

WEBVTT

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<v SPEAKER\_2>In this episode, recorded May 23rd, 2025, I'm sitting down with Arianne Reza, the Deputy Minister for Public Services and Procurement Canada, and James Davies, President and CEO of Davie Shipbuilding.

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<v SPEAKER\_2>This is the final episode in our National Shipbuilding Strategy Series, where we're discussing the involvement of Chaunché Davie in shipbuilding for the Government of Canada, icebreakers in particular, and its involvement in the new ice pact.

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<v SPEAKER\_2>James, welcome to Defence Deconstructed, and Deputy Minister, welcome back.

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<v SPEAKER\_3>Thank you very much for inviting me here, and Ali-Anne, thank you very much for hosting.

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<v SPEAKER\_2>So I have an opportunity to get some perspective on Chaunché Davie's involvement in shipbuilding with the Government of Canada, and I guess some of the latter involvement, because there's been a long-standing involvement over time.

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<v SPEAKER\_2>But before we get into that, we just take a minute to talk about your own background and how you came to be sitting around the table with the other two of us.

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<v SPEAKER\_3>Sure.

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<v SPEAKER\_3>So I am James Davies, I'm the CEO of Chaunché Davie.

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<v SPEAKER\_3>I'm 50 percent of the equity that came to Canada in 2012, by that company.

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<v SPEAKER\_3>We now own Helsinki Shipyard as well, and I must have, without exaggeration, something over 50 shipyards in the last 10 or 12 years.

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<v SPEAKER\_3>I was born in London, raised in London.

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<v SPEAKER\_3>I come from a family with a certain background in engineering.

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<v SPEAKER\_3>Basically, my career has been largely engineering, finance of 20 plus, 25 years nearly, maritime shipbuilding and turnarounds.

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<v SPEAKER\_3>We arrived in June 2012 to buy Davie because it had not succeeded.

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<v SPEAKER\_3>It's become part of what is now NSS.

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<v SPEAKER\_3>And when we turned up, although it's a massive piece of infrastructure, we choked 16 men, one boy, one dog.

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<v SPEAKER\_3>It's a joke because there was no boy and no dog.

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<v SPEAKER\_3>No pipeline, no NSS, just a bunch of tumbleweed and some ships that were in part built.

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<v SPEAKER\_3>So we raised the money to complete those ships for the client.

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<v SPEAKER\_3>That was about 260 million US, which is a small change.

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<v SPEAKER\_3>And then in 2014, having restarted the yard, we delivered one of those ships, which was a Northfield Services vessel.

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<v SPEAKER\_3>It was in 2014 Canada's biggest single export.

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<v SPEAKER\_3>And the following year, I think, we managed to get a North American Sheep Garden Year Award for the Lord's List, which was satisfying.

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<v SPEAKER\_3>And, you know, the sort of the...

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<v SPEAKER\_3>Prior to buying the yard, I was involved in the largely restructuring, the financing operations of various vessels with increasingly interesting sort of profiles, largely coming in some which came out of the global financial crisis.

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<v SPEAKER\_3>And I look back on the sort of my formative years in the noughties, it was very much kind of, you couldn't have a better training ground to go and then try and do something, which is sort of people said was a little bit difficult to understand, which was restarting shipyard, to fall on another shipyard that had fallen on hard times in an era when shipbuilding had mostly gone to very low cost environments.

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<v SPEAKER\_3>But we could see something of the potential in that yard and what Canada was doing even if it wasn't a participant.

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<v SPEAKER\_3>So we stuck to it, just chip away, keep on working, try to apply novel solutions to difficult problems.

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<v SPEAKER\_2>So you came in after the initial selection for the ownership construction was complete.

00:03:53.880 --> 00:04:01.120

<v SPEAKER\_2>So that meant that the yard wasn't part of that package of work looking at construction of vessels over a thousand tons.

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<v SPEAKER\_2>But you have experience with a number of different projects with the Government of Canada prior to joining ship construction with the National Shipbuilding Strategy.

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<v SPEAKER\_2>Can you maybe just talk about some of those experiences doing vessel refit for the Government of Canada, as well as the conversion and supply of the Asterix vessel?

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<v SPEAKER\_3>Sure.

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<v SPEAKER\_3>I mean, we turned up and as I say, we started building oil for the services vessels, large ones, large, complex ships.

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<v SPEAKER\_3>And then sort of knocked on the door of the Government of

Canada and said, Hi, we're here, we're doing this.

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<v SPEAKER\_3>So sort of welcome, but also a statement along the lines of, well, you know, when you've been around for a while and you're proving yourselves, start to give you some work, which in due course did happen.

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<v SPEAKER\_3>So we started to do some refit work and that proved to be adequate.

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<v SPEAKER\_3>And then we noticed that there was a shortage of auxiliary oiler, some history now, and made a, you know, probably big, hairy, ambitious pitch.

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<v SPEAKER\_3>But also coming to a solution space where we thought we could do it, which was in three years to deliver a capacity that would at least go somewhere to fill in what was a kind of a critical element.

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<v SPEAKER\_3>And that was the Asterix tree.

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<v SPEAKER\_3>You know, designed, contracted, bought the base vessel, converted, which meant turning it into a canoe, delivered it as a service, fueled, ready to go, three years.

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<v SPEAKER\_3>And we self-financed it as well, which was an extra layer of work and all, but that was the mission.

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<v SPEAKER\_3>So we did.

00:05:51.680 --> 00:05:58.060

<v SPEAKER\_3>And Canada was incredibly flexible in looking at the contract form that we proposed.

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<v SPEAKER\_3>And it was the contract form that was necessary to kind of cut through some of the otherwise necessary process that kind of comes with NSS, which is full of checks and balances.

00:06:08.280 --> 00:06:11.740

<v SPEAKER\_3>And the way that we could make it work was to say, I should take this.

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<v SPEAKER\_3>If it's for public purse and these are checks and balances for public purse, then how do we solve that?

00:06:19.360 --> 00:06:23.620

<v SPEAKER\_3>We should keep on going until you've solved all the problems and you've executed it.

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<v SPEAKER\_3>Having hopefully checked that we haven't done anything silly along the way.

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<v SPEAKER\_1>I want to make sure if I could just intercede because I think that my work here is done because I think James has just indicated that Canada was incredibly flexible.

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<v SPEAKER\_1>So that statement is almost, you know.

00:06:40.540 --> 00:06:42.060

<v SPEAKER\_3>But it's true for other people.

00:06:42.060 --> 00:06:54.900

<v SPEAKER\_3>I honestly, Arianne, what you say, other people look at that contract, Shipyard in the UK, that's a very complimentary statements in states.

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<v SPEAKER\_3>And how did you do that?

00:06:56.220 --> 00:07:01.660

<v SPEAKER\_3>Where it takes two to tango, somebody was prepared to take some of the risk.

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<v SPEAKER\_3>The other side took risk as well and was very flexible.

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<v SPEAKER\_3>So it is true.

00:07:05.660 --> 00:07:11.740

<v SPEAKER\_1>And that one was a little bit of, you know, early days where there's different contracting forms.

