

HANSARD

NOVA SCOTIA HOUSE OF ASSEMBLY

COMMITTEE

ON

ECONOMIC DEVELOPMENT

Thursday, June 4, 2015

LEGISLATIVE COMMITTEES OFFICE

**Irving Shipbuilding Inc.
National Shipbuilding Procurement Strategy Contract Update**

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ECONOMIC DEVELOPMENT COMMITTEE

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[Mr. Ben Jessome was replaced by Mr. Brendan Maguire]
[Hon. Sterling Belliveau was replaced by Hon. David Wilson]

In Attendance:

Ms. Kim Langille
Legislative Committee Clerk

Mr. Gordon Hebb
Chief Legislative Counsel

WITNESSES

Irving Shipbuilding Inc.

Mr. Chris MacDonald
Vice-President, Government Relations and Industrial Benefits Program

Mr. Scott Jamieson
Vice-President, Programs

Ms. Anna Marenick
Director, Community Relations and Value Proposition



House of Assembly
Nova Scotia

HALIFAX, THURSDAY, JUNE 4, 2015

STANDING COMMITTEE ON ECONOMIC DEVELOPMENT

9:30 A.M.

CHAIRMAN
Mr. Joachim Stroink

MR. CHAIRMAN: I'd like to call the meeting to order. Just a reminder to turn off all your cellphones. Just to remind everybody that we will be dealing with any committee business at the end of this meeting. We're going to shoot to wrap this up around 11:10 a.m., or 11:15 a.m., so we can continue on with committee business.

We'll get things started here with introductions.

[The committee members and witnesses introduced themselves.]

MR. CHAIRMAN: I will turn it over to you to start your presentation.

MR. SCOTT JAMIESON: Thank you very much. On behalf of the men and women of Irving Shipbuilding, we're very pleased to be here with you today. Irving Shipbuilding is very proud to be one of the major employers and drivers of economic growth in Nova Scotia. This morning we very much look forward to giving you an overview of our progress towards building a Shipbuilding Centre of Excellence and illustrate some of the changes that we have been going through as we get ready to start to cut steel and move into full production of the first class of ships under the National Shipbuilding Program, the Arctic offshore patrol ships, in September of this year.

The National Shipbuilding Procurement Strategy really means industry certainty for shipbuilding in Canada. In October 2011 it was really an exciting new chapter in shipbuilding that will transform not only the Canadian Naval Fleet but also our economy.

With this announcement we became a partner to the Government of Canada. It is what we won as part of that strategy, a \$29 billion naval combat package which means we'll build between 21 and 23 ships and provide between 25 and 30 years of steady work to a new generation of shipbuilders.

We have been busy benchmarking the best in class standards all over the world to make sure we're at the forefront of growing a sustainable shipbuilding and marine industry that will provide sustainable employment for new generations of shipbuilders. When we won the right to build the Centre of Excellence for the combat ships it also gives us the opportunity to really break out of the problem that tends to dog the shipbuilding industries around the world, which is a problem of boom and bust cycles. So for us that provides us with an excellent cornerstone from which to grow and develop our business. As a result of that certainty, we're able to make solid, ongoing investments in our infrastructure, our processes, our IT systems, and most importantly, our people.

It has been over 20 years since the last warships - the Canadian patrol frigates - were designed in Canada, and since then the shipbuilding industry has been rapidly changing as the world builds larger, faster, and more sophisticated ships. We've taken all of those practices and all of those requirements and built them into our business going forward.

Before I talk about the national shipbuilding work going forward, I thought I would spend a few minutes talking about the work we have been doing recently in the yard. Irving Shipbuilding has been at the forefront of Canadian shipbuilding for over 50 years. We have built over 80 per cent of the current Canadian combat fleet. The last of the current Canadian patrol frigates were launched in the early 1990s. Since then we've been building smaller vessels to ensure that we retain experience in new construction. Most recently, from 2010 to 2014, we constructed and delivered nine mid-shore patrol vessels - which you can see in the top right-hand side of the slide - to the Canadian Coast Guard.

We're also doing extensive midlife refits on the seven Halifax class frigates that we built in the 1990s and we're also committed to an ongoing commercial ship repair business, both at the Halifax Shipyard and in Dartmouth, and in our Shelburne ship repair facility in Nova Scotia as well.

The National Shipbuilding Procurement Strategy really allows us the opportunity to make the right investments in shipbuilding to go forward and create a sustainable, long-term shipbuilding business. In support of that, we are creating North America's most modern shipyard. I'm sure many of you have been along Barrington Street, and over the last few years have seen the demolition and the new construction work that we have been undertaking.

We had a unique opportunity to build a bespoke shipyard with the design and construction capability to meet both the Arctic offshore patrol ships, the first class under NSPS, and the Canadian surface combatants which will be the second class. We have been

very focused as we've been designing and building that shipyard to make sure we build the right facility to build these ships. So we would call this production engineering. It includes working out what the size of the units are that we need to produce, the size of the panels, and how it will all move around within the facility. So the new shipyard has definitely been built with that package of work in mind.

Our new facility consists of three major structures. There on the top left you'll see our brand-new Marine Fabricators - our facility over in Dartmouth on Windmill Road - and I'll talk a little bit more about that in a moment. The large picture on the right-hand side is the main fabrication facility in the Halifax Shipyard which consists of an Assembly Hall and a Module Hall, or Ultra Hall as we call it. Again, I'll talk a little bit more about that in a moment. Also, we invested in a new vehicle parkade for over 500 vehicles.

So the facility construction has been a very fast-paced project and it's focused on the use of an integrated facility modernization team and worked very closely with a number of experts and benchmarked against shipyards all around the world. The schedule to construct this brand-new shipyard was particularly demanding, given that demolition and initial construction activities were taking place whilst we were still completing the build of the mid-shore patrol vessels that I spoke about earlier.

The production process that we'll use will begin at the Marine Fabricators facility over in Dartmouth. That facility was recently completed and turned back over to our operational staff to get ready for production starting there. Once we have completed that sub-assembly work and cut steel, it's taken from Dartmouth by road, brought over to the Halifax side that you see there; they enter the Assembly Hall, and from there we start to construct them into units. On the first class of ship there are around 63 units, and then as we build the units, we then build them into blocks and there will be three large blocks. We then take the three large blocks that are completed in the building, bring them alongside onto the land-level facility - which you can just see at the bottom of that picture - where they are joined together and then launched into the Basin.

The facility represents a \$350 million infrastructure investment. The building itself is 400 metres long, which is a little larger than four football fields, and 47 metres high at its highest point, nearly 22,000 square metres of production space - a significant capacity in terms of cranes, panel line, and paint booths.

For us what it really represents is a factory approach to building ships, so we like to call it our warship factory. The work comes in one end, works down a whole production line. We have three heavily outfitted blocks, which exit at the other side. They're joined together to build a complete ship, really focusing and getting all of the work done at the earliest possible stage because that's where it's more efficient to do the work: whilst you're working in an open sky environment and trying to put equipment in - that's far more efficient than trying to do it after the ship is all complete - and making sure that all the facilities and all the amenities are right there on hand to the skilled men and women who are actually constructing the ship, with a real focus on efficiency.

I mentioned our new facility - Marine Fabricators. It was an investment of \$28 million. We acquired this facility to feed the work for our national shipbuilding procurement work. Windmill Road in Dartmouth, nearly 10,000 square metres of space - that is where we have our raw steel delivered to. The steel is then marked, cut, formed, and kitted. The sub-assemblies are then brought over, as I said, to our new facilities.

So I thought I'd talk a little bit more around the work we've been doing to design the new class of ship - the Arctic offshore patrol ships, or the AOPS as we call them. We're very pleased to be able to report that the design contract is on time and on budget. There you can see some particulars of the ship: a little bit short of 104 metres long and 19 metres wide, a speed of 17 knots, and the ability to operate at three knots in one metre of newly-formed ice.

I think it's relevant to say, as I said earlier, that it has been more than two decades since the last Canadian patrol frigates were designed in Canada and the industry has changed. We've had to focus when designing these ships on enhanced safety regulations, making them environmentally friendly, and incorporating the new, sophisticated on-board electronics and equipment for communication and navigation. As a result of that we use a comprehensive 3-D modelling tool - you can see the picture on the top left is actually an extract from that tool itself at the highest level - where we basically design the ship and build the ship electronically before we go anywhere near the production line, to make sure that it is going to operate correctly and all the information that those constructing the ship need is there.

Another perspective on the ship from that model. As I said earlier, we'll construct the ship in about 63 units, which will go into three blocks - you can see the three blocks identified there - and then the blocks are joined together to have a complete ship.

As important as the facilities themselves, and they certainly represent a significant investment and are one of the cornerstones to our strategy going forward, are the people in the processes - by processes I mean the know-how to build ships efficiently, effectively, on schedule, and under cost.

We have recruited world-class personnel over the last three years with extensive naval and commercial shipbuilding experience. We're also very keen to learn from the best of the best so we have a strong technology transfer partnership with a company called General Dynamics Bath Iron Works, which provides us bench strength and surge capability, recognizing that ships haven't been built in Canada of this complexity in recent years, making sure we are learning the lessons that others have been through and making sure we're using new, modern techniques.

We've done a lot of work to make sure that our processes are robust. We have done significant benchmarking against other U.S. and European shipyards to make sure we're using the best practices. We regularly bring in shipbuilding experts, again from around the world, to review independently the work that we're doing - both in the facilities that we're

constructing and the design work that we've undertaken on the ship - to challenge what we're doing and make sure that we are doing it correctly and to the best of our ability.

In addition, one of the cornerstones that the federal government put into the procurement process when we competed for this opportunity was a set of world-class, international benchmarks. Those were produced by a company called FMI - First Marine International - completely independent of us. Part of our obligation under our commitment to the federal government is to achieve a high level of maturity against that benchmark. We continue to work towards that, and we have made some very, very good progress. We've had independent checks done by FMI since we won the competition and they are satisfied that we are doing all of the right work to deliver that world-class shipbuilding capability.

