Welder skills and company assessment
 - Training curriculum
 - Define process for excellence
 - International alliance on some of these topics with Australia and UK – cross-nation collaboration
 - Priorities
 - Build skill competency models for the unique and specific skills needed for shipbuilding welding
 - Build online and in person skill assessment program to increase hiring and training efficiency and productivity
 - Design the curriculum for a shipbuilding specific education program and make accessible nationally
 - Form a nationwide recruitment program for welders who lack shipbuilding skills
 - Advocate to government for funding support for training needed welders
 - Investigate international partnerships with
 - Next Steps
 - Government engagement
 - Class society engagement
 - Define priorities
 - Secure financial support
 - Create working group
 - Future of NSS welder needs
 - Competency framework
 - Skills development
 - Cross-Canada recruitment
- Questions and Answer session:
 - How will these actions benefit small and medium businesses?
 - This will help smaller shops to pre-screen welders
 - Training programs (virtual)
 - Online portal for welding – companies can solicit for welders
 - Has the CWB considered including robotics?



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- We are focusing on the manual welding aspect for now but of note, some entities in the US are using robotics operated by skilled welders.
- It was observed that the CWB program appears primarily focused on large yards, hull fleet maintenance is carried out in many yards and it was suggested that the program needs to encompass all yards of all sizes not just the few large yards.
 - While the CWB is involved with large yards it endeavours to be inclusive of yards of all sizes.
- Has the CWB considered looking at immigration as a short-term solution for the lack of resources to fill in the gaps?
 - Yes, the CWB is working with partners to assess requirements. For instance, funding has just been received for a 'Build a Newcomer' program from immigration.
 - The CWB is working on identifying which countries have qualified welders and constructing a shipbuilder's competency program.

As a results of discussions the following recommendation was proposed:

- 1) Provide MIAC membership contact information to CWB.
- 2) MCMO to maintain situational awareness on evolution of CWB program
- 3) CWB to be invited to present update at next MIAC meeting

CWB is refining its training strategy and would welcome MIAC as well as senior leadership of government and class input. Much discussion ensued in relation to apprenticeship, economics, relocation and issues in areas of high demand/need. The area of competency assessment, synergy with colleges and the potential for a virtual centre were also covered.

3.0 Halifax Report

Charles McColgan, Director General of MSSVS, MIAC Chair

This segment of the agenda was dedicated to reviewing the Action Registry from the Halifax MIAC meeting in March 2019, to provide an update, and respond to questions.

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	Action Item Name	Action Item Description	Action Item Status
1	Skilled labour shortage – HR WG	Gov't and the marine industry (all sectors) are in pressing need for technical expertise and/or trained skilled personnel (welders etc.). An HR working group be struck to review the challenges and investigate options and synergies (with other government departments, provinces and territories, academia etc.) to address the gaps. MCMO Secretariat to investigate.	MCMO began investigating the approach to addressing skilled labour shortage
2	Showcase support / funding for promotion of industry internationally	Industry noted the need to showcase accomplishments achieved within the realm of government contracts. MIAC to investigate funding/other considerations for industry and GoC to jointly promote Canadian marine products/services at international events. MCMO Secretariat to investigate and liaise with GAC (and ISED if applicable) to determine what programs are in place.	MCMO prepared a placemat
3	ISED attendance at MIAC	The MIAC should include an ISED representative to provide input/perspective with regards to a wide range of topics, including the ITB/VP policy, BiC and economic leveraging options for GoC requirements. How the Canadian content policy applies to crown corporations requires further investigation. MIAC Chair to invite at the request of industry to participate in MIAC.	Invitation was sent and well received ensuring forward participation. Due to competing priorities, ISED will be joining by teleconference
4	PBL/PBC contract examples	MCMO Secretariat to liaise with CFA on examples of PBL/PBC in place for CFA contracts, as well as to determine if they have experience at the system/platform level.	CFA had provided a good example of a PBL/PBC
5	Innovation programs links	It would be beneficial to have all innovation programs links on one website. MCMO to liaise with ISED to verify availability/completeness of information.	MCMO verified and updated links and promulgated on Buy-and-Sell

Members inquired as to the confidentiality level of the MIAC documentation. It was highlighted that minutes are published on Buy-and-Sell, for onward distribution within respective organizations. Should a sensitive issue be flagged during any meeting, a determination will be made as to whether to include in the record of discussion with the membership.