00:07:11.740 --> 00:07:26.580

<v SPEAKER\_1>You and I have started to know each other over the last few years and, you know, where NSS was more predominant in the CDCI model and some of the negotiations between the Crown and Shanti Davie

on various elements.

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<v SPEAKER\_1>So we're able to execute, have had, you know, combinations of highs and lows and abilities to execute.

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<v SPEAKER\_1>And I think that's really something I commend James on persevering with, because I think there's lots of different elements in that.

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<v SPEAKER\_3>I think what we're doing altogether is a very worthwhile exercise.

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<v SPEAKER\_3>I fundamentally believe that if we don't have the assets, the ships, and the ability to build them, replace them, modify them, and that's not just warships, but the Coast Guard, but also hopefully get back to an era where we can build something of complex vessels for a commercial basis.

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<v SPEAKER\_3>Then we're going to basically, it's going to potentially lead to bad outcomes.

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<v SPEAKER\_3>That gives us a certain amount of insurance.

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<v SPEAKER\_3>I think it's a very worthwhile exercise.

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<v SPEAKER\_3>The better we all are convincing younger folk that this is something that society gives them credit for, they'll be appreciated for, that provides stability of employment.

00:08:28.100 --> 00:08:32.320

<v SPEAKER\_3>That's how we present a different value proposition to our future workforce.

00:08:33.340 --> 00:08:34.780

<v SPEAKER\_3>For me, this is as cool as SpaceX.

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<v SPEAKER\_3>In fact, it's cool that right now it's having an effect.

00:08:38.900 --> 00:08:42.940

<v SPEAKER\_3>What it should do in the future, near future, is have a massive impact.

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<v SPEAKER\_1>What I think is interesting is that we talk about outcomes, that I look at it from the lens of Canada.

00:08:48.620 --> 00:08:58.140

<v SPEAKER\_1>I've become quite, having joined the NSS late in my career, I had a decade under the belt as I got more and more involved in it.

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<v SPEAKER\_1>But I do think that the outcome is sovereignty for Canada, and the shipyards being able to build that capacity, having industrial strength, that's a huge game changer.

00:09:10.420 --> 00:09:16.580

<v SPEAKER\_1>I see that over the course of a decade, all of Canada's shipyards have really contributed to that.

00:09:16.580 --> 00:09:23.080

<v SPEAKER\_1>I think that's a big value added proposition for Canada, the Canadian, is that outcome.

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<v SPEAKER\_3>I think that's very true.

00:09:24.080 --> 00:09:24.820

<v SPEAKER\_3>I go further.

00:09:24.840 --> 00:09:46.180

<v SPEAKER\_3>I'd say that I go as far as saying that what Canada did back in 2011, it kicked off what was then NSPS, was nothing short of prescient and actually fantastic, and incredibly hard to do, to rebuild shipbuilding from not only just blowing embers, and people like to sort of decry it or criticize it.

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<v SPEAKER\_3>It's easy to throw stuff from the back of the class kind of thing, but actually it's a tough thing to do to rebuild the industry when the commercial need has migrated.

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<v SPEAKER\_3>It's just gone somewhere else.

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<v SPEAKER\_3>Everybody's now used to buying ships offshore.

00:09:58.680 --> 00:10:02.160

<v SPEAKER\_3>And so you're doing it almost against gravity.

00:10:02.500 --> 00:10:03.740

<v SPEAKER\_3>It's difficult.

00:10:03.740 --> 00:10:05.920

<v SPEAKER\_3>And what has been achieved is fantastic.

00:10:05.920 --> 00:10:08.760

<v SPEAKER\_3>What we now need to do is pivot and accelerate.

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<v SPEAKER\_3>And we're willing to experiment and propose things that are not conventional.

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<v SPEAKER\_3>Sometimes other people think that they're worthwhile to pursue.

00:10:23.900 --> 00:10:29.620

<v SPEAKER\_3>When that happens, we create coalition, then we create a step change, and then we can show people the analogue.

00:10:29.620 --> 00:10:42.320

<v SPEAKER\_3>And then if we share the analogue around our industry in Canada, we're going to get enough improvement to start becoming so efficient that sooner or later we will start to sell ships to people other than the Government of Canada.

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<v SPEAKER\_3>At that point, it starts to get lifted.

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<v SPEAKER\_1>Can I ask you, David, a question?

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<v SPEAKER\_1>You know, we're immersed all the time in NSS, whether it's contract negotiations, executions, new contract awards.

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<v SPEAKER\_1>But one of the things that you always school me in is about dialogue and being able to hear the various viewpoints out there.

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<v SPEAKER\_1>From a relative slight outsider viewpoint, what do you think the detractors of NSS would say?

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<v SPEAKER\_2>I think the flip side of innovation is that you're deviating outside of the exact prescriptive norm, I think, by almost default.



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<v SPEAKER\_2>And so the fact that the asterisks, and it also asks you to talk, if you want to do a little bit about the interim icebreakers that you had, was not the exact model that had been outlined for the shipbuilding strategy, where you went and got a vessel somewhere else and brought it back into all the work of converting it.

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<v SPEAKER\_3>Resist the vessels.

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<v SPEAKER\_2>Right, so the flip side of innovation is that you're moving some of the yardsticks and you're getting outside of that paradigm.

00:11:41.140 --> 00:11:59.280

<v SPEAKER\_2>I guess I would reflect on, certainly when we came to asterisks, the capability, which I think I saw on a LinkedIn account today, that it's up somewhere close to the north, or I forget where it is today, but it has had, I think, a pretty remarkable number of active sea days providing a refueling capability to the ground.

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<v SPEAKER\_2>It's not looking outside of that standard cookie cutter paradigm.

00:12:04.100 --> 00:12:04.860

<v SPEAKER\_3>It's a good solution.

00:12:04.860 --> 00:12:05.880

<v SPEAKER\_3>We're very proud of that one.

00:12:05.880 --> 00:12:11.980

<v SPEAKER\_3>I mean, with the medium icebreaker program, we keep looking at this thing, which is the commercial.

00:12:11.980 --> 00:12:12.920

<v SPEAKER\_3>Actually, that's not the case.

00:12:12.920 --> 00:12:19.420

<v SPEAKER\_3>What we try to do is look at a problem and not limit ourselves by what we're doing, what we want.

00:12:19.420 --> 00:12:22.160

<v SPEAKER\_3>The solution to be able to say, what could we do?

00:12:22.160 --> 00:12:24.580

<v SPEAKER\_3>Some of these problems are bigger.

00:12:24.580 --> 00:12:42.620

<v SPEAKER\_3>We knew various reasons of three icebreakers that were the Swedish swell capacity, and the ships which were employed part of the time, breaking ice for Sweden in the Baltic, and then part of the time, the off season, anchor handle tone supply ships in the North Sea on the spot marking.

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<v SPEAKER\_3>And so I know those vessels very, very well, approximately just over 90 meters, long, very powerful tugs, big back deck, forward control, dynamic positioning, great assets, and ice breaking.