As well as processes, we also need to recognize that we have to train people on those processes, and we need to have the equipment and the facilities to be able to do that. That is underway with the Nova Scotia Community College. My colleague, Anna, will talk a little bit more in detail, shortly, about the work that we're doing to ready our workforce.

So in terms of the Arctic offshore patrol ships, we think we are all ready to go. The build contract was signed and announced in January of this year. Over the summer we are going to do two of the 63 units that make up the ship. The first two of those for the first ship will start early, ahead of full production, to test the design, to test the new facilities, to test the people, and to make sure that we debug any issues we have before we move into full production, which we are on schedule to do on September 1st of this year.

Overall AOPS itself as a project will sustain 1,000 direct and related jobs at its peak production. Again, Anna will talk a little bit more about that at the company level in her slides shortly.

I mentioned we had won the combat package, first class Arctic offshore patrol ships; the other part of that package is the Canadian surface combatant. Production on those vessels is expected to begin around 2020. Our focus, as I said at the start of my presentation is to eliminate boom and bust and make sure we continue to grow at a sustainable pace and then mature that. So we're working very hard with the federal government just now to make sure we set the right path for these ships to make sure that we are able to do that.

These vessels are not yet designed. We are working closely with the federal government at the moment, working on their requirements and what these ships need to be able to do, and then to help set the path to the federal government and the timeline to take these ships through the requirements definition phase, into the design phase, and then into the production phase. Just now the federal government is working on its procurement strategy on the combat systems integrator, which there is a significant capability on these ships which is required to be achieved, and the warship designer looking at whether there is an appropriate design already in existence that we can use to develop for this contract.

We were very pleased in January of this year that as well as being confirmed as the shipbuilder, which is the role we won under NSPS, we were also confirmed as being the prime contractor overall. What that means, as well as being responsible for building the ship, is we take overall responsibility for all the other industrial parties that will contribute into the build of it. We will contract with the combat systems integrator to put the combat systems on the ship and the warship designer. It means we work very closely with our customer setting the overall strategy for the program and take overall responsibility for delivering this program.

I'll now ask Chris to pick up the presentation.

MR. CHRIS MACDONALD: Thanks, Scott. What I wanted to do was to spend a few minutes on the economic piece of this because I think we all understand how important that is at the end of the day. I know this presentation is specifically about the shipbuilding business here, but we wanted just to start with a broad clause that talks about the J.D. Irving operation here in Nova Scotia.

There are some statistics up there with respect to employment and we only have one slide on this, but we thought it was important to touch on this because we have a number of other companies and we're happy to be doing business in Nova Scotia. We have a fairly large presence here with over 2,800 direct and indirect jobs, \$214 million in wages, and approximately \$73 million paid in taxes. As a contribution to GDP it's \$380 million as of 2014. These are statistics, and you'll see that on the other pages as well - obviously, we don't make these up, these come from an economist that puts these stats together for us on a yearly basis. We've got companies like, obviously, Irving Equipment and Kent Building Supplies and Atlantic Towing, and we've got our sawmill in Truro as well, so we've got quite a presence here and are happy to be doing business in Nova Scotia, obviously.

The next slide is a little bit of the information on where we are right now. I'll just explain a little bit about how the federal government contracts work. For contracts over \$100 million with the federal government, you're required to have 100 per cent Canadian content. What that means at the end of the day is that for every dollar we spend there has to be an equivalent, either direct or indirect, spent in Canada. So that's going to result - and Scott gave out the number, and that equates to a \$29 billion number. Not all of this equipment that we're going to buy for these ships or services will come from Canada, so the delta will need to be made up through Canadian operations of some sort, Canadian investment of some sort, and a lot of those are indirect investments. I just wanted to start with the concept that that's an obligation we have under our federal government contracts.

Where we are to date and once again, long before steel is being cut, which is this September, I would say there has been a huge impact to the Nova Scotia economy with over \$190 million in company contracts and that's just to date, it relates to our facility modernization and it relates to our AOPS contract and what we've done to date, and once again, we're very early days in the AOPS process. That has amounted to over 2,000 direct

and indirect jobs, over \$100 million in wages, and an estimated GDP of over \$130 million. So that's really just where we are today - early days, once again.

In the next slide we talk in a little more detail about where we are with the tax impacts of this. Once again, we think it's important to highlight these economic activities because this is, from a Nova Scotia perspective, obviously very important - close to \$29 million in tax impacts to date. Obviously the majority of that relates to personal income taxes, but also sales tax, property taxes, and other indirect taxes as well.

Also, Nova Scotia consumer spend - another important category, and once again, these are numbers that are generated by Jupia Consultants for us - and to date, as of May 21st, you'll see that we have over \$37 million. That relates to things such as housing and food, transportation, and charitable giving. There are a whole host of things that go into that, but once again, to date, quite a large impact.

The other part of this, too, is the number of companies that are working in Nova Scotia on what we're doing to date and, once again, facility modernization and AOPS. Obviously, we're a bit away from getting to CSC but there are 78 Nova Scotia companies that have participated and are participating in our facility modernization and our AOPS contract. We obviously didn't want to take the space to list all the companies there, but you can get a flavour for Dexter Construction, Hatch Mott MacDonald, Ellis Don, Flynn Canada, and Cherubini - there's a host of companies that are benefiting from the work that we've started today.

We also have our supplier registry and so there are over 1,800 Canadian companies that are registered. We obviously have many other companies across the globe that are registered. I think we have over 2,200 companies registered to date. A large number of those are in Nova Scotia. We actually have over 740 companies in Nova Scotia that are registered, so when you look at it from a percentage basis, it's a huge influence.

Just so folks understand, this is an online supplier registry. What we ask folks to do that are interested in providing services to the company or goods to the company - you go on, you register - it's a fairly simple process. You identify the work that you're interested in doing and as things come up, you're sent information with the categories of expertise that you have. It has worked well to date and certainly a huge number of Nova Scotia companies are interested in providing services to us.

I mentioned the industrial regional benefits part of the 100 per cent Canadian content value associated with contracts with the federal government. The other part of our bid that we were successful for in 2011 was an obligation to provide what's known as value proposition, where half of 1 per cent of the value of the contract would be invested in the Canadian marine industry - so we have that obligation. It applies to both the AOPS and CSC contracts. Just to keep in perspective with respect to AOPs, it's about a \$12 million obligation.

To date, we've identified about \$6 million in investments with the remaining \$6 million to be identified in the next couple of years. Just so folks are aware, the initial focus of this - because we're early days in these programs - it made sense to look at human resources as a natural to study and to look into. Also, we're doing some work on applied research so there's a national HR steering team. We're doing work with IORE, and you folks would be familiar with them obviously.

There are a number of other initiatives that we're working on with the Nova Scotia Community College, MEOPAR, and actually St. F.X. There's not a whole lot more detail on those at this stage, and the only reason why is we're in the throes of negotiating and finalizing contracts. We expect to have a number of those contracts finalized actually this month so we'll have more detail on those and certainly be talking a lot more about them once the agreements are finalized.

So that's my section. I'm going to hand it over to Anna. She's going to talk a little bit about the HR side of the equation.

MS. ANNA MARENICK: The first thing I want to do is talk a little bit about some estimates that we've put together on long-range workforce projections. This slide really illustrates what Scott was talking about in terms of why the continuity of 30 years' worth of work is really critical, so why going seamlessly from AOPS into CSC is a big focus of Scott and his team. So you'll see AOPS there - the smaller section in blue - and really the peak of this contract will come when CSC is really in the full stages of production. It kind of gives you an idea of the full scope of this contract, what's going to happen in the short term with AOPS, and then what's happening in the long term once CSC ramps up.

We've obviously got some confidence in the AOPS numbers as we are really close to cut steel. CSC, where the ships haven't been designed and the contract is still in negotiation, these are projections and will change but it will give you an idea of sort of the scope that we're planning over the next coming years.

We've developed a recruiting strategy that covers four components. The benefit of being able to look at a 30-year contract is that you really get to - really grassroots - figure out how to redo all of your processes in a way that's going to make sense over the long term. I'm going to talk about a couple of these initiatives in more detail as we go through.

One of the things we've been trying to do is focusing on keeping our displaced workforce home and staying in touch with them. In the last couple of years, as we've been modernizing the facility, we have had some workers on layoff and we wanted to make sure that we were able to stay in touch with them, in anticipation of getting them back off of the recall list as we started to cut steel for AOPS.

We're very focused on growing at home. The opportunity that we have here is to really build Nova Scotia talent in shipbuilding, so we're really focused on how we can grow a talented workforce base here in Nova Scotia.

We're also working on bringing Nova Scotians home to work. I'll talk about that in a few minutes.

We also know that we are going to have to make Nova Scotia home to some of the best shipbuilders internationally, so we've been focused on making sure that we have a welcoming environment for the skilled talent that will come in and help our young people grow and develop.

One of the things I will say, and this is probably true in all areas but especially on the people side, I can't say enough good things about the local Nova Scotia partners that we have here. The Nova Scotia Community College and Dalhousie - just to name two - have been wonderful partners of ours and have really been connected with us at all stages of this to make sure that we are working to have the best qualified graduates to come into the shipbuilding and marine industry. Dalhousie is a big supporter of our engineering pipeline. Obviously we have engineers coming from other schools other than Dalhousie but they would be one that we do partner with a fair bit.

You'd see that just this summer alone we've got 12 co-op students working in our organization. Not all of them would be engineers but a good number would be. It's a really great opportunity for young engineers to learn and develop their skills. It also provides great mentoring opportunities for our engineers who are in our organization.

When we look to hire co-op engineers, we're looking to not just bring those students on for a four-month internship. We're looking at those as a pipeline of future talent, so we have lots of situations where we bring people on for a four-month internship and then we can offer them full-time employment when they're done, which is a great opportunity for young folks in our province.

Chris talked a little bit about some of the value proposition initiatives that we're looking at. One of the things that's a real cornerstone for this program now is a value proposition initiative called the Marine Manufacturing Initiative at NSCC. In a boom and bust industry, it's hard to invest in up-skilling and orientation and really getting your folks up to improving the skill level of your employees because you never quite know how stable the work is going to be. Now we can fix that opportunity and really invest in the up-skilling of our men and women who have built ships for a long time, but this is a brand-new facility with brand-new processes and it's really important that we get them ready for the work ahead.