The Chair highlighted that the 'Propelling your Business' placemat was a first foray at assembling the information in one location and if anything is missing to please advise the MCMO. It was mentioned that CCC appears to be missing from the placemat.



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It was observed that, in order to achieve the most benefit and visibility over programs, it would be appreciated if a small group of individuals who were familiar with these programs, their changes and nuances, could guide industry in the right direction. One point person would be a great idea. MCMO observed that perhaps OSME or the Regional Development Agencies (RDAs) are the right people for that.

Industry indicated that a single point person would be the best way to go. They suggested that a federal employee who can point to the all the programs offered by the GoC would be useful. The NRC has a funding portal that manages federal programming.

As a results of discussions the following recommendation was proposed:

- 4) MCMO to add CCC to the placemat
- 5) MCMO to investigate and highlight the contact person(s) that could best explain the respective programs

4.0 Addressing HR Capacity

Presented by Alex Rueben, Executive Director, Association of British Columbia Marine Industries (ABCMI).

This segment of the agenda was devoted to reporting the results of the recent BC Industrial Marine Sector Labour Market Information study. From the onset it was explained that ABCMI took an active role to help industry and employers understand and respond to changing labour market demands within BC's diverse economy.

The approach encompasses five distinct yet interrelated phases, namely:

- Phase 1 - Sector engagement – Develop a broad-based partnership and establish leadership and direction for the projects.
- Phase 2 - Labour market information - Conduct labour market information (LMI) research that supports strategy development.
- Phase 3 - Strategy development - Develop a comprehensive labour market strategy to address issues and recommendations identified in the Labour Market Information phase.
- Phase 4 - Implementation - Implement/test new tools and approaches identified in the Strategy Development Phase.
- Phase 5 – Evaluation - Sector-led evaluation of the impact of project implementation on sector labour market issues.

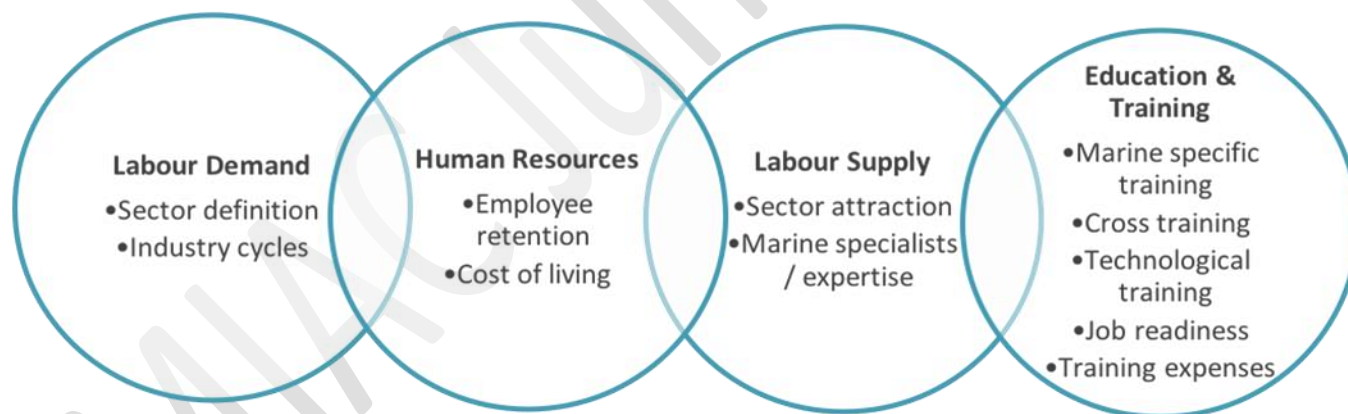
ABCMI has completed the first three phases and will commence the fourth phase in Spring 2020.