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<v SPEAKER\_3>Three sister ships, icebreakers, looking at the St.

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<v SPEAKER\_3>Lawrence, and that winter it froze really badly.

00:13:01.260 --> 00:13:03.760

<v SPEAKER\_3>There's a lot of noise, I think it's from Rio, but I can't remember.

00:13:03.760 --> 00:13:06.300

<v SPEAKER\_3>So I couldn't get ships in and out, legitimately.

00:13:07.540 --> 00:13:14.480

<v SPEAKER\_3>And so we said, well, you know, maybe we could offer this and suggest it would be it would relieve some more pressure.

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<v SPEAKER\_3>Because for all of NSS successes, it hasn't necessarily been able to meet the somewhat ambitious timeline.

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<v SPEAKER\_3>And so that was an opportunity to relieve pressure.

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<v SPEAKER\_3>But then it could be, no, people get the opportunity to not take the constant criticism.

00:13:30.220 --> 00:13:40.620

<v SPEAKER\_3>It was actually the Coast Guard, to their credit again, PSPC, to their credit again, Canada, to its total credit, looking at the reality of a situation and going, yeah, I know we didn't do it.

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<v SPEAKER\_3>It's not on the menu.

00:13:41.340 --> 00:13:42.720

<v SPEAKER\_3>It's not on the set path.

00:13:42.720 --> 00:13:45.300

<v SPEAKER\_3>Adapting to what was a pretty nasty winter.

00:13:45.300 --> 00:13:49.980

<v SPEAKER\_3>And the fact that stuff isn't going, perhaps, as perfectly as it was hoped.

00:13:49.980 --> 00:13:52.840

<v SPEAKER\_3>But I mean, it was a good result.

00:13:52.840 --> 00:13:55.220

<v SPEAKER\_3>So we bought the three ships.

00:13:55.220 --> 00:14:05.840

<v SPEAKER\_3>We iterated on the fly a engineering package with the Coast Guard, and I think which meant new ice belt, bringing the ships up to a polar code standard.

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<v SPEAKER\_3>They had most of the features.

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<v SPEAKER\_3>So some of the things needed to be adjusted.

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<v SPEAKER\_3>A large amount of new steel in the bow, additional accommodation to the cargo tankage, because most of these are sort of liquid mud and possible from the southern furrow for drill campaigns.

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<v SPEAKER\_3>Converting the spaces there into either fuel tanks, giving them extra capacity, so the endurance could be increased or in workshop space, accommodation, so it was quite a comprehensive piece of work.

00:14:31.320 --> 00:14:45.280

<v SPEAKER\_3>And the great assets, and those Canada wealth, I don't know how long the Coast Guard will keep using, but they did job of creating some interim capacity, and credit to everybody that was involved.

00:14:46.500 --> 00:14:59.140

<v SPEAKER\_2>To pivot off that, a few years ago, there was an effort by the Crown to expand the group of shipyards involved in the first pillar of the shipbuilding strategy.

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<v SPEAKER\_2>And at the time, what was put forward was basically as a

capacity requirement, there was an need to add additional capacity within the large ship construction part of the shipbuilding strategy.

00:15:11.300 --> 00:15:27.300

<v SPEAKER\_2>So, Deputy, to start with you on that, I guess, so for the CSE at the time, you had, there's been about a decade of strategy being in place with the two existing shipyards, and then there's a move to bring in a third.

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<v SPEAKER\_2>I guess, you reflect a little bit, what kind of considerations have there been bringing in a new partner after a decade of experience?

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<v SPEAKER\_2>Presumably, you'd have some degree of continuity in having the same kind of approach, same kind of roles as have been at the first two, but also, as you touched on just a minute ago, presumably also a level of adaptation and modernization of approach.

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<v SPEAKER\_2>So, I guess, a little bit about what the thinking and perspective has been about how to bring in a third partner into an existing ecosystem and how much to keep the same and how much to change and adapt.

00:16:00.360 --> 00:16:09.340

<v SPEAKER\_1>I actually think you hit the nail on the head because in procurement, everything is about fair, open, and transparent in the same level playing field.

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<v SPEAKER\_1>And NSS, as I was asking you earlier, you know, from an outsider's view, what is the traction?

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<v SPEAKER\_1>This is a program that's in place 10, 15 years.

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<v SPEAKER\_1>So it's hard to have a rigid rule set.

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<v SPEAKER\_1>And one thing I've tried to say to all the shipyards involved in pillar one is that I want it to be consistent, but I also want there to be some room to maneuver so that we can optimize the best relationship and the best outcome.

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<v SPEAKER\_1>And when you apply something rigidly, you lose a lot.

00:16:40.520 --> 00:16:49.660

<v SPEAKER\_1>So I think that what we learned on the first two shipyards as well is the points in contract management that become difficult.

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<v SPEAKER\_1>And so we want to have increased kind of accountability.

00:16:53.280 --> 00:17:03.320

<v SPEAKER\_1>And that also adds complexity to the contract as we probably just speculating drive James crazy when we want to say, we want to be able to see that.

00:17:03.320 --> 00:17:06.700

<v SPEAKER\_1>But there's a level there because we want to be able to look at costs.

00:17:06.700 --> 00:17:12.360

<v SPEAKER\_1>My mind always goes to, you know, we said in 2012, something was going to cost X and now it's costing Y.

00:17:12.360 --> 00:17:13.680

<v SPEAKER\_1>And we do it to ourselves.

00:17:13.680 --> 00:17:21.380

<v SPEAKER\_1>And I wish there was a better narrative to understand the dynamic nature, understanding the importance of taxpayer dollars, but how costing changes, right?

00:17:21.380 --> 00:17:23.300

<v SPEAKER\_1>Inflation, COVID, pandemic.

00:17:23.300 --> 00:17:26.420

<v SPEAKER\_1>The other thing I think that's key is talking about project management.

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<v SPEAKER\_1>Like we've seen what's required to ramp up a shipyard to be able to deliver it the rhythm we need.

00:17:32.940 --> 00:17:40.180

<v SPEAKER\_1>So we also have that basis so we're able to negotiate and say, you know, these are the pitfalls that we want to mitigate.

00:17:40.180 --> 00:17:44.600

<v SPEAKER\_1>So I think those are some of the key areas that I would say are key.

00:17:44.600 --> 00:17:53.860

<v SPEAKER\_1>And I also think, and it gets to the point, one area that

hasn't come out is the relationship that Canada has with their prime.

00:17:53.860 --> 00:18:05.260

<v SPEAKER\_1>And I think that, you know, what's changed over the two years is the increasing recognition that we have to have collaboration with the shipyards, communication channels, be able to share on the outcomes and the goals.

00:18:05.720 --> 00:18:07.680

<v SPEAKER\_1>Because otherwise, there's so much dwell time.

00:18:07.680 --> 00:18:09.520

<v SPEAKER\_1>So I think we've learned that from the first two.