This program that we have built at the Nova Scotia Community College will be a publicly-available program to anyone who chooses to take it. What we've done with this program is this program is designed to fill the gap between skills that a skilled tradesperson would get and skills that they may need in the marine industry. There are components of trade work that are going to be different so this program is not designed to retrain basic trade skills but to up-skill, as appropriate, for the marine environment, writ large.

Most of the classes now are dominated by our employees so we are investing and paying for our folks to go through this program, which means that other workers would be able to come back to work early to offset that, so this is a significant investment for us.

Scott talked a lot about benchmarking - we're also benchmarking on the people side. Some of the photos that you see are modules that we developed when we went to look at how shipyards around the world invest in up-skilling their employees and keeping their skills sharp. It's a modular program so everyone will go through a component of shipbuilding 101. Everyone will be competent to read marine blueprints, and depending on the trade that you do, the hands-on component - you can see in the photos, that's a mock-up that we did for our iron workers, to the best that we can, which simulates working inside a ship, working in confined spaces, tight quarters.

Some of them would have practised mirror welding upside down. We really want to make sure that they not just know how to weld, but know how to weld in our specific environment. That will be really important to that process improvement piece that Scott talked about. Our workers actually have to be able to feel that, touch that, experience that before they get inside the new facility. All feedback on this program has been incredibly positive. We're continuing to make tweaks as we go. It's early days, but we are quite encouraged with what we've seen so far.

We are getting ready in the next month or so to do some trades-focused job fairs. The first trades job fair that we will see will be in Dartmouth on June 16th. We're also doing a job fair in Fort McMurray in July, with the intent to really talk about the opportunities that are here for trades work in Nova Scotia.

The immediate need that we have is for Red Seal journeyman welders, iron workers, pipefitters and marine fabricators. While we are the largest employer of apprentices in Nova Scotia, it is very important that we have a good journeyman base. This does not preclude anyone else from attending the job fair by any means - if anyone is interested in attending, to learn more about work at Irving Shipbuilding, then they're absolutely welcome to attend in June. But the immediate short-term need would be on people who have journeyman or Red Seal status in the trades that we list on the slide.

I want to talk a little bit about an initiative we feel is pretty unique and innovative in its approach, again, with some pretty terrific partners; this initiative is called the Irving Shipbuilding Centre of Excellence. Broadly, the Centre of Excellence is an investment that Irving Shipbuilding is making over the life of the contract with the Nova Scotia Community College. While value proposition talks about growing the marine industry across the country, the Centre of Excellence really supports building a pipeline of Nova Scotia workers to enter shipbuilding with a specific focus on under-represented groups.

The steering team that has been set, I think is quite innovative and quite unique. At the steering table, there are representatives from the province. Post-secondary - the Nova Scotia Community College obviously hosts it; we are there; Unifor, our union is there; and

we also have community partners there. All are working together to make sure that we have skilled workers from Nova Scotia and an increase in diversity within our workforce population.

The first initiative that we are working on is something called the Women Unlimited pilot project. Some of you in the room may be familiar with Women Unlimited. They're an established organization - have been in Nova Scotia since 2006. One of the keys of the Centre of Excellence has not been to recreate the wheel. There are a lot of great programs doing all sorts of great things, and it was really about bringing them together and leveraging the success that we already have as opposed to creating new things.

So we've chosen to partner with Women Unlimited, and what we've done is we've taken a targeted class of 20 women who we hope, when jobs become available in 2017, will be able to come directly to work with us. Women Unlimited does a 14-week career exploration program. Their typical approach is people would decide what trade they wanted to go in through that 14-week program.

We've specifically gone out to recruit women who are interested in the metal trades - metal fabrication and welding - because that better lines up with our workforce strategy. These are women who were interested in welding and potentially interested in coming to work for Irving Shipbuilding. So right now we have 19 women in that program. Through the Centre of Excellence, when they graduate from their 14-week program in July and they enter into Nova Scotia Community College, the Centre of Excellence is funding 50 per cent of their tuition.

Once we made that announcement, we actually had two other national corporate partners come forward, unsolicited, wanting to help. So we had one partner come forward to say they wanted to fund the rest of their tuition and another partner coming in to say that they would pay for tools and equipment, which to me is an amazing story that goes to show that there are lots of companies and partners who want to help and this has really given them the opportunity to do that and we've welcomed this partnership.

What I love, too, about the women in this program whose stories are incredibly compelling is that they didn't know this funding was available when they applied, so to me it shows that they were really tremendously interested in trades work, which I think is a great story. When they graduate from their trades program in 2017, as we have jobs come available, they will come directly in to work for us.

Our plan through the Centre of Excellence would be to replicate this. It's a pilot program but we think it makes sense to work with these established partners, so we would look to do this twice more in the next five years. We would likely change the trades, depending on what our workforce needs are at that time, but for right now this is the program and I can't say enough good things about the impact this is having on the 19 women sitting in this class and their families. It's a really amazing initiative.

You'll also see, the woman on the right is Koren Beaman who is a tradeswoman with us. She participated in the interview process to select these women so it was very inclusive the whole way along. I think we've got a great group of women who will do great things at Irving Shipbuilding.

A couple of other Centre of Excellence initiatives that I want to talk about we're still working through some details, and some of these are final. We've also decided to partner with an organization called SuperNOVA that runs summer camps at Dalhousie. Some of you may be familiar with this. They do camps all across the province for kids from Grade 1 to Grade 9 and introduce them to stem careers, but we've also been able to help SuperNOVA so that every camp they do this year will have a shipbuilding activity or module and we're fully supporting three outreach camps this year. You can see that some of those are in partnership with Boys and Girls and two of them will be in HRM and one of them will be in Yarmouth. We're very excited to see the next generation of shipbuilders who are in elementary school right now, to really understand what it means to work in the marine industry. It's a great time to get them excited about it.

We funded 12 two-year bursaries for students who are interested in a shipbuilding trade. That call has just completed. My colleagues at the Nova Scotia Community College tell me that they got great interest. The focus will be for students from Nova Scotia, from under-represented groups. They will have their tuition fully paid for the trades that we have in demand for shipbuilding.

We've also worked with an organization called Techsploration, which again some of you may be familiar with, that works with Grade 9 girls in Nova Scotia, a fantastic organization. This year we sponsored five Nova Scotia schools to participate in the Techsplorer events from all across the province, either schools that have a high percentage of under-represented population or were close to some of our facilities. I believe the Shelburne school was there. Techsploration, again, is a wonderful established program and it made sense for us to sponsor them.

The other thing we're doing and you'll see the picture on the bottom, is trying to do some outreach to Nova Scotia high schools, specifically the O2 schools and the trade schools, with the NSCC mobile learning unit, which is a pretty amazing unit if you've seen it. We really want to make this practical and real for the next generation of shipbuilders to get them excited about the opportunity that's here in our own backyard.

The last slide I'm going to show you before I turn it over to Scott, I just highlight an example of a young woman in our organization who, if she really wants to, could retire with us. This is Allison Chua, a young engineer from Halifax who has an engineering degree from Dalhousie, and in her words is "living the dream." You can see in the photo there that she is learning from some of the best shipbuilders around the world. The hope is that 30 years from now, when we're showing that picture, Allison is the mentor to the next generation of shipbuilders.

It's really great, now that we're close to cutting steel, to think about how real this is and the impact that this has on young people in our community, like Allison. I'll turn it back over to Scott to close.

MR. JAMIESON: This is our last slide and then we have a short video to round things off this morning. I think for us this has been a very exciting and very busy time at Irving Shipbuilding since we were announced as the winner of the combat package for national shipbuilding in 2011.

We continually hear questions of, well, when are you going to build ships? A big announcement in 2011, everybody is going to be very excited - when are you going to build ships? I'm very pleased to say that we are going to move into building ships this summer. The reason we haven't been building sooner is getting all the right things done so that when we start building ships we can sustain building ships in a modern, efficient way, on a level, growing workforce basis not susceptible to boom and bust. We had to get the right modern, world-class shipyard built - that meant tearing down a lot of our old one and building a new one. That is on track and that will be ready to support the build of the ships this summer. We had to make sure we had the right management position filled, the right people with the right experience, and the right talent in our business to be able to do it, and we're on track to do that.

We had to design the AOPS design in a modern way and in a way that de-risks the program by building the ship electronically first before we try to do it in production. Again, we're on track with that design and actually under budget for completing that design work. We had to satisfy the customer that we were achieving all of the right things to be considered a world-class shipbuilder through this international benchmark. We had a health check done by them independently the end of last year and got a strong vote of confidence.

We had to produce a cost estimate for building these first six ships and again, we've done that. We came through those negotiations and we have high confidence in that estimate, both in the time that it will take and the amount of money that it will cost. We signed the AOPS build contract in January, so it was announced as a \$2.3 billion contract to build the ships here in Nova Scotia.

Finally, for us, the last piece of the puzzle was to be announced as the prime contractor, so in addition to building the warships, we take overall responsibility for that program and control the path that it's on. So for us, it has been a very busy time, a very exciting time, and a very rewarding time.

I would really thank you for your time this morning, for the opportunity to update you. As I say, we have a short 3.5-minute presentation to just round it off.

[A video presentation was played.]

MR. JAMIESON: Thank you very much.

MR. CHAIRMAN: We'll start the meeting with the PC caucus, as this was their agenda topic. As we only have just under an hour, I ask that the questions are pointed and quick so we can try to get through as many people as we can and as many questions as we can. Mr. Dunn.

HON. PAT DUNN: Thank you for the wonderful presentation, it's certainly a great opportunity for this province and people from this province. I'm glad to hear about the world-class people being recruited in the work that you're doing through the Nova Scotia Community College and your new, modern techniques and so on. A quick question for Anna: have you taken the opportunity or will you be taking the opportunity to in-service the guidance counsellors in all of our high schools across the province, sometime in the near future, with regard to what's happening? The reason I'm asking that is in our communities outside of the HRM, when people are talking about the shipyard, they have no understanding of what has taken place, and that's understandable. Their question is, are they going to start building ships? Again, there are reasons for that and we all know the reasons - going back to my question with the guidance counsellors.