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The study identified six sub-sectors of interest namely:

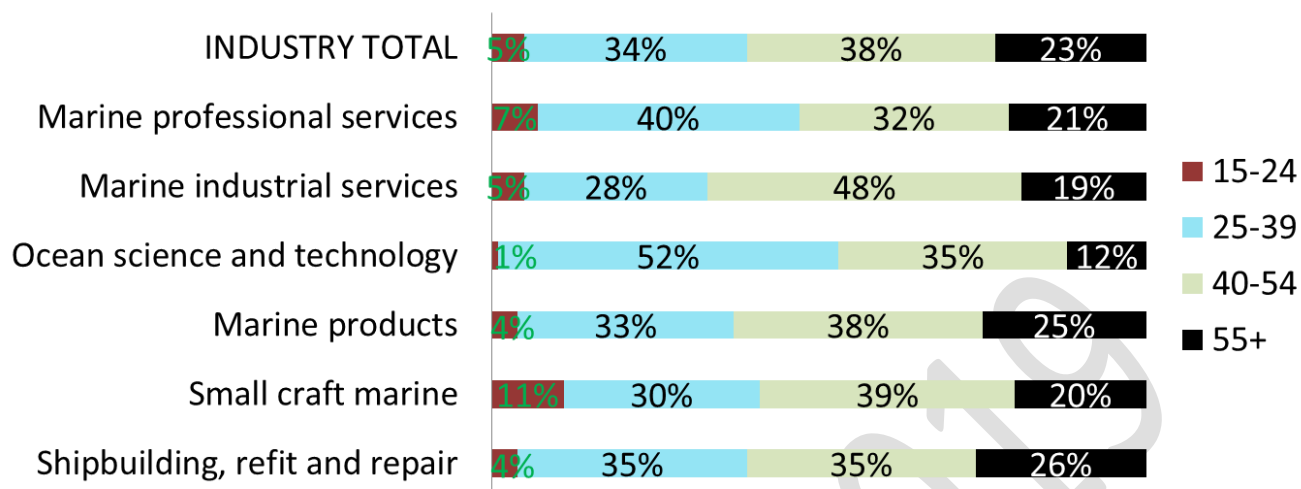
- ❑ **Shipbuilding, refit and repair** include new construction, modernization, conversion, maintenance, in-service support, barge fabrication and repair and industrial fabrication.
- ❑ **Small craft marine** includes construction of all recreational, pleasure, and small commercial or government craft including rigid hull inflatables and submersibles. Also includes all boatyards, marine repair facilities, chandlerys, and yacht brokerages and marinas that also do repair or maintenance.
- ❑ **Marine products** include all products that have a marine application and are used by companies in the industrial marine sector.
- ❑ **Ocean science and technology** includes research instrumentation, autonomous and piloted underwater vehicles, cabled observatories, “smart” buoys, marine acoustics, and marine renewable energy.
- ❑ **Marine industrial services** includes repair of port and marina infrastructure, marine renewable energy infrastructure, commercial diving and remotely operated underwater vehicles, underwater repair and underwater surveys, dredging, and pile driving.
- ❑ **Marine professional services** include marine engineering, naval architecture, marine law, marine consulting, software development and sales, as well as education and training around industrial marine activities.

The labour market challenges, while complex, were depicted as:



Mr. Rueben provided great details of the in-depth knowledge and intelligence gleaned from the sector through the study ranging from gender, age, aboriginal composition.

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Mr. Rueben highlighted the need to think strategically and not tactically. The results show that the industry is losing critical skillsets. He noted the need for better visibility on marine trade skills development programs and partnerships.