00:18:09.520 --> 00:18:30.220

<v SPEAKER\_1>And I really want to circle back, and I want to hear from both of you, if I could be so bold, on this issue about how do we adapt the rule set to be consistent and fair, understanding that we're caught between the tension of being rigid and applying the same rule set, and being able to optimize it for best value and outcomes for Canadians.

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<v SPEAKER\_1>I find myself constantly in that space, and I have a lot of lived experience in procurement, and I know that doing one too excessively, or doing the other too excessively, is peril.

00:18:44.180 --> 00:19:08.420

<v SPEAKER\_2>James, from your viewpoint, by the time Davie comes into the first pillar, you've got a number of years of experience with the projects you were talking about, which were innovative and were delivered a different thing in a different kind of way than had been sort of the normal Government of Canada paradigm, plus a number of years to observe how the existing first pillar agreements, those kinds of relationships were working to other places.

00:19:08.420 --> 00:19:15.520

<v SPEAKER\_2>So with that reflection, what was the view from the shipyard of coming into that part of the strategy?

00:19:15.520 --> 00:19:19.060

<v SPEAKER\_3>Of course, the word just is a very interesting word.

00:19:19.600 --> 00:19:21.540

<v SPEAKER\_3>So people say, just do XYZ.

00:19:21.540 --> 00:19:28.720

<v SPEAKER\_3>So when we had a competitive process, it was the same as was used originally.

00:19:28.780 --> 00:19:37.040

<v SPEAKER\_3>And this kept it very open and transparent.

00:19:37.040 --> 00:19:41.700

<v SPEAKER\_3>So it was a competitive process with probably a competition.

00:19:41.740 --> 00:19:43.680

<v SPEAKER\_3>Kona Horses won.

00:19:43.680 --> 00:19:46.360

<v SPEAKER\_3>Right.

00:19:46.360 --> 00:19:51.840

<v SPEAKER\_3>The results were then just negotiate the framework.

00:19:51.840 --> 00:19:59.960

<v SPEAKER\_3>Well, just because then you start to learn the target state.

00:19:59.960 --> 00:20:07.780

<v SPEAKER\_3>Target state has to be financed out at no cost to Canada except out of normal, not capitalized products.

00:20:10.340 --> 00:20:12.820

<v SPEAKER\_3>But our target state is set by third-parts.

00:20:13.880 --> 00:20:22.580

<v SPEAKER\_3>First of all, international, great guys, they are reading up their subject, and they are always looking at what is the standard of shipbuilding, what's the target.

00:20:22.580 --> 00:20:25.420

<v SPEAKER\_3>The words may not change, but the interpretation probably is.

00:20:25.420 --> 00:20:33.840

<v SPEAKER\_3>Anyway, so we end up with the situation, and I think in total, 815 million, maybe.

00:20:33.840 --> 00:20:39.760

<v SPEAKER\_3>To do a number of things is the infrastructure spend, it's process spend, soft costs as well.

00:20:39.760 --> 00:20:42.820

<v SPEAKER\_3>And that's quite a significant amount of money.

00:20:42.820 --> 00:20:52.660

<v SPEAKER\_3>The other side of that is built against something that may, it's time value and money comes in, that's a difficult structure.

00:20:52.660 --> 00:20:55.840

<v SPEAKER\_3>So all of these things, what I'm saying is we had to learn that.

00:20:55.840 --> 00:20:57.780

<v SPEAKER\_3>It took a long time to be true.

00:20:57.780 --> 00:21:00.820

<v SPEAKER\_3>And it took a long time to reach out as well, because COVID is going.

00:21:00.820 --> 00:21:06.820

<v SPEAKER\_3>So I got the experience of spending a lot of times single guest at a hotel, which is very interesting.

00:21:06.820 --> 00:21:09.060

<v SPEAKER\_3>Few trips, it's the only guy on an aeroplane.

00:21:09.060 --> 00:21:11.520

<v SPEAKER\_3>I don't know why you can catch that much COVID, of course, a few times.

00:21:14.480 --> 00:21:16.040

<v SPEAKER\_1>We always like to come in person.

00:21:16.080 --> 00:21:18.700

<v SPEAKER\_1>There's no negotiating over Zoom with Masiya.

00:21:18.700 --> 00:21:22.840

<v SPEAKER\_1>It's always an in-person experience.

00:21:22.840 --> 00:21:24.140

<v SPEAKER\_3>But it's always a positive experience.

00:21:24.260 --> 00:21:27.960

<v SPEAKER\_1>Arianne.

00:21:28.340 --> 00:21:31.420

<v SPEAKER\_3>This sort of got it done and everybody involved.

00:21:33.560 --> 00:21:39.820

<v SPEAKER\_3>It was, I think, I think it was hard work, but it was necessary at the time.

00:21:39.820 --> 00:21:42.580

<v SPEAKER\_3>So where am I going with this?

00:21:42.580 --> 00:21:47.700

<v SPEAKER\_3>I would say that one of the things that would have helped



was a certain transparency of what that would be, because we went into it.

00:21:47.700 --> 00:21:50.660

<v SPEAKER\_3>So sometimes the process is a bit obscure.

00:21:50.660 --> 00:21:55.300

<v SPEAKER\_3>We end up with the mantra of, that's just what Canada does.

00:21:55.300 --> 00:21:59.180

<v SPEAKER\_3>I'm going to wait until I think about it.

00:21:59.180 --> 00:22:03.040

<v SPEAKER\_3>Your question was interesting because it sort of speaks to value.

00:22:03.040 --> 00:22:04.420

<v SPEAKER\_3>I want to go there.

00:22:04.420 --> 00:22:07.160

<v SPEAKER\_3>Best value to Canadians.

00:22:07.160 --> 00:22:21.620

<v SPEAKER\_3>In the time since we started doing NSS, we've gone from being deeply into the sort of Peace Dividend era, where we genuinely believed all at once, all together, that we probably were out of a Cold War type of situation.

00:22:21.620 --> 00:22:25.280

<v SPEAKER\_3>So it's competition of one, the US was the dominant.

00:22:25.280 --> 00:22:27.240

<v SPEAKER\_3>Of course, the rest of it, sort of not.

00:22:28.560 --> 00:22:30.040

<v SPEAKER\_3>It's called competition.

00:22:30.040 --> 00:22:31.660

<v SPEAKER\_3>Things change.

00:22:31.660 --> 00:22:38.740

<v SPEAKER\_3>So I'm not sure if best value is necessarily a financial one, or even about job creation.

00:22:38.860 --> 00:22:48.300

<v SPEAKER\_3>I think best value is by getting the right assets in the right place, and the hands of the people that have to use them so that they can do the very necessary job, which is one relates to the sovereignty or actually system.

00:22:49.740 --> 00:22:52.480

<v SPEAKER\_3>It's disincentivization, actually.

00:22:52.480 --> 00:23:04.580

<v SPEAKER\_3>The best outcome is that we get our act together, start churning ships out fast, get them into the hands of the Navy and the Coast Guard, and then we look very credible altogether.

00:23:04.580 --> 00:23:07.020

<v SPEAKER\_3>And that will disincentivize with progressives.