MS. MARENICK: I think one of the things we're committed to doing is figuring out the best way to do outreach in the high schools, and a lot of that work will be done in partnership with the community college - that's why we're focusing initially on O2 and trade schools. I think your point is a valid one, I think really helping the folks who work with our young students understand what these opportunities really mean.

The other thing I would say, too, is that just because we have this contract, not everybody is going to want to become a shipbuilder, so helping people understand what that opportunity really means and helping them figure out if that's what they want to do, I think we're committed to helping that conversation take place. I take your point that if the guidance counsellors are a good source for us to work through, then I'll take that back to the folks we work with at the college to see how we can make that happen.

MR. DUNN: Thank you.

MR. CHAIRMAN: Ms. Peterson-Rafuse.

HON. DENISE PETERSON-RAFUSE: First of all I'm just wondering, can you actually supply the committee with the complete list of the 78 companies that you reference as working on the modernization and the AOPS? I think that would be valuable for us to see how intricate this is. I want to thank you very much for the update, obviously this is very important to the future of our province and a very wise investment.

I want to reference an article that was in *The Chronicle-Herald*, September 4, 2014, where ISI President Kevin McCoy was asked about the expected employment levels at the shipyard. He was quoted as saying that there were currently 700 employees, at the time, working in the yard and that this number would reflect the number of full-time, permanent, bargaining unit employees working at that time that were represented by Unifor Local 1.

He goes on to project that 1,300 employees were estimated for 2018, and 2,000 by 2020. The inference, of course, is that the number of unionized members would grow from 700 to 1,300 to that possible 2,000. My question is, does Mr. McCoy still stand by the projection of those figures of up to 2,000 permanent, full-time employees, and will those employees that he referenced be from Unifor Local 1 bargaining unit?

MR. JAMIESON: I think the numbers you are referencing are still consistent with what we presented here today on the slide. So being around 700 in September 2014 does seem right. We are projecting that AOPS would peak at about 1,000 people in around 2018. That's just the AOPS project. But if you look at it from across the company - because we do have other work as well - the graphs that we've presented today show around 1,300 people. Bear in mind, these are estimates so they're not right to the nearest one person, but around 1,300 seems consistent.

If you look at the projection once CSC takes effect, then our estimates - and as Anna said earlier, for a ship that is not yet designed, and we don't know exactly the detail of the work, the best estimate we can have for that type of ship using past experience would take AOPS over the 2,000 person mark. So I think those are correct.

With respect to your question of whether they are all Unifor - the graphs that we've presented today are not all the Unifor employees, those are all the employees of Irving Shipbuilding. Certainly the Local 1 representation within that would feature as a large amount, but those are the overall employee levels, both the trade union workforce and the non-trade union workforce as well.

MR. CHAIRMAN: Mr. Maguire.

MR. BRENDAN MAGUIRE: Thank you for coming today. I appreciate the presentation - it was fantastic. You said that DND is setting requirements on the frigate and the destroyers. Have there been any hiccups in securing this contract and the details of this contract? Have you actually reached out to the current federal government and the two Opposition Parties - because there could potentially be some kind of change - to make sure that all Parties are on board with this contract and it going forward for Nova Scotia?

MR. CHRIS MACDONALD: What I can tell you is you're absolutely correct. You never know what's going to happen with a federal election, and we're smart enough to understand that. Certainly, in the last couple of months, Justin Trudeau has been through the shipyard - he had very positive things to say about what we're doing. We also had Thomas Mulcair through the shipyard as well. We have regular briefings with those folks, I would say, to make sure that they're up to speed as to what we're doing.

We would hope, based on the conversations that we've had to date that they have a good understanding of the principle behind the National Shipbuilding Procurement Strategy. I don't want to speak for them, but I think that they are behind the concept of ensuring - and Scott talked quite a bit about the whole theory of boom and bust had to come

to an end. I started actually in 1991 with this organization at Saint John Shipbuilding in Saint John. I was there when I saw what happened when the last ship rolled off in 1995. It's not where you want to be.

I think there's a general understanding from all three political Parties. Certainly the existing government gets it; they put the program in place. I think there's a good understanding that this is a well-thought-out concept and is the right way to go for the country.

MR. JAMIESON: I was just going to add on to what Chris just said. Party politics aside, I think what we absolutely hope shines through in what we're doing is what we're doing is building world-class ships so the Navy can continue to do the excellent job that it does. I think there's always going to be a demand there for the Navy for excellent ships.

Our job is to make sure we build those ships in the most cost-effective and responsible way possible, so our focus tends to be to drive that through on the basis that that will speak volumes, and then regardless of political changes or anything else, people will understand there's a clear demand and we have the capability in Canada to do it well. If those things shine through, we're confident that's the direction that any political Party would want to continue to take the strategy.

MR. CHAIRMAN: Mr. Lohr.

MR. JOHN LOHR: I would applaud your presentation too. And you're right, we have all been following the construction of your building with interest. We all drive past that, and you're right, people are wondering: when are the ships going to get built?

I guess I would say, I think it was a very courageous decision of the federal government to reinvest in shipbuilding. Clearly there's an international market for ships and the ships could have been procured somewhere else too. I guess I would applaud the federal government for developing that sort of capacity.

Right off the top of my head I have two questions about that. One would be, is there a potential that this shipyard would be building ships for other nations at some point or is there that possibility for other buyers?

The second question, which is maybe me as a farmer, I think how on earth do you cash flow that with nothing being actually produced to sell for all that up-front investment? Your first ship will come off the yard in 2020, I think I heard you say. Maybe you could comment on that too.

MR. JAMIESON: So in terms of the first question, are we interested in pursuing export opportunities, the answer to that is yes, we think as we go through this process with Canada that we will refine our skills and our competencies and our experience, and for the right opportunity we'd absolutely be interested in pursuing it.

Right now we're incredibly busy getting all the foundational blocks and we are moving into the first class of ships but over the longer term, yes, we'd be excited by those types of opportunities.

In terms of cash flow - I'm not here on behalf of our finance department, but what I will say is the first ship in AOPS will be delivered in 2018, would be the first one. So obviously part of any contract that we negotiate with the federal government has to include an element of cash flow and I think most people would understand that we don't receive the cheque the day after the ship is delivered, that we come to an agreement with the government as we achieve milestones, as we make progress, as we get the component parts in place and that we receive payment.

So through the contract negotiations that we held last year we were able to find an acceptable way in terms of the work we're doing and make sure that is balanced off.

MR. CHAIRMAN: Ms. Peterson-Rafuse, do you have another question?

MS. PETERSON-RAFUSE: As you know, there was a significant public investment of \$300 million into the project, something we felt was visionary and significantly important to contribute. Not everyone around the table sees it in the same way; however, we know that what is important to Nova Scotians is the result of that investment, and to many it's in terms of the job market.

My question is, I'm wondering, do you have a breakdown of the ratio of the temporary and the contract jobs to full-time leading into 2016 after the AOPS is underway, and do you have the same information as a projection for 2017 so we can get a clearer picture? I know it's difficult because a lot of it is estimates for you as you go along. But what I'm wondering is, is there any information of that nature available to see how the job flows and contracts and so forth?

MR. JAMIESON: I certainly don't have that information at my fingertips today. Let us take that question back and see what information we can produce. You're right, it is an estimate, and there are different ways to satisfy the demand in terms of whether we use part-time or full-time - a whole host of different things. Let us take the question back and see what we can provide.

MS. PETERSON-RAFUSE: Just a quick follow-up to that, really quick, and it kind of ties in with your communication strategies around external communications, similar to what my colleague said, that people who are in other parts of the province, not so close to Halifax to see the actual visual and know that something is happening, to get that message out on the importance and the value of this contract to every Nova Scotian.

MS. MARENICK: We're actually in the process of trying to figure that out now, now that we are close. It has been a long time that has passed since we really communicated

this publicly, like we did in 2011. We know we have a compelling story to tell and what we're working with now is how we tell that.

Hopefully over the next couple of months we'll start to work on a broader external communication strategy. I think the corporate video that we're in the stages of finalizing was kind of the first piece of that. The stories that we have through Women Unlimited and getting out to summer camps - those really make this opportunity real for people. It's one thing to see big buildings, but it's another to know that there are jobs and there are opportunities. That's very much on the top of our minds right now and we're hoping you'll see things in the coming months.

MR. CHRIS MACDONALD: If I could add to what Anna just said. I think in fairness, I agree with you 110 per cent that the communication piece needs to get out there, but a lot of the things that we're working on - I had mentioned we have a number of value proposition agreements in the throes of being finalized. There are certain things that we could not do ahead of signing a build contract, for instance. There were certain things you could do, certain things you couldn't do.

We're now at a stage with the AOPS contract, in particular, now that we have the build contract, where we're finalizing a number of agreements. These are good-news stories and we intend to tell them, quite frankly. To Anna's point, we're putting the strategy together, but it's not like we've been sitting around for four years. You have to do it in a step process.

MS. PETERSON-RAFUSE: It's a process - thank you very much.

MR. CHAIRMAN: Mr. Wilson.

MR. GORDON WILSON: First I have a question that doesn't count as a question. (Laughter) What does "kitted" mean?

MR. JAMIESON: Kitted is basically when we are taking the raw steel, cutting out the shapes that we require to then go and assemble into the next stage of construction. So it's just pulling together all the ready raw materials, if you like, putting it together in a work package, and making it ready for the next stage of construction.

MR. GORDON WILSON: So when you say "marked, cut, formed, and kitted," it's just putting them all in a package.

MR. JAMIESON: Putting them together in a work package and then sending them
...

MR. GORDON WILSON: Thank you. I thought it was just another process. I appreciate that. That didn't count as a question. (Laughter) I think back to when we had

our last presentation on your activity and it's nice to see the message is consistent, which is reassuring.