He noted that importance to capture the data nationally and that there are a number of studies that can be leveraged. He mentioned that Dr. Sherry Scully had been doing work in this area. In order to be successful, he mentioned that there is a need to engage key partners (government, academia, industry...). It was pointed out that there is a need to:

Develop an industry-wide “youth” marketing strategy

- ☐ Combat lack of awareness/misperceptions;
- ☐ Will foster a local labour force;
- ☐ Focus on K-12.

Develop integrated “career path” strategies

- ☐ Will help companies with succession planning, especially with respect to management positions (84% replacement rate);
- ☐ Assists with attracting new workers.

Invest in local sources of labour

- ☐ Women and Aboriginal workers are underrepresented;
- ☐ Develop programs that promote training and uptake of local sources of non-traditional labour.
- ☐ **Develop a human resources committee to oversee sector-wide workforce issues**
- ☐ Focus on improvements to training programs;
- ☐ Monitor competition with other industries (e.g. construction, oil and gas).
- ☐ Coordination role – between government, industry, educational institutions.
- ☐ **Develop standardized industry certification**



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- ☐ Improves the industry's visibility (program is listed on association sites like ITA);
- ☐ Will assist with recruitment efforts (workers from other sectors may be more willing to work in the sector);
- ☐ Assists with retention (recognized credentials will encourage workers to invest in their careers and stay in the industry).

He pointed out the need to figure out how to inform schools on a systemic level as currently, one needs to deal with individual school boards and then the individual schools. This has proven difficult because it is not one entity. Furthermore, there are a lot of barriers in reaching youth – parents/counsellors etc. There was concern expressed that smaller shipyards may also be resistant to change in behaviours / approaches. The workforce is also known not to be very mobile, hence the need to apply local solutions must also be factored in. This will compel the approach to think in a broader sense of a national strategy, apply local solutions that encompass geographical realities. The marine industry is not known by young people and there remains a need to promote the industry to young people in ways that they connect with (i.e. gaming, social media etc.). This has been done with some success in the forestry sector with videos/tools. He suggested that we look at other industries that have the same issues. They could have best practices to share. ABCMI is willing to share what they have done so far and would be receptive at leveraging the methodology and approach to help frame the larger study. It will be important to have clear objectives and long and short term goals.

Members noted that one of the challenges is that not all provinces are working together in addressing issues and that certification and training approaches differ. There needs to be incentives to attract and train. It was observed that community colleges do not all have the same incentives. It was observed that there is a need for federal leadership. While everyone knows that there are challenges, there is nonetheless a lack of hard data to substantiate the required actions across the country.

The membership conversation then focused on what these jobs are going to be in the future which will require additional strategic foresight into where are things heading in 20 years. The strategy will need to factor in RBC, Deloitte's and others future analysis of jobs. The role of industry in new technologies, bringing awareness to the sector cannot be delegated to waiting on Government. There is a need to think about what needs to be done to entice/attract shipyards to the cause. There is a need for a cross-sector pollination to game with subject matter experts and join forces to enhance the image of the sector. How we attract and change the image? There are some best practices such as Mes Games (<https://www.mes-games.com>) from Sweden – including boat building in one of their games.

The chair and the membership agreed that there is a need to focus the scope, potentially around shipbuilding, and that the scope needs to be clear. There may be a need to collect additional data and the Chair inquired about the response rate of companies – which was less than half of the companies surveyed. This response rate can be driven by “what is in it for them? – funding, opportunities for dollars, being offered solutions etc.” It was emphasized that there also be an opportunity to engage other fields that are under-engaged or under-employed. In order to be successful there is a need to think forward 20-



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30 years and equip future labour force with the skills that will be required while also factoring in the skills required to deal with an aging fleet and technologies.