00:23:07.220 --> 00:23:11.600

<v SPEAKER\_3>And I think that's got huge value beyond anything else, so to speak.

00:23:11.600 --> 00:23:13.780

<v SPEAKER\_3>And that's really the mission we see.

00:23:13.780 --> 00:23:16.060

<v SPEAKER\_3>So then I come back from that.

00:23:16.060 --> 00:23:26.220

<v SPEAKER\_3>And I want to sort of start thinking about how is it that we seem to be locked in something where there's endless iteration around cost and time?

00:23:26.220 --> 00:23:31.060

<v SPEAKER\_3>One of the reasons is when we started NSS, you basically, there is no shipbuilding.

00:23:31.060 --> 00:23:32.640

<v SPEAKER\_3>A little bit of shipbuilding on the East Coast.

00:23:32.640 --> 00:23:39.520

<v SPEAKER\_3>Guys in Halifax just built some great ships, smaller ships, and then they took their facility apart, rebuilt it.

00:23:39.520 --> 00:23:44.900

<v SPEAKER\_3>And we heard from Doug, previous podcast, you know, the way he saw that.

00:23:44.900 --> 00:23:49.480

<v SPEAKER\_3>You know, what Halifax is doing is a very challenging thing.

00:23:49.480 --> 00:23:58.260

<v SPEAKER\_3>Building a modern battleship that's based on a platform which is Type 26, which is probably arguably one of the best.

00:23:58.300 --> 00:23:59.720

<v SPEAKER\_3>That means complexity.

00:23:59.720 --> 00:24:02.100

<v SPEAKER\_3>It's not a challenge for the faint of heart.

00:24:02.100 --> 00:24:12.340

<v SPEAKER\_3>So, you know, it was done, though, as, you know, ship two after AOPS, where there's been basically that's the sort of best of it.

00:24:12.340 --> 00:24:15.040

<v SPEAKER\_3>Halifax, C-SPAN on the other side.

00:24:15.040 --> 00:24:18.300

<v SPEAKER\_3>Again, John was very frank, had a hell of a lot to learn.

00:24:19.040 --> 00:24:24.820

<v SPEAKER\_3>The environment had to be, how could you get a contractor to actually say, oh, I'll do that on a fixed price basis?

00:24:24.820 --> 00:24:30.580

<v SPEAKER\_3>When we haven't done it for such a long time, that it would be nuts, so we start off.

00:24:30.580 --> 00:24:34.280

<v SPEAKER\_2>We are always pointing out, it's not just on the industry side, it's on the crown side.

00:24:34.280 --> 00:24:38.600

<v SPEAKER\_3>Everybody could be setting yourself up for fame.

00:24:39.740 --> 00:25:02.640

<v SPEAKER\_3>But now we're 15 years in, and I think that there has to be a balance, and the pension could swing very fast the wrong way, because we're back into a very fixed price environment where there isn't sufficient risk and contingency and profit because you do actually have to return on equities and useful thing if you want the commercial players to stay involved in it.

00:25:02.640 --> 00:25:13.980

<v SPEAKER\_3>But there's a balance somewhere in there where we come away from time and line, and we go towards incentivization, and so we can start to focus on throughput rather than process.

00:25:13.980 --> 00:25:17.640

<v SPEAKER\_3>And now what we're looking at doing is iterating around process.

00:25:17.640 --> 00:25:25.440

<v SPEAKER\_3>So where the government is on time and line can very well expand endlessly, because, well, it's just very complex.

00:25:25.440 --> 00:25:29.660

<v SPEAKER\_3>Going to a garage with a modern car and trying to get it fixed was very complex.

00:25:31.900 --> 00:25:36.000

<v SPEAKER\_3>We have to then think about iterating our processes.

00:25:36.000 --> 00:25:37.500

<v SPEAKER\_3>Sorry, I'll wind back a little bit.

00:25:37.500 --> 00:25:39.940

<v SPEAKER\_3>So if we're moving from...

00:25:39.940 --> 00:25:48.640

<v SPEAKER\_3>We have processes that are designed for cost plus, and the government needs to protect itself with checks and balances.

00:25:49.300 --> 00:25:57.880

<v SPEAKER\_3>And so the processes are very iterative, and the checkboxes at every sort of deliverable, every part of a product is deliverable.

00:25:57.880 --> 00:25:59.420

<v SPEAKER\_3>And that's not a whole ship.

00:25:59.560 --> 00:26:06.800

<v SPEAKER\_3>It's a time process, which is a spiral, and a number of steps, and acculates to describe those steps.

00:26:06.800 --> 00:26:11.800

<v SPEAKER\_3>And, you know, we end up in something which becomes about those subproducts.

00:26:11.800 --> 00:26:13.620

<v SPEAKER\_3>And that's not actually ship.

00:26:15.420 --> 00:26:18.660

<v SPEAKER\_3>It's not really, actually, materially.

00:26:18.660 --> 00:26:20.100

<v SPEAKER\_3>Each step is not that.

00:26:20.100 --> 00:26:21.040

<v SPEAKER\_3>It's not a celebration.

00:26:21.040 --> 00:26:21.820

<v SPEAKER\_3>It's just another thing.

00:26:21.820 --> 00:26:23.240

<v SPEAKER\_3>Get it up and move on to the next thing.

00:26:23.240 --> 00:26:43.480

<v SPEAKER\_3>I'm trying to get people to understand that if there's a way that we can take a bit more risk ourselves, deliver a product, part of the design, for instance, to a point we all agree is in some way complete, then move on to the next bit without perhaps the ticking, dashing and perfectionist level of effort into how that should be done.

00:26:43.480 --> 00:26:45.560

<v SPEAKER\_3>It's my problem.

00:26:45.560 --> 00:26:48.660

<v SPEAKER\_3>I know that it's going to take me 10 people, not four and a half.

00:26:48.660 --> 00:26:50.880

<v SPEAKER\_3>I don't want a level of effort control.

00:26:50.880 --> 00:27:03.200

<v SPEAKER\_3>But those things will help us speed up because if we're not careful, we spend more time talking about the level of effort, or perfection of what is written on the bottom right-hand corner of the drawing, than we do about getting the design done.

00:27:03.200 --> 00:27:23.120

<v SPEAKER\_1>To counter that, we have public servants who are very dismantled of making sure that the public shifts cost a lot of money, cash, and the overview, the scrutiny, making sure that parliamentarians, auditor is satisfied.

00:27:23.120 --> 00:27:34.380

<v SPEAKER\_1>There is a lot of emphasis not on the outcome, but on the various inputs, because that's the way to control and have discussions, and make sure we're not off track.

00:27:34.540 --> 00:27:40.680

<v SPEAKER\_1>It's understanding the lens that we look at it, because it adds a lot of administrative oversight.

00:27:40.680 --> 00:27:45.660

<v SPEAKER\_1>People talk about the cost of doing contracting business with the Government of Canada.

00:27:46.260 --> 00:27:50.100

<v SPEAKER\_1>I would say, if I could be so impertinent, it's not for the faint of heart.