I'd like to bring my perspective of the rural part of the province, especially in the area of tradesmen, in the area of training and the apprenticeship activities and the distribution of that work in the rural communities. I represent a riding that has three - and I call them shipyards. Maybe not of the same magnitude, but certainly with A.F. Theriault & Son, Comeau Marine, and Larche Industrial Marine - they're major parts of our economy in our area and major providers to the resource sector. I do know some of the real fears from all of those entities that I've spoken about - the loss of their employees. They're in the same business that you folks are in and it's encouraging to see the proactive work that's being done to help train our locals, which should take off that burden. I would be remiss if I didn't bring it up, that it is a serious threat to rural Nova Scotia. The reality of it, we hope, doesn't play out.

In the Marine Manufacturing Initiative that Nova Scotia Community College has, I'm curious where that training is going to happen because not only is this going to be of importance to your shipyard to grow that, but it's going to be an importance to the rural area to maintain what they have. It's a very fragile economy in the rural area as far as access to skilled tradespeople.

I was just at the recent apprenticeship celebrations that they had for the province. There was only one welder that came up for a certificate that day. Actually, when I gave him his certificate, I said, you have to promise you're going to stay in the area here. But that's real and I'd like to know where the training is going on, if that has been part of your strategy, and what you really see as the pressures in the trades area in particular. I suppose this would be for Ms. Marenick.

MS. MARENICK: The value proposition initiative that we're funding at NSCC - the Marine Manufacturing Initiative - right now is based out of Akerley Campus in Dartmouth. I don't want to speak for my colleagues at the Nova Scotia Community College, but I feel pretty confident saying that they are focused on making sure that rural Nova Scotians have access to those same opportunities is a big part of their strategy, hence, the trades trailer. So I think that is something that is on the forefront of their minds. Because this is public and they want to be able to offer it to as many people as they can, I think if there are opportunities to include some of the smaller organizations that you talked about, I think they would want to have those conversations - I know that they would want to have those conversations.

In terms of pressures on trades, I don't have a well-thought-out answer to that question off the top of my head, but I think that's part of why we really want to get out and talk to young people about what those opportunities look like and that they don't all have to be in Halifax Shipyard. The jobs will be here, but there will be a lot of demand for trades across the entire province. I think helping kids work through what that looks like and how

they figure out what they want to do and where they want to live, I think will be something that we need to really explore in the coming years.

MR. JAMIESON: I think to build on Anna's answer, which I agree with 100 per cent, and to allay your fears, I think we also just need to go back to one of the original principles of the National Shipbuilding Procurement Strategy which was to sustain a vibrant maritime industry. That's not to say that it's only a vibrant maritime industry within Irving Shipbuilding or Seaspan with the non-combat package on the West Coast, it is across the industry overall. That is why the government built in the commitment for us to invest on AOPS, \$12 million - not just for our benefit, but for the industry to benefit. To Anna's point, those training courses that we're developing, those skills that we're developing, that ability is available for everybody. We do take our responsibilities seriously at the industry level as well as at our own individual business level.

MR. CHAIRMAN: Mr. Dunn.

MR. DUNN: Your preparation has been very thorough and very impressive with what has been accomplished so far. A quick question is, do you expect Nova Scotia will be able to meet the labour demands or will you be forced to heavily advertise outside the province, across the country and outside the country?

MS. MARENICK: I think part of the reason we're focusing on Nova Scotia education institutions is to make sure we're building that pipeline of Nova Scotia workers. Short-term demand for really highly-specialized, technically-specific positions, we may not have that expertise here right now, but the intent is that we would continue to build that. That's why we're working with Dalhousie and working with the Nova Scotia Community College and they're very keen to make sure that their programming is going to meet our long-term needs. Our intent would be to try to source as much of that as we possibly could in Nova Scotia. The make it home strategy recruiting internationally will likely always need to be a part of our recruitment strategy, but it's just one component of the strategy as we build local talent here in the province.

MR. CHAIRMAN: Mr. Wilson.

HON. DAVID WILSON: I have a comment and then a question, so it's only one question. I know about 13 years ago - I've been elected almost 12 years - when I was contemplating deciding to run and enter provincial politics, I recall meeting Peter Stoffer, Member of Parliament for the NDP in Sackville, at a table, getting names to have a national shipbuilding strategy for Canada. He made sure I knew what the importance was so I want to reassure you that I know our federal Party and our federal Leader knows the importance of this strategy.

Now it's not only a national shipbuilding strategy, it's a Nova Scotia shipbuilding strategy, which is great. I would have never foreseen really having much to deal with that until I had the privilege and honour to be in government, be in Cabinet to support that

initiative. I'm very proud of that, but it's ironic that Peter Stoffer planted that seed a number of years ago. I want to reassure you of our commitment not only provincially, but federally as a Party on this important work that's done here in Nova Scotia, not just across the country.

In light of that, I know since the awarding of the federal contract the work with the union, and that's really what the thrust of our support was, making sure we can get people to work here in the province and, of course, Unifor Local 1, is the one that represented. After the contract there was some time when the last negotiation, the contract had expired until you were able to renegotiate. I think it's really important now that things are moving forward that there's a plan to streamline the process. I'm wondering if you could tell us, is there a plan to streamline the process in such a crucial time for the AOPS building, to ensure that there's no work stoppage, that those relationships are healthy? I would hope there's a quick transition on a new contract. I believe it's up or expires in 2017. Maybe if you could comment.

MR. CHRIS MACDONALD: I'll take the first point because I feel remiss in not mentioning Mr. Stoffer in my comments. He wasn't available the day that Mr. Mulcair came through the shipyard but he has been through the shipyard, a tireless champion, quite frankly, tremendous support from him and his colleagues. He always got the idea that if we have work then the employees have work. It's a fairly simple concept but some people struggle with it, believe it or not. I just wanted to recognize that, I agree with you 100 per cent, he has gone to many meetings, he was behind this concept of centres of excellence in the mid-2000s, and it has been a long haul but he has been a great champion and we appreciate his support.

MR. JAMIESON: In terms of your second question around the renewal of the collective bargaining contract, you're absolutely right, we have one in force - I think it expires, from memory, at the end of 2017. So for us, yes, it's very important to make sure we have that continuity. Certainly our intention going into that is to make sure that we engage at the right time to make sure there is a seamless transition between the existing contract and the future one.

You raise a very good point, we're very mindful of it. We're committed to making sure that there is no impact as a result of that. We certainly note your comment and intend to engage at the right time to make sure there's no impact.

MR. CHAIRMAN: Thank you. Ms. Lohnes-Croft.

MS. SUZANNE LOHNES-CROFT: I want to talk a little bit about what Mr. Wilson, my colleague, was speaking about earlier about rural Nova Scotia because I represent a rural community. Wood boatbuilding is our specialty on the South Shore but we do a lot of marine activity. I don't think any of our new frigates and whatnot will be wood.

I'm thinking about areas like the Shelburne shipyard and expanding. When this announcement was made there was great excitement that it was going to rejuvenate some of the other shipyards around Nova Scotia and likewise, the community college aspect that Mr. Wilson spoke about, their welding programs around Nova Scotia, will that expand into those programs - how will other shipyards benefit or will they be benefiting in the long run?

MR. JAMIESON: First I'd like to assure you we don't intend to compete for the build of wooden boats, rest assured. (Laughter) Secondly, I also mentioned Shelburne at the start of the presentation, our ship repair down there. Shelburne Ship Repair has been doing well over the last few years. We carried out a significant investment, I think we completed in 2011, maybe 2012, we spent a significant amount of money upgrading the facilities there for the repair market. I'm pleased to say Shelburne has been very busy over the last couple of years, a number of ships coming in there for repair and continues to employ reasonably steadily, I think - don't quote me on the number - I think around 60 people fairly consistently there at that business.

In terms of how it will benefit NSPS, right now we're looking at whether Shelburne can feed some manufacturing work into our shipbuilding process, so we're working through that at the moment to see if there's work that we could do at the Halifax Shipyard but might be better performed at Shelburne. So we're working through that at the moment to see if that's a viable strategy for us, and I think we're going to start doing some work to test that out over the summer.

MR. CHAIRMAN: Thank you. Mr. Lohr.

MR. LOHR: I think, Mr. MacDonald, you mentioned the IRB, the Industrial Regional Benefits policy with the federal government. I know there's a Canadian content value in that. I wonder if you could tell us what the Nova Scotia content value would be, if you know that, and also whether you feel you're on track with maintaining your IRB commitments, or will it lag behind the overall project?

MR. CHRIS MACDONALD: With respect to the first question, I don't have that information off the top. We obviously look at this from a perspective of it being a Canadian obligation. It depends on where the work is being done, obviously.

To explain it briefly, there are two elements to IRB policy. There's what they refer to as direct IRBs - basically work that goes on the ship, whether it's equipment or services - and there are indirect IRBs. That can be an investment in a university with a certain multiplier that attaches to it - it doesn't have to relate to the ship itself.

So you can imagine there are a number of foreign suppliers that have limited operations in Canada or have no operations in Canada. This becomes a difficult thing for us both from a negotiation perspective, depending on the circumstances, and once again, what they're prepared to do in a Canadian perspective.

I think that leads in to a little bit of your second question. We are working hard today. I have a gentleman who works for me who works closely with the supply chain, that as we enter into contracts with our suppliers, that's the key time frame to be working on the IRB aspect, because as much as possible, we're trying to flow it down to our suppliers and asking them to do as much as they can in Canada. That would obviously include Nova Scotia.

Certainly, I'd say we're successful to date with that. We feel we're in pretty good shape on the AOPS contract where that's at. I think CSC will be a big challenge for us - there's no question about that.

The government has changed the rules a little with respect to CSC. They've added a new element to it where what's known as, believe it or not, value proposition. They use the same terminology that we have under the existing contract, but it's a "rate it and weight it" category that will now form part of the bid evaluation. So that has changed things a little bit, but overall, I'd say we feel comfortable. We're doing as much as we can to ensure Canadian activity. We're certainly focused on Nova Scotia. We're fully aware of our loan agreement and what that means from a Nova Scotia perspective.