As a results of discussions the following recommendation was proposed:

- 6) MCMO to initiate conversation with marine institutes and academia to initiate dialogue in elevating awareness of marine trades/careers.
- 7) MCMO to map marine trade skill development programs from entry level to advanced programs
- 8) MCMO in cooperation with MIAC members to prepare an approach for a study
 - Statement of Requirements – Scope
 - Critical Path
 - Notional Objectives

5.0 Diversifying to new markets with CanExport Pilot Program

Presented by Taraneh Bayat-Mokhtari, Senior CanExport Program Officer, Global Affairs Canada

This segment of the agenda was dedicated to provide a response to industry's request for information regarding various federal funding programs available to them.

The CanExport funding program is offered by the NRC and GAC and was launched in 2016 specifically to help Canada diversify.

- Objective is market diversification
- Meant for geographic diversification only
- 98% of companies are eligible but most companies are unaware
- Designed to be flexible
- Categories to received funding include
 - Travel expenses
 - Participation in trade fairs
 - Adapting market tools
 - Market research
- Application is on-line
- Approval rate is 70%
- Does not need to be re-paid
- Trade Commissioner Service
 - Export arm of GAC
 - Working with them will strengthen your application
 - They can also assist with Trade Agreements



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6.0 Underwater Hull Cleaning

Innovation and Greening, Marc Baril, MCMO

This segment of the agenda was intended to provide an update to MIAC members on the Government's initiative to create an underwater hull cleaning program in a sustainable and environmentally friendly manner. This work is carried out with the assistance of a PSPC colleague, Mr. André Godin, and a working group of CCG and DND stakeholders.

- Overview of the current situation and future plans:
 - Currently the government does not normally perform underwater hull cleaning
 - An unfouled hull saves 6-20% on fuel consumption (reduces greenhouse gasses by the same percentage) and decreases vessel operation performance
 - There are presently 12 distinct ecoregions already defined within Canada. DFO has just begun a study to further refine the twelve established ecoregions into smaller chunks. The current boundaries are defined mostly by environmental and geographic characteristics. The future boundaries will also incorporate other natural barriers that provide further isolation within the established ecoregions. Greater granularity of ecoregions is required to better quantify species spread as a result of anthropogenic vectors, increase traffic, and climate change.
- Solution considerations:
 - Capturing the fouled water (contaminants and live organisms) resulting from hull cleaning (the gold standard)
 - Need to ensure no invasive species are contaminating the water
 - There are no companies in Canada that meet the spirit and intent of the Fisheries Act related to release of deleterious substances. Coating biocides and release of invasive biofouling species can be interpreted as "deleterious" substances, as clarified by DND Legal dept. Regulations do exist, but presently do not explicitly detail biofouling on the Schedule 2 list or regulated species within the Aquatic Invasive Species Regulations, and are thus not enforced yet. However, this is expected to change in the near future.
 - Some countries will NOT allow vessels that do not meet certain standards of fouling to enter their waters. NZ has started to refuse entry to commercial and military ships in their waters without hull cleaning and this will likely become the new norm. The RAN has not been able to perform joint training exercises for over one-year with the RNZN. This is because NZ's Ministry of Primary Industries' biofouling regulations are very stringent, and have proven to be difficult for ships to meet NZ's hull cleanliness standards. It was indicated that NZ requires ship hull survey reports to quantify the hull condition of 80% of the wetted surface prior to allowing vessels permission in their territorial waters. Two threshold limits exist: 1) for short-stay vessels, and 2) for long-stay vessels.
- Goals of the proposed hull cleaning contracting solution:
 - Reduce GHG emissions
 - Increase fuel efficiency (6-20% improvement)
 - Assist in meeting performance expectations of a ship
 - Create green jobs
 - Control invasive species



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- Limit the damage to the environment

MCMO is seeking best practices within the different market segments, please let MCMO know if there are any solutions worth considering. MCMO is considering issuing an RFI from industry to receive input, and consult with the International Marine Organization (IMO). (Secretarial note: This RFI/LOI was released on Buy and Sell on 29 Oct 2019 and will require an amendment to correct a few inaccuracies). We anticipate engaging NRC to support testing and develop a national and international hull cleaning strategy. New paints are available (Sea Life 1000 doesn't collect fouling), there is fouling prevention and there is cleaning. Other composites are emerging, such as graphene, which may encourage fouling avoidance. These materials will need to be reviewed in the future as testing results become available.