00:27:50.100 --> 00:28:09.460

<v SPEAKER\_1>There might be a contract at the end of it, but it requires a tremendous amount of stamina review, because I brought actually to the table, and we can't see it, I won't wave it, but sometimes it's always good to go on our e-procurement system and see what's being tendered.

00:28:09.460 --> 00:28:25.420

<v SPEAKER\_1>We actually are tendering something for mattress springs, and perhaps you're more versed than I, but I had no idea that we would be buying mattress springs in bulk, actually for bedding and for mattresses for D&D and others, but I digress.

00:28:25.420 --> 00:28:44.540

<v SPEAKER\_1>But even for mattress springs, the standards, the certification, the RFP itself, and when I actually just commented on it, I said it has to be complete, the supplier has to see, it has to have attestations, anti-environmental, all kinds of things.

00:28:44.540 --> 00:28:47.680

<v SPEAKER\_1>So something as little as this to building a ship, the complexity.

00:28:47.680 --> 00:28:53.260

<v SPEAKER\_1>So we want to have control, we want to have oversight, we want to have overview, but it adds to the cost and the delay.

00:28:53.260 --> 00:29:00.820

<v SPEAKER\_1>So again, I talked earlier about the balance between having the same rule set and applying it in a strategic Azure way.

00:29:00.820 --> 00:29:12.820

<v SPEAKER\_1>It's the same thing in terms of how do we build that contract to make sure we have enough oversight, but we have enough flex that the supplier has room to maneuver.

00:29:12.820 --> 00:29:14.880

<v SPEAKER\_1>What's your view?

00:29:14.880 --> 00:29:16.040

<v SPEAKER\_2>Go back to that in a second.

00:29:16.040 --> 00:29:27.060

<v SPEAKER\_2>I'm curious because I know on the in-service support in the main part, there's been, I think, a more formalized act of effort at trying to capture lessons between the three yards.

00:29:27.060 --> 00:29:33.340

<v SPEAKER\_3>I think that on the in-service support, the life

extension, basically, on Halifax, I think it's going great.

00:29:33.340 --> 00:29:36.000

<v SPEAKER\_3>I think there's cooperation between the three yards.

00:29:36.000 --> 00:29:41.560

<v SPEAKER\_3>We've had staff from other, so we've given information around different ways of solving problems.

00:29:41.560 --> 00:29:42.720

<v SPEAKER\_3>I mean, is it perfect?

00:29:42.720 --> 00:29:45.580

<v SPEAKER\_3>No, because everybody is human nature.

00:29:45.580 --> 00:29:47.800

<v SPEAKER\_3>But a lot of it's been done.

00:29:47.800 --> 00:29:50.940

<v SPEAKER\_3>And that's what I'm saying.

00:29:50.940 --> 00:29:53.160

<v SPEAKER\_2>So how much of that sort of philosophies?

00:29:53.260 --> 00:29:56.460

<v SPEAKER\_2>I recognize what you're saying, Deputy, about the idea of trying to strike that balance.

00:29:56.460 --> 00:30:07.340

<v SPEAKER\_2>I mean, there's been a formalized process of trying to take new ship construction lessons, recognizing that, unlike with the Halifax class, where I know that there's a lot of variability between the specific ships.

00:30:07.340 --> 00:30:14.540

<v SPEAKER\_2>But fundamentally, you've got three different yards working on the same product doing more or less the same thing.

00:30:14.540 --> 00:30:20.840

<v SPEAKER\_2>Your ship construction, you don't have that because there's different clients between the Navy and the Coast Guard, significantly different ship types.

00:30:20.840 --> 00:30:24.300

<v SPEAKER\_2>But what has there been a formalized effort to take?

00:30:24.300 --> 00:30:30.520

<v SPEAKER\_2>The best things that have worked well with Irving, the best things that have worked well with C-SPAN, and bring those to the relationship with Davie.

00:30:30.520 --> 00:30:31.980

<v SPEAKER\_1>Let me speak to that.

00:30:31.980 --> 00:30:38.900

<v SPEAKER\_1>We have a very robust, I'll put a bracket length, the governance structure with each individual yard.

00:30:38.900 --> 00:30:43.000

<v SPEAKER\_1>As part of that, there are annual meetings, and we go through various elements.

00:30:43.000 --> 00:30:48.140

<v SPEAKER\_1>Part of that agenda, there's a discussion on what synergy takes place.

00:30:48.140 --> 00:30:59.040

<v SPEAKER\_1>I would say over the last couple of years, I've seen more and more formal work that the shipyards themselves are leading and managing in terms of where they can share best practices.

00:30:59.040 --> 00:31:02.960

<v SPEAKER\_1>Let's be candid here, there's value in sharing best practices for them as well.

00:31:02.960 --> 00:31:08.860

<v SPEAKER\_1>As I think James alluded to, there's also a reticence to give up the secret sauce.

00:31:08.860 --> 00:31:10.020

<v SPEAKER\_1>There's a combination of that.

00:31:10.020 --> 00:31:25.420

<v SPEAKER\_1>I think that it's gone in the last 24 months, it's become more and more formalized, the incidents have been more ad hoc, but I have to turn here to you because you're part of the group and you may agree or disagree.

00:31:25.980 --> 00:31:27.380

<v SPEAKER\_3>I think it's improving.

00:31:27.380 --> 00:31:30.760

<v SPEAKER\_3>I'd say that we need, there's a lot to do.

00:31:30.760 --> 00:31:32.940

<v SPEAKER\_3>There's going to be even more to do in a minute.

00:31:32.940 --> 00:31:37.260

<v SPEAKER\_3>And I don't know if we've got the capacity to actually do it.



00:31:37.260 --> 00:31:38.420

<v SPEAKER\_3>Really, really hard.

00:31:38.420 --> 00:31:39.760

<v SPEAKER\_3>So there are problems.

00:31:39.800 --> 00:31:44.720

<v SPEAKER\_3>And so you need a strong C-span, strong Irving.

00:31:44.720 --> 00:31:46.400

<v SPEAKER\_3>You need a strong team.

00:31:48.100 --> 00:31:53.720

<v SPEAKER\_3>It is better if we can cooperate, because we don't need to reinvent the wheel every time, all the time.

00:31:53.980 --> 00:31:55.160

<v SPEAKER\_3>It's going to happen sometimes.

00:31:55.160 --> 00:31:56.760

<v SPEAKER\_3>It's not going to be perfect.

00:31:58.100 --> 00:31:59.280

<v SPEAKER\_3>We have to compete as well.

00:31:59.280 --> 00:32:02.320

<v SPEAKER\_3>This isn't an opportunity to set up some kind of cartel.

00:32:02.320 --> 00:32:04.320

<v SPEAKER\_3>So it's good that there's competition.

00:32:04.320 --> 00:32:06.940

<v SPEAKER\_3>But again, it's flexing for the need.

00:32:07.640 --> 00:32:08.880

<v SPEAKER\_3>Canada is doing a lot of that.