We have a number of companies to date that have signed up to over 100 per cent. You may ask, how do you get over 100 per cent? Well, you get over 100 per cent by doing indirects. That helps make up for some of the folks that are zero or 10 per cent, quite frankly. So we're taking a very aggressive approach and we're very focused on ensuring the benefit to Canada, as a whole, of the program. As Scott mentioned, that's a key element to this as to how you sell it to the government, no matter what Party is there - it's got to be a success, and it's got to be jobs for Canadians. There is no question about that.

MR. LOHR: I would presume that on the CSC it would be the high cost of the weapon systems and the fact that most of them probably are not of Canadian origin that would make it difficult. Would that be correct?

MR. CHRIS MACDONALD: You are bang on - that's 100 per cent correct.

MR. CHAIRMAN: Mr. Wilson.

MR. DAVID WILSON: I have a quick comment again and a question. I appreciate some of the information today because there are still people within the province who are criticizing investing in Irving. I think if Irving is successful, then the people who are working there are going to be successful and that's what I want to see.

So going back to some labour relations stuff - it's so important for a project of this degree that I hope a lot of work is being done. I think I mentioned previous to the meeting that I have some friends who work at the yard so, of course, I do hear some things from time to time, and I know that there has been some frustration amongst the workers over the last little while.

I'm just wondering how you feel the relationship with the union is now and what have you done to have a better relationship moving forward so that we don't see any impact during negotiations, for example, at the end of 2017?

MR. JAMIESON: Our relationship with the union, as I said, is very important to us. It is those men and women who are going to construct these ships and we absolutely agree with your view that this just isn't - our success isn't based on the size of the building or the equipment that we buy, it is also the processes we use, the skills we use and the people who construct it so I agree with you completely, it's very important.

I think I would acknowledge there have been some frustrations. I would put it against a period, though, of significant change as we moved from a business that over the last number of years has been focused on ship repair, which are shorter term contracts, sometimes plagued by the boom/bust cycle - you've got work and then you've not got work. Then as we're moving from smaller ship construction to bigger ship construction and moving from a more traditional approach to a very modern, world-class approach, it results in a lot of change. Some people thrive on change, sometimes change causes issues and causes some frustrations. I think we're very committed to working through that. I think we recognize the problems that can sometimes cause and we are alert to it.

I think ultimately again, as we go into building the new class of ships and the new world-class facilities, with the type of culture we're trying to instill in the yard, we'll see hopefully any frustrations there have been, to start to reduce as we move through into that program. I think some frustrations, but a period of intense change, so really not that unexpected - that would be one of the consequences as we go through that much change.

MR. CHAIRMAN: Ms. Eyking.

MS. PAM EYKING: I really enjoyed your presentation here today, it's certainly an exciting project for Nova Scotia. Way back when there were whispers of it happening it was so great that I didn't think we'd even be here this day, this far, so kudos to you guys. This is great.

I want to speak to Mr. Lohr's question way back. I always love his questions because he always refers to farming and as a former grower myself, it's a pretty rudimentary business style and to imagine going forward with a business plan without having that cash in hand, it's hard to imagine this other way of doing business.

Just to Mr. Wilson's point, too, Mr. Stoffer was knighted a few weeks ago by the Dutch Government so that's a lot of fun.

You spoke to bringing them home. I'm from Cape Breton, my riding is a fairly large chunk of Cape Breton but I like to speak for all of Cape Breton when I'm in committees. We have a huge out-migration of people out of the province, out of our region. They go mostly out West. There are plane-loads going out West daily for work. I guess my

question would be, do you see Cape Breton being part of having any opportunity, any component, or any spinoff for this operation? Is there any chat on that?

MR. JAMIESON: As I said today, I'm not aware of any companies in Cape Breton that are directly receiving work. That's not to say that there are not so I would have to make a point to go see all the suppliers registered, whether we have any in Cape Breton. Certainly if there were companies that could set up to be in our supply chain, who can provide good quality offerings, they would be very welcome.

In terms of our workforce and our labour, that work tends to be here. Again, our skills training is very much meant to be inclusive to anybody who wants to participate in it, rather than narrow it to here. If people are interested in coming here, I think there's the ability for them to do that and get the skill set that's required. I think we're certainly very open to any offerings that companies in the Cape Breton area have.

If you like, I'm happy to go back and check our registry and see if any of them are currently registered or being considered in that supply chain.

MS. MARENICK: Just to add, my father grew up in Whitney Pier - my grandfather was a tradesman at Sydney Steel for a long time so I appreciate that home doesn't always mean Halifax and we do try to engage with as many folks across the province as we possibly can.

I want to highlight one organization that we do a lot of work with in Cape Breton and that's the Mi'kmaw Economic Benefits Office with Owen Fitzgerald and Alex Paul - two great Cape Breton ambassadors, I would say, who do try to ensure that not only are we looking at the supply chain, but also the Aboriginal supply chain as well.

To Scott's point, the jobs will be based here, but that doesn't mean at all that the supply chain has to be, so we do have strong partners in Cape Breton who do advocate on behalf of Cape Breton as much as it possibly can. Like I said, it's challenging from a jobs perspective, but we do appreciate that the reach needs to be broader than HRM if it can be.

MR. CHRIS MACDONALD: If I could just add one thing to that - I'm from New Brunswick, based out of Saint John and so we're familiar with the plane loads of folks who go out West on a daily basis. I guess the only thing I'd add is that we would hope that some of those folks, quite frankly, would look to Halifax as opposed to going to - nothing against Alberta, but at least they're a lot closer to home. That's one of the strategies here, obviously - to get those folks, if they're interested in this work, hopefully they'll stay in Nova Scotia, and this hopefully provides an opportunity for them to stay in Nova Scotia.

MS. EYKING: I'll be posting your job fair on my website. (Laughter)

MR. CHRIS MACDONALD: Excellent, that's exactly what we want.

MR. CHAIRMAN: Mr. Lohr.

MR. LOHR: When you were giving your presentation on the size of the building, I just couldn't help but wonder two things. One was, what was the maximum size of vessel you could build in that building, and how many different vessels would you have going at the same time? If you were mass producing them, would there be three or four in a row?

MR. JAMIESON: You're absolutely right, the facility was designed for a maximum size of vessel and to establish what we felt was kind of a steady state of production. So the maximum size of vessel that can be built, while staying true to having everything done under cover - because that's not to say we couldn't go larger if we changed our boat strategy a little bit, but to stick with the build strategy that we want to stick with, the largest size of ship is about 155 metres long and about 23 metres wide, so that was the parameter.

In terms of the steady flow, it varies a little bit on the type of ship and the complexity of the ship but on average, having three ships in production at any one time provides a very nice balance to the facility. That would be the kind of optimum that we would strive towards. So three ships: one nearing the end of completion and utilizing that side of the facility, one in the middle, and one in the early stages - so the whole facility stays balanced. The last thing we want as we move from stage to stage is that the work behind it dries up. So though we have work going through the yard, we're constantly moving around the stages of construction, we like to have that balance. So about three: for the first part, the middle part, and then the end part would be about the optimum.

MR. CHAIRMAN: Ms. Peterson-Rafuse.

MS. PETERSON-RAFUSE: As a former Minister of Community Services, I need to look at the potential of the labour force in that particular department. So my question is leading to the fact that I do know that you're looking at youth and encouraging young people and university students. You're also encouraging others that need to seek more education to be prepared for what Irving is offering.

Have there been any discussions with the Department of Community Services, or do you have any specific strategies in focusing on those who are on income assistance that could potentially get off the assistance by having Irving have a strategy around that to embrace those individuals who have the potential ability, if they had the opportunity for education, and also those with disabilities? I'd like to hear around your disability program and if you have any strategies or discussions with the department about that.

MS. MARENICK: I can't say that we've had any discussions with the Department of Community Services specifically. I can say, however, going back to the Centre of Excellence at the Nova Scotia Community College, if I look at the profile of the women who were in our Women Unlimited class, us supporting them through the education, half of that class is made up of single mothers. We know that some of those women, through

their own admission, are coming through that on some sort of subsidy. We know this is a pilot program and really, the sky's the limit with what else we could do through that model.

One of the under-represented groups that is in scope for the Centre of Excellence is persons with disabilities, so to the degree that we can include them in our workforce, we're absolutely committed to doing so. We have a representative from the disabilities community who sits on that council and reminds us constantly - to his credit - about the visible and the invisible disability and how we start to really change our thinking as an organization that based on our workforce, we may not be able to have a welder in a wheelchair, but maybe we could depending on how this is set up. I think we're really open to making sure that we cast a wide net to include as many Nova Scotians as possible. I think through the Centre of Excellence, the way we've set it up, we've got lots of opportunities to scope in lots of folks who may have disadvantages to enter into our labour pool.

MS. PETERSON-RAFUSE: Would there be a willingness to connect with the Department of Community Services and also Labour and Advanced Education? I know the Minister of Community Services - there are many changes we initiated and that she's carrying forth in terms of strategies around those with disabilities and also those on income assistance. It may open the doors and assist this collaborative approach.

MS. MARENICK: Labour and Advanced Education does have a seat on the Centre of Excellence steering committee, so I know we are in fairly regular contact with lots of folks from that specific department. If there's an opportunity for us to help this cause with Community Services, I'm sure we'd be happy to have those conversations.

MS. PETERSON-RAFUSE: That would be great, thank you.

MR. CHAIRMAN: Mr. Maguire.

MR. MAGUIRE: One of the things that we're seeing at NSCC is, there are these huge wait times to get into programs; some people are waiting years for certain programs. What ends up happening is they go out West because there are apprenticeship opportunities out West.

I'm just wondering if you have worked with the Department of Labour and Advanced Education - this is kind of a two-part question - to first of all push students toward some of the Red Seal trades. Pipefitting may not be as appealing to some people as being an electrician or something like that, so pushing them toward the trades that you're really looking for and the trades that you may not have the numbers. Also, when you guys have your "downtimes" are you doing an apprenticeship program or something similar to what Dexter has done with the Dexter Institute?

The second part is, during your peak times or when things are going steady are you guys going to be actively pursuing other private and public contracts and do you have a

long-term vision or view for after the 25 years or 30 years? You guys are going to have a lot of well-qualified individuals and I'm sure you're not going to want to give some of those people up. Are you going to be actively pursuing other contracts?