7.0 Fleet renewal and vessel life extension

Sam Ryan, Canadian Coast Guard

Mr. Ryan was pleased to report that the Prime Minister recently announced over 15.7B dollars for the recapitalization of the fleet. This exciting announcement calls for the construction of 18 large vessels:

- 16 multi-purpose vessels
- 2 new artic offshore patrol ships
- Mid-shore multi mission ships design of a new smaller class under 1,000 tonnes

This represents the biggest investment ever in the Canadian Coast Guard. Nonetheless, the current fleet has to meet CCG/DFO requirements until replacements are available.

By the same token over 2B dollars will also be invested in maintenance, refit and life extension to keep fleet operating. Refit/refurbishment/life extension funding will cover significant updates on the ships and there will be reduced divisions between refit/refurbishment/life extension to ensure more streamlined projects. Industry should expect that most large vessels will undergo a year-long work period preceded by two years of planning. The CCG remains committed to working closely with the marine industry and other government departments to optimize workforce and dock space. Industry members inquired about the spending for classes of ships, specifically the 1200 class. It was observed that no announcement was made on that issue to date. Industry representatives inquired as to whether the new ships would encompass new technology? Yes, the CCG is examining technology drivers, considerations include the realm of the possible, what is available now and environmentally safe and responsible technologies. Will there be an RFI for these new CCG ships? Mr. Ryan pointed out that the CCG had consulted stakeholders and came to the conclusion that the CCG would not proceed through a RFI since challenges have already been brought forward.

We saw what the Navy did, we don't have an exact ship that undertakes those functions, but our policy teams are looking at emerging technologies and future capabilities and we will make a decision based on what they can do for both the in service and the new builds.



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8.0 Emerging Issues

Marc Baril, Cindy Soyland MCMO

ISED via teleconference: Denis Bourque, Sharon Irwin, Lindsay Bisson

- Marine is not recognized as a market segment, MCMO is working with partners to add marine to the list in 2021. Where possible, we should adopt a 1-digit category or 2-digit category. There is a need to align at the sectoral level
- Currently broken down by occupation, not by market segment
- One program for all RDAs at the moment (ToRs same for all RDAs across Canada), approach may differ to support local eco system, but the program is the same. It was pointed out that the “Grow West” strategy document does not mention marine as a sector and that the Oceanology trade fair in March 2020, of the 20 slots available in the Canada pavilion, 16 were for Atlantic Canada, 4 for ACOA and CanExport. This differs from the Atlantic grow strategy which encompasses ten sub-sectors incl. ocean, multi-year plan for exports/growth and 2-3 pilots. These highlight the need to elevate the marine sector to achieve an equitable approach.
- Structured financing facility program – interest to reinstate the program? The program sunsetted in 2013 and achieved its aim and will not likely be reinstated at the current time given the existence of other suite of programs and the NSS.
- It was mentioned that members and all levels of government should advocate on Buy in Canada but the reality is that many ship owners and crown corporations are building abroad and that Canada should put emphasis on becoming globally efficient in an effort to regain work.
- It was suggested that an Annual Project Directory could be useful providing a list of key projects in ship building and vessel refit/repair projects – it was noted that this type of information is available during the Outlook session at Mari-Tech and that the information is then posted on Buy-and-Sell.
- DND: mid-size fleets that can interplay on docking capacity of different yards, large fleets have a set schedule; a holistic picture would be required of capacity and demand. This subject will need to be re-explored. In the same vein, is there a need to create a shipyard directory? (Capacity, accepting new work/projects etc.) – Tim Colton existing directory. The member for SNC Lavalin observed that it has a listing of shipyard capacity and capability which might be able to be shared.
- It was suggested that the creation of a Maritime Strategy would provide a framework around the growth and sustainment of Canada’s maritime sector; increase visibility to guide government in policy development. Creating a Marine strategy - The forum enquired as to the necessity to establish an integrated national strategy akin to the UK ‘Maritime Strategy 2050’ – Marine Industry Strategy or Maritime Strategy? It was observed that the NSS would be completed in 20 years, then what? Long-term strategy required under strong government leadership, look beyond NSS. The Chair observed that creating a Maritime Strategy would be a useful tool, it was noted that this may well be a medium/longer-term objective that can evolve through the MIAC discussions and at the right level of maturity of discussions could be addressed. Notwithstanding it would be useful to glean a better understanding on the various strategy documents within the marine realm. It was proposed that the MIAC may want to consider limited year one goals, top three priorities and in three years set a 20 year strategy.
- The rates that are being charged at the yards are lower than at the garage – You would like to have your car services at our rates. There should be some consideration for setting the work rate per hour.