00:32:08.880 --> 00:32:11.940

<v SPEAKER\_3>I think for obviously places that it could be extended.

00:32:13.880 --> 00:32:15.520

<v SPEAKER\_3>No, I'm not going to bang on that drum.

00:32:16.900 --> 00:32:18.400

<v SPEAKER\_3>Perhaps it's constructive.

00:32:23.480 --> 00:32:29.680

<v SPEAKER\_3>When I see something that we've done, been used by somebody, I take that as a success.

00:32:29.680 --> 00:32:32.600

<v SPEAKER\_3>Because we're a little bit more agile maybe, we're a bit of a disruptor.

00:32:32.600 --> 00:32:35.340

<v SPEAKER\_3>If we disrupt in a way which is positive for the whole system, great.

00:32:36.340 --> 00:32:45.920

<v SPEAKER\_1>It's interesting because I would say that if I could be, again, important, I think many shipyards see themselves as the innovator, the agitator, bringing something new to the table.

00:32:45.920 --> 00:32:51.000

<v SPEAKER\_1>I think that's part of the je ne sais quoi of being a shipyard owner.

00:32:52.320 --> 00:32:55.760

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00:32:55.760 --> 00:32:58.300

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00:32:58.300 --> 00:33:03.300

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00:33:09.720 --> 00:33:26.400

<v SPEAKER\_2>To come back to the question you asked me, I mean, I would offer that you realize that that's changing through conversations like this, but there have been long periods of time when it came to the shipbuilding strategy where the Crown said very little, and then would pop its head up with some proposed changes with very little preamble or pre-effects.

00:33:26.400 --> 00:33:38.660

<v SPEAKER\_2>So as an example, one of the original, so back in the 2010 time frame, objectives of the shipbuilding strategy was to try to have a long runway and rationalize that against person hours worth of labor.

00:33:38.660 --> 00:33:47.180

<v SPEAKER\_2>And in my understanding, what the original assessment was, the aggregated work was only going to be enough to keep one shipyard fully employed over 20 years.

00:33:47.180 --> 00:33:49.560

<v SPEAKER\_2>Now that assessment obviously evolved a lot.

00:33:49.560 --> 00:33:53.080

<v SPEAKER\_2>There wasn't a lot of explanation of that journey.

00:33:53.080 --> 00:33:59.320

<v SPEAKER\_2>And to come back to the point you made about the benchmarking process and the FMI assessment for that.

00:33:59.320 --> 00:34:08.480

<v SPEAKER\_2>I mean, my presumption would be that between 2011 time frame, when FMI set its benchmark standards and whenever they did it for Davie, the world didn't stand still.

00:34:08.480 --> 00:34:12.100

<v SPEAKER\_2>And there's probably some changes in evolution in what was happening in actual best practices.

00:34:12.100 --> 00:34:14.080

<v SPEAKER\_3>Exactly what I said, I agree.

00:34:14.080 --> 00:34:29.120

<v SPEAKER\_2>So that would suggest that it would be entirely illogical to apply a decade plus old set of standards as best practices, which were no longer best practices, but would de facto mean you are adjusting some of the yardsticks for entirely understandable reasons.

00:34:29.120 --> 00:34:43.220

<v SPEAKER\_2>But I think one thing that we have not as a country been great at is having a consistent dialogue on these things to help people understand why people were making choices that they were making for reasons I'm sure weren't just done on a whim.

00:34:44.560 --> 00:34:45.500

<v SPEAKER\_1>Would you like to go first?

00:34:45.500 --> 00:34:46.120

<v SPEAKER\_1>I have one.

00:34:46.180 --> 00:34:56.100

<v SPEAKER\_1>Okay, I have one comment and I wasn't there in the past, so I can't agree or disagree or kind of validate why that was.

00:34:56.100 --> 00:35:21.660

<v SPEAKER\_1>I, to be honest for your listeners, I don't know if I've said this in previous podcasts, but you and I met, we went for a walk and you said one of the issues was that there isn't a lot of discourse between, for example, DSGC, perhaps other areas of the government, to talk to industry associations about changing narratives and what's becoming an emerging priority and how things are going.

00:35:21.660 --> 00:35:24.860

<v SPEAKER\_1>I took that to heart, but this is the result of the podcast.

00:35:24.860 --> 00:35:42.580

<v SPEAKER\_1>But I think that one area that is really important is the emerging point of emphasis here, whether we went from one to many over 20 years, is having a strategic relationship with the industry is really very important, important for a myriad of reasons.

00:35:42.580 --> 00:35:52.720

<v SPEAKER\_1>I'm positive that you get better outcome on your contracts, and you're faster to be able to readjust if there's an issue and understand various elements.

00:35:52.720 --> 00:35:57.820

<v SPEAKER\_1>The agility that I was raving you about, I certainly see, and I want that innovation.

00:35:57.820 --> 00:35:59.380

<v SPEAKER\_1>We use the word innovation a lot.

00:35:59.380 --> 00:36:02.320

<v SPEAKER\_1>Innovation is an important part of what the future looks like.

00:36:02.320 --> 00:36:09.220

<v SPEAKER\_1>And I think that having more explicit understanding that we need to have a strategic relationship.

00:36:09.220 --> 00:36:11.800

<v SPEAKER\_1>It's not contractor and delivery.

00:36:11.800 --> 00:36:13.200

<v SPEAKER\_1>It doesn't work that way.

00:36:13.200 --> 00:36:14.980

<v SPEAKER\_1>There's too much on the mix.

00:36:14.980 --> 00:36:17.880

<v SPEAKER\_1>The other piece is, go back to the word sovereignty.

00:36:18.020 --> 00:36:21.620

<v SPEAKER\_1>I think that I've used it in all of the podcast.

00:36:21.620 --> 00:36:28.580

<v SPEAKER\_1>This issue of sovereignty in Canadian industry, in defence and marine, is super critical.

00:36:28.580 --> 00:36:30.240

<v SPEAKER\_1>So we have to reshape that.

00:36:30.240 --> 00:36:33.820

<v SPEAKER\_1>And what I'd like to see out of the NSS too, is I think there's a lot of lessons learned.

00:36:33.820 --> 00:36:35.900

<v SPEAKER\_1>You asked that as one of the questions.

00:36:35.900 --> 00:36:36.740

<v SPEAKER\_1>We have a new government.

00:36:36.900 --> 00:36:56.040

<v SPEAKER\_1>I am talking a lot about what national shipbuilding strategy has taught me, because we don't have a lot of baselines that are 15 years old, where we can see the different outcomes, and what we can use as a basis for other areas, because we really need to focus on that Canadian industrial base.

00:36:56.040 --> 00:36:57.140

<v SPEAKER\_1>That to me is very key.

00:36:57.140 --> 00:36:59.860

<v SPEAKER\_1>And I see the NSS as being ahead of the game.

00:37:00.060 --> 00:37:02.220

<v SPEAKER\_3>And I can react to something that you said.

00:37:02.220 --> 00:37:08.560

<v SPEAKER\_3>The priority is, I think, right now, ships in a timely manner, to hold the schedule.