MS. MARENICK: I'll take the first part and then defer to Scott for the second part. Sorry, could you repeat the first part of your question again?

MR. MAGUIRE: What we're seeing is people who want to get into trades that aren't going to be able to because there are no seats available at NSCC. Even 10 years ago, a lot of people coming out for skill trades were doing it through apprenticeships and things like that. Do you guys have an apprenticeship program? Are you looking into that or are you pushing the Department of Labour and Advanced Education, and NSCC for more seats and more opportunities for kids to graduate? One of the reasons I ask that is we have an O2 program at J.L. Ilsley in Spryfield where 40 per cent of our students are in that. I am sure that NSCC cannot accommodate 40 per cent of one high school's population.

MS. MARENICK: Thank you for repeating your question.

MR. MAGUIRE: And adding to it. (Laughter)

MS. MARENICK: Yes, I know - thanks a lot for that too. We are the largest employer of apprentices in the province. Our vice-president of human resources sits on the board of the apprenticeship agency, so I can't say enough good things about the relationship we have with the college. How they manage their wait-list with the Department of Labour and Advanced Education, I can't speak to, but I know that they constantly have discussions with us about what our workforce projections are to make sure there are enough opportunities for Nova Scotians to be able to graduate and stay.

That being said, we always have to be mindful of the apprentice/journeyperson ratio which is why we're targeting the job fairs the way we are. We can't build ships with first-year apprentices, we need to make sure we've got some skill in the trade. That's a balance for us that does create a bit of a wrinkle when it comes to direct hiring from NSCC.

The day after we won the bid, when everybody was calling here, the second place they called was there, so we absolutely appreciate that our success is very intertwined on this project.

I would say we have a very strong apprenticeship program and relationship with the college. Again, I can't speak to their wait-lists but I know that they are working with us to make sure they have the right number of seats for the right number of jobs in Nova Scotia. I do think it's risky to flood the market with trained folks and then we're going to lose them anyway. I think their caution is probably correct and I can say unequivocally that we are completely committed to making sure that we have a healthy pipeline of apprentices in the province.

MR. MAGUIRE: Any thoughts around what Dexter has done with their workforce and created Dexter Institute where they train their own employees to come in? Have you thought about that at all?

MS. MARENICK: I'm familiar with the Dexter Institute but not enough to comment on it. I think that's always something we're looking at: what are the right opportunities for us to train in-house and when would we do external partners? We are looking at building a broader training organization to ensure we're upscaling our staff but I don't think that's a fully formed idea at this point.

MR. JAMIESON: The second part of your question was, do we still have our eye on the ball for what happens after the 25 years? Yes, absolutely, it's a very nice place to be. There are a lot of shipbuilders in the world who are worried about what's going to happen in the next 24 months or the next 36 months. Most of them would be very pleased to worry about what's going to happen in five years, so a very privileged position to be worrying what happens after that.

As we understand it, the 25 years is not a hard target. It's not like this relationship where the strategy comes to an end and there's a big white space. It's just that the ships that they identified when they launched this strategy would be completed through build at that point.

Our hope and our intent is that by showing the value we can bring to shipbuilding by producing good quality ships for the good people of the Royal Canadian Navy, is that that will continue long after that. The Arctic offshore patrol ships will be coming out first, then there will be a capability required to replace them in 25 years. So our view is hopefully that will continue.

We don't take anything for granted, we also continue to look at our other commercial opportunities that we have, and as the question was asked and answered, we're certainly up for looking at export opportunities, as well, to balance all of that. We don't believe the 25 years is a hard target where things suddenly stop. I'm absolutely certain the world will have changed and there will be a demand for different types of ships by then to what we're building today, and we certainly hope to be the people that are providing the combat vessels.

MR. CHRIS MACDONALD: I just wanted to add to what Scott said. If you go back to the premise of this - and it's a good question - the whole premise behind NSPS is that effectively you've got a combatant shipbuilder on the East Coast and a non-combatant shipbuilder on the West Coast. Canada didn't come up with this idea, right? We're not the first ones that have gone this way and it's absolutely critical for the long-term nature of shipbuilding.

Once again, I started with Saint John shipbuilding, that yard is now a wallboard plant. That, in theory, is what you're trying to avoid here. The way I look at it - and I agree

with Scott - the intent would be we will be a Centre of Excellence. We're a Centre of Excellence now, we will continue to be a Centre of Excellence and that work really should continue on well past that, no different than on the West Coast.

MR. CHAIRMAN: We're supposed to end at 11:10 a.m., but we can do one quick round of really quick questions, be very respectful. Go, Mr. Lohr.

MR. LOHR: We've talked about the labour requirements and you've mainly talked about steel and your relationship with NSCC. It strikes me that there must be a fair bit of naval electronics in these things. Can you comment on the electrical trades and what you're doing with them to address that?

MS. MARENICK: I wouldn't say that it's different. I think in build our immediate need is for steel trades, it makes sense as you progress through. On refits it's not, on refits it's a lot of electrical work. We have a good number of really experienced electrical tradespeople in our pipeline right now, so from a trades perspective, I think we've got good established programs. You saw what we're doing for steel trades. We would do exactly the same thing for electrical trades and keep that marine skill component really sharp for them, but we think the need to hire externally for electricians will come later in the build process.

I think really in terms of what that skill needs to look like in terms of naval architects or anything like that, it makes sense to partner with NSCC because the bulk of the staff will be a trades perspective, but there are a lot of really skilled technical CAD designers and naval architects and specific engineers, so we would be working with the university systems on that. So I wouldn't say our plan is all that different. The timing of when it's executed may change.

MR. CHAIRMAN: Mr. Wilson.

MR. DAVID WILSON: My last question - I know in more recent days we've heard about a new tax deal with the municipality, trying to go through and figure out what the implications of that are. Does it create a disincentive to hire people? I'm trying to understand - I believe there are 2,000 - once you get over that 2,000 mark, there may be an increase in the tax that is paid by the yard. So in my view, there may be - but maybe I'll ask you if that's shared.

MR. CHRIS MACDONALD: I can talk to that a little bit. Obviously the intent - just to back up a little bit - it's very difficult to assess a shipyard. This is nothing new. The same issue is happening everywhere - what is the true value? Obviously we've reached an agreement with HRM on this, but the concept behind it really was, if we're busy - and we hope to be busy - obviously the economic activity related to that, which goes to the concept of economic obsolescence and all the things that go into an assessment, then you should pay more.

So really the agreement that's set up is there's a base yearly amount that you'll never go below, and that's increased at 1 per cent a year. Then over 1,000 employees, there will be another \$1,000 paid per property tax. So really it's a fairly simple concept, which is it will reflect the activity that's happening at the yard.

To answer your question, in my mind given the value of property tax compared to the value of the program we're looking at, the last thing you would say is, no, I'm not going to hire 100 more people because it's going to cost me another \$10,000. You would never look at it that way, quite frankly. So to answer your question, there's no disincentive from that perspective.

MR. CHAIRMAN: The other Wilson. (Laughter)

MR. GORDON WILSON: Wow - brother from another mother. Just quickly, and this ties in with Mr. Lohr's questions with regard to the Industrial Regional Benefits also around the value proposition. I am kind of curious - I know you had a \$12 million commitment under that and you spent 50 per cent of it on the human resource side of it, applied research, those kinds of things. I'm just curious - the culmination of the both of them, if there are any project-specific infrastructure things that Irving might be looking at - tidal and any other things there that you might be able to tell us.

MR. CHRIS MACDONALD: Just to be clear, the 50 per cent we've identified to date, effectively \$6 million, is really spread over eight initiatives that we have on the go. Like I said, I'm not in a position to talk specifically about some of those because we're in the throes of negotiating contracts.

To be very clear, this is the company's own money so this is not something that's reimbursed by the federal government. This was part of the bid and so our obligation is to look at the greater marine industry and where we can advance the industry as a whole and so there are a number of things we're looking at. I would say most of those are either right now, to date, once again early days, but we thought it made sense to focus on some of the HR-related issues early on in the program - some applied research.

We have a recognition that this is a pan-Canadian project too. There's certainly going to be a lot of focus on Nova Scotia, but there are also other parties, including the North. These are called the Arctic offshore patrol ships so there's certainly an expectation that there would be something that would reside there or at least some sort of investment there.

To answer your question, we haven't focused on capital as part of what we're looking at. Most of these numbers, they're \$0.5 million to \$1 million - they're that kind of range. Depending on the size of the capital project, that would be pretty insignificant. We're trying to focus on very key areas that can make a difference at the end of the day. Not to say that we wouldn't in the particular project, but to date we haven't really focused on that.

MS. MARENICK: If I can add - the obligation for value proposition extends over the Canadian surface combatant contract as well, so half of 1 per cent of revenues for CSC, our obligation continues to grow, so you'd see in the chart on the page we talked about as investment in people, technology, and commercialization. So we would continue to take that approach as we look at opportunities to invest, but half of 1 per cent of AOPS revenue will only build from here.

This is a legacy program. This is designed for sustainment. It's not like IRBs, which are offset in nature. This is about how you rebuild the industry. So there will be a lot of opportunities for us to have a lot of discussions that make sense over the next 30 years.

MR. CHAIRMAN: I'll throw it back to you guys for some closing remarks.

MR. JAMIESON: I think we would just like to thank you for the opportunity to be here this morning. We are incredibly proud of what we're doing at Irving Shipbuilding and we think this is a phenomenal opportunity both for Canada and for Nova Scotia, and we're very glad to be a part of it. Thank you again for your time this morning.

MR. CHAIRMAN: Thank you very much. We will recess for five minutes, until 11:20 a.m., and then reconvene for committee business.

[11:16 a.m. The committee recessed.]

[11:22 a.m. The committee reconvened.]

MR. CHAIRMAN: I call the meeting back to order. There are a couple of things on the list for committee business. There are a few pieces of correspondence, the first one being from the February 19th meeting which was the Department of Economic and Rural Development and Tourism, an information request from the February 19th meeting. Are we all good with that one?