Marine Industry Advisory Committee

9.0 Closing Remarks

Charles McColgan, MIAC Chair, round-table discussion

As a results of discussions the following recommendation was proposed:

- 9) Need to ensure that marine is represented in codes
- 10) MCMO to conduct a review of strategy documents and extract key themes for situational awareness by MIAC and tabled in November.

The Chair thanked all participants and stated that he truly appreciated each and everyone's contributions. He proceeded to solicit feedback in a round table format. He informed the membership that the next meeting will be held in Vancouver on November 13th.



Marine Industry Advisory Committee

Annex A

MIAC Attendees

Industry Associations:

- Association of British Columbia Marine Industries (ABCMI) – **Alex Rueben** – Executive Director
- Atlantic Canada Aerospace and Defence Association (ACADA) - **Richard Billard** - President and CEO
- Canadian Institute of Marine Engineering (CIMarE) – **Mario Rossi** and **Bud Streeter**, Honorary President
- Nova Scotia Boatbuilders Association (NSBA) - **Jan Fullerton** - Executive Director (incoming)

Marine industry market segment representatives:

- In-service support (2);
 - ✓ Secunda Canada - **Darrell Sheppard** - President and CEO
 - ✓ SNC-Lavalin Operations and Maintenance Inc. - **Clint Laidlaw** - Senior Manager Business Development
- Repair, refit and maintenance (2);
 - ✓ Canada Maritime Engineering Limited – **Ray Gallant** – Vice President of Operations
 - ✓ NEWDOCK, St. John's Dockyard Limited - **Richard Eddy** - Operations Manager
- Small vessel construction (2);
 - ✓ Chantier Naval Forillon Inc - **Jean-David Samuel**- Président-directeur général
 - ✓ Rosborough Boats Ltd - **Robert Gascoigne** - Director Business Development
- Naval architecture/engineering (1); and
 - ✓ Genoa Design International Ltd. - **Leonard Pecore** - Founder & Chair of the Board
- Supply chain (1)
 - ✓ Wartsila Canada - **Pieter Groot** - Contract Manager

Government department representatives:

- Public Services and Procurement Canada – **Charles McColgan**, Director General Marine Services and Small Vessels Sector
- Department of National Defence (DND) – **Commodore Christopher Earl** - Director General Maritime Equipment Program Management
- Canadian Coast Guard (CCG) - **Sam Ryan** - Director General Integrated Technical Services
- Canadian Coast Guard (CCG) – **Cliff Harvey** – A/Director, Marine Engineering
- Royal Canadian Mounted Police (RCMP) - **Darren Mierau** - National Manager, Marine Fleet
- Transport Canada (TC) - **Mike Freeman** - Regional Manager, Technical Services