00:37:08.560 --> 00:37:12.100

<v SPEAKER\_3>Schedule discipline, budget discipline.

00:37:12.100 --> 00:37:21.100

<v SPEAKER\_3>So for me, I'd like to say, wouldn't it be interesting if we could deliver a ship in the time that was set at the start, the price that was made.

00:37:21.100 --> 00:37:22.160

<v SPEAKER\_3>But that's interesting.

00:37:22.160 --> 00:37:23.680

<v SPEAKER\_3>That's the priority.

00:37:23.680 --> 00:37:25.340

<v SPEAKER\_3>We have to remember that that's the priority.

00:37:25.340 --> 00:37:27.000

<v SPEAKER\_3>You can have a hierarchy of priorities.

00:37:27.880 --> 00:37:29.780

<v SPEAKER\_3>If that is the job, we're doing the job now.

00:37:29.780 --> 00:37:31.260

<v SPEAKER\_3>We have to do it in the policy framework.

00:37:31.260 --> 00:37:33.120

<v SPEAKER\_3>We're going to build it in Canada.

00:37:33.120 --> 00:37:34.080

<v SPEAKER\_3>Check.

00:37:34.080 --> 00:37:36.600

<v SPEAKER\_3>And if you go outside Canada, you have to have limits.

00:37:36.600 --> 00:37:39.100

<v SPEAKER\_3>You cannot do certain things outside Canada.

00:37:39.100 --> 00:37:41.760

<v SPEAKER\_3>You go outside of Canada for a critical subject.

00:37:41.760 --> 00:37:42.940

<v SPEAKER\_3>You're doing it for a good reason.

00:37:42.940 --> 00:37:46.960

<v SPEAKER\_3>Because there's a consequence to that, the offsets, the ITVs.

00:37:46.960 --> 00:37:50.240

<v SPEAKER\_3>That is potentially very much disintensive.

00:37:51.420 --> 00:37:53.020

<v SPEAKER\_3>But we have to balance it.

00:37:53.020 --> 00:37:56.100

<v SPEAKER\_3>You can't have a cake and eat it all the time.

00:37:56.100 --> 00:38:02.480

<v SPEAKER\_3>And I think that sometimes Canada has kind of got ahead of the horse.

00:38:02.480 --> 00:38:12.780

<v SPEAKER\_3>And we end up with justification for more jobs, being well-paid jobs, or credit, hang on a second, that's actually additive, but we're just making a lot more work for ourselves.

00:38:12.900 --> 00:38:18.540

<v SPEAKER\_3>We're not overdoing, because if we are not efficient, as

you can see, it's very important.

00:38:18.540 --> 00:38:22.600

<v SPEAKER\_3>We are not efficacious in what we're doing.

00:38:22.600 --> 00:38:26.920

<v SPEAKER\_3>We don't learn to do this again at some level, which is comparable elsewhere.

00:38:26.920 --> 00:38:32.460

<v SPEAKER\_3>It doesn't matter how complex or how desirable the assets, we're never going to get anybody else to be accustomed.

00:38:32.460 --> 00:38:38.480

<v SPEAKER\_3>And for this whole effort to have real carry, it would be great if we could sell to other folks.

00:38:38.480 --> 00:38:40.520

<v SPEAKER\_3>And there is fantastic skill in Canada.

00:38:41.560 --> 00:38:44.460

<v SPEAKER\_3>There has always been fantastic skill and innovation.

00:38:44.460 --> 00:38:48.060

<v SPEAKER\_3>If you look at things like the arrow, arrow, I love that.

00:38:48.420 --> 00:38:51.760

<v SPEAKER\_3>That's something that they put out there.

00:38:51.760 --> 00:38:53.100

<v SPEAKER\_3>That was world class.

00:38:53.100 --> 00:38:55.380

<v SPEAKER\_3>Now, it didn't go into production for all sorts of reasons.

00:38:55.380 --> 00:38:57.160

<v SPEAKER\_3>Talk about the history.

00:38:57.160 --> 00:38:58.820

<v SPEAKER\_3>That was a Canadian product.

00:38:58.820 --> 00:39:00.580

<v SPEAKER\_3>That was developed here.

00:39:00.580 --> 00:39:08.940

<v SPEAKER\_3>It's just a fantastic example of what can be done if the right incentives and the right focus is brought to problems.

00:39:09.080 --> 00:39:13.280

<v SPEAKER\_3>I think we can do similar fantastic things in shipbuilding.

00:39:13.320 --> 00:39:17.440

<v SPEAKER\_3>We're not there yet, but we're beginning to focus.

00:39:17.440 --> 00:39:23.860

<v SPEAKER\_3>The contract that we negotiated for the poll of the Davies is step change.

00:39:23.860 --> 00:39:27.720

<v SPEAKER\_3>We're going back to a fixed price contract with risk and contingency.

00:39:27.780 --> 00:39:34.760

<v SPEAKER\_3>Yes, we're going to hold on to our dam disc, hold the line of delivery and not go over the price.

00:39:36.680 --> 00:39:42.300

<v SPEAKER\_3>It's a runoff relaxation that allowed us bringing some production.

00:39:42.300 --> 00:39:45.660

<v SPEAKER\_3>The most important is the knowledge and the know-how.

00:39:45.660 --> 00:39:47.600

<v SPEAKER\_3>Because over there, they know how to build icebreakers.

00:39:47.600 --> 00:39:50.920

<v SPEAKER\_3>We haven't built any heavy icebreakers in a very, very long time.

00:39:50.920 --> 00:39:56.340

<v SPEAKER\_3>The whole material science issue, more important than that, you get the weight of these ships wrong, what happens?

00:39:57.480 --> 00:40:02.600

<v SPEAKER\_3>And they're heavy because they're thick steel, because they're breaking ice, because they're PC2, which is two meters of ice.

00:40:03.780 --> 00:40:05.940

<v SPEAKER\_3>It means that they are lower in the water.

00:40:05.940 --> 00:40:16.280

<v SPEAKER\_3>The Plymstal line is underwater, which means there's more hull in the water, which means that the amount of power you have now is driving more ships through the water, not driving the bow through ice.

00:40:17.500 --> 00:40:20.600



<v SPEAKER\_3>That's a very expensive paperwork, potentially.

00:40:20.600 --> 00:40:25.120

<v SPEAKER\_3>So we're not making that particular, but I hope we are.

00:40:25.120 --> 00:40:27.620

<v SPEAKER\_3>This contract is going to be, I hope, interesting.

00:40:27.620 --> 00:40:36.380

<v SPEAKER\_3>It's going to provide an analog, and there are other things that PSPC are doing in terms of incentivization which are not cost plus.

00:40:36.380 --> 00:40:38.060

<v SPEAKER\_3>It's more of a sharing risk.

00:40:38.060 --> 00:40:41.000

<v SPEAKER\_3>In this way, that's the future.

00:40:41.000 --> 00:40:46.880

<v SPEAKER\_3>That's how we get to the Holy Grail, which by the time we get there, we'll probably know that's happening.