MR. LOHR: This seems fairly out of date now, there is no ERDT anymore, right?

MR. CHAIRMAN: Yes, that has to be done through the Speaker's Office for changing any of that kind of stuff.

MR. LOHR: Right. Would we be able to just send a request back to the Department of Business for the same information from the Department of Business?

MR. CHAIRMAN: Yes, this was from the Department of Economic and Rural Development and Tourism.

MR. LOHR: ERDT doesn't exist, though.

MR. CHAIRMAN: ERDT came to the committee and presented to us so the information came from ERDT, as an existing department. It doesn't have anything to do with the Department of Business because the Department of Business never existed at that time. Ms. Peterson-Rafuse.

MS. PETERSON-RAFUSE: I just wanted to clarify with my colleague because I want to be sure. I think I asked for this information because I wanted to be able, as an MLA, to know who to contact in the province and also representing Economic and Rural Development and Tourism, now Business, as the critic. It was really for that contact information and I think that Mr. Lohr is saying that now this contact information is not valid.

MR. CHAIRMAN: So you're asking then if this could go back to the Department of Business for an updated list of contact information.

MS. PETERSON-RAFUSE: Yes, and to confirm because I'm sure there are changes here, right?

MR. CHAIRMAN: We'll work on that, getting the information. We'll try to email it out to everybody so that you'll have it for the summer. That would be great.

The other one came from the Canadian Federation of Independent Business, information requests from the member for Clare-Digby regarding the layout of members of CFIB. Are you guys okay with that one? Perfect.

The other one was correspondence that came from a constituent of mine to the committee, dated April 11th, and then it was shared everybody. We're asking that since it was addressed to the committee that this can go to the Department of Business for clarification in answering to the constituent. Is everybody okay with that? Perfect, thank you.

The other piece of committee business was a request from Mr. Dunn, looking at the time change. We have looked at that. The time change is making it very difficult so we're asking that we keep the time as it is - Thursday mornings. Ms. Peterson-Rafuse.

MS. PETERSON-RAFUSE: What dates or other days were looked at in the month? Is there some type of report? Nobody contacted me to say, could you meet on this day of the month versus another day, or even later - like at one o'clock. One of the problems with a Thursday morning Economic Development Committee meeting - and it is usually only once a month or whatever, but Thursday morning is the same time as Cabinet and it makes it very difficult. If we're going to have an open process here, it challenges us in terms of the media because often they have to pick between either going to the Cabinet outing or to be here. The Economic Development Committee is so important, as is Cabinet, so it shouldn't be the same time.

MR. CHAIRMAN: There was a request email sent on March 11th from Darlene Henry to all committee members asking for comment. There was only one person who replied back - Pam Eyking - that put a comment back in saying that Thursday mornings worked the best.

MS. PETERSON-RAFUSE: I don't recall. Can we discuss it around - I probably must have missed the email. I'm sorry, I don't recall getting that email.

MR. CHAIRMAN: Just to be clear for the record, it was sent Wednesday, March 11th at 10:30 a.m.

MS. PETERSON-RAFUSE: I will go back and check.

MR. CHAIRMAN: I can read the email to you, if you like.

MS. PETERSON-RAFUSE: I guess what I'm asking is, now that we're here around the table, if we could have a discussion.

MR. CHAIRMAN: Mr. Wilson.

MR. GORDON WILSON: I believe some of the whole discussion started around even the thoughts that we were going to move to another time and what was the better time. I think maybe there were some concerns about Thursday morning not working in relation to Mr. Dunn bringing it forward. I put a lot of thought into this myself because I also chair another committee and we all sit on a lot of other committees, and I have come to the conclusion that Thursday morning is the best time, especially for out of town members to get to the meeting and be able to get back to the riding without these big holes in between our trips into the city.

My only concern with the honourable member from across would be - I hope we're not arranging our meetings to appease the media. It's important, yes, that they be here, but it's more for us to be able to accommodate our times. No Cabinet members sit on these committees. I'm sure that they can juggle getting here or to Cabinet if they need. There was a lot of media here today. I've never seen media raise this as an issue to me. I would like to see us stay with Thursday mornings. It works the best for all the other committees and I think in my discussions with the clerk also, it gets into some real strategic problems when you start trying to work around the other committees that meet at different times too.

MR. CHAIRMAN: Before we go any further, we're hitting the time of 11:30 a.m., so as chairman I need to ask if you guys are okay to extend this meeting for a little longer to finish these topics. Are we all in agreement with that? (Interruptions) Mr. Lohr.

MR. LOHR: I would just like to maybe rebut your comments, Mr. Wilson, on making things more convenient for the media. I think that the purpose obviously is not to simply make things more convenient for the media, but it's sort of a recognition that we

don't have an inexhaustible supply of media people in the province. The purpose of the committee is to address issues of concern to the people of the province, and in reality, the way the people of the province find out about what we're discussing is through the media. So to make it a little bit more convenient for the media would enable our constituents to have a little better idea of what's going on. Obviously, it is not simply to make it easier for media, which I would agree our job is not to make the media's job easier but it is, in fact, to communicate to our constituents, and the media does that.

I would like to speak in favour and, in fact, we have had, in side conversations, media express frustration to us about this conflict between Cabinet and this committee, we have heard that. I don't know if it has been said publicly, but it has been said in the hallway, so I'd like to speak in favour of moving to another day.

MR. CHAIRMAN: As the chairman I have never heard any concern from any media whatsoever about this issue. Mr. Dunn.

MR. DUNN: Mr. Chairman, I think the very first thing I mentioned when I put that motion forward, and it may not occur, but I was coming off the cuff in saying that I, personally - and this may be selfish - but if I had a committee meeting on Tuesday and a caucus meeting on Wednesday and another meeting on Thursday, that takes a big chunk of the week away from my constituency office. We all have many, many issues to deal with and some of us live close; some of us live far away. In my case it's a two-hour drive, but anyway that was one of the main purposes for the motion. I know the logistics of trying to arrange all of these meetings may be very difficult and I was just hoping that perhaps we could move back to where it may have been.

MR. CHAIRMAN: It has always been on Thursdays.

MR. DUNN: Has it? (Interruptions)

MR. CHAIRMAN: Mr. Maguire.

MR. MAGUIRE: I'm going to put a motion on the floor. This is the third committee in a row that I have been on or that I've subbed in where this issue has been brought up to change times so it seems like it's getting a little confusing, people wanting to change times. I understand it's difficult for people coming in and out of town and stuff like that, so I just want to put a motion on the floor to keep the committee hours as is.

MR. GORDON WILSON: I would second that.

MR. LOHR: Wasn't there a motion brought forward by Mr. Dunn at the last meeting that wasn't voted on? (Interruptions)

MR. CHAIRMAN: So we're going to go back to Mr. Dunn, do you want to put that motion forward?

MR. DUNN: The motion was to examine the possibility of perhaps moving the Thursday meeting back to Tuesday.

MR. CHAIRMAN: So we did and there was only one email back on that whole discussion. Denise, your name is right here, the second one: Ben Jessome, Denise Peterson-Rafuse - you're number two.

MS. PETERSON-RAFUSE: I know, but I'm just saying that because of a missed email I don't think that should be the reason why. I realize that the effort was made, but we're all sitting here discussing it now, right?

MR. CHAIRMAN: There are two motions on the floor now.

MS. PETERSON-RAFUSE: I'm sure a lot of people miss emails, right?

MR. CHAIRMAN: Yes. So we're going on Mr. Dunn's. Do you want to say your motion again?

MR. DUNN: The motion was to look at the possibility of moving the Thursday meeting back to a Tuesday meeting.

MR. CHAIRMAN: Which we did. (Interruptions) No, no - and now there's another motion.

MR. MAGUIRE: My motion is to keep the hours of this committee as is.

MR. CHAIRMAN: Can we please vote on that? (Interruptions)

MR. GORDON HEBB: You should vote on his motion.

MR. CHAIRMAN: Okay, sorry. We'll vote on Mr. Dunn's. Would all those in favour of the motion please say Aye. Contrary minded, Nay.

Thank you very much - Mr. Maguire, your motion. (Interruptions)

The motion was defeated. Go ahead, Ms. Peterson-Rafuse.

MS. PETERSON-RAFUSE: Is there a possibility of making the meeting, if it's on Thursday, a little bit later in the morning for those who are travelling in? We've had other committees that have done that, to assist those who are travelling in.

MR. CHAIRMAN: Right, and then the problem with that is for the people who have a long way to drive, like back to Cape Breton. So it's, how do we balance it out?

MS. PETERSON-RAFUSE: I don't understand what you mean.

MS. EYKING: I drive home - it's five hours for me to get home . . .

MS. PETERSON-RAFUSE: I'm just talking about having the meeting start at 10:00 a.m. or 10:30 a.m. - a half-hour. (Interruptions)

MR. CHAIRMAN: Mr. Wilson.

MR. GORDON WILSON: Mr. Chairman, I believe that almost all of us have caucus on Wednesdays - correct me if I'm wrong. So the most convenient time would be - and I believe most everybody has caucus Wednesday afternoons - wouldn't it be practical to have Thursday mornings, and usually most all the committees meet at 9:00 a.m. We're meeting at 9:30 a.m., I'd rather see it moved to 9:00 a.m., personally. (Interruption)

I realize that but there are a lot of us who have to stay overnight and for me to come up, I think to stay where we are with our hours seems reasonable, it has been working. If it isn't broken, why fix it? (Interruptions)

MR. CHAIRMAN: We already voted, it's done. So the committee is now staying on Thursdays at 9:30 a.m. The next meeting date will be September 3rd. So tentatively for the September 3rd meeting is the Yarmouth ferry. We're still waiting for confirmation from TIR, I guess now, is where that sits.

Also, prior to that meeting we would like to have your lists because it's also going to be an agenda-setting meeting, so if we can have your lists prior to - two weeks before?

MS. KIM LANGILLE (Legislative Committee Clerk): I'll send out an email.

MR. CHAIRMAN: We'll send out an email with a reminder for topics.

With that, I adjourn this meeting. Thank you very much.

[The committee adjourned at 11:37 a.m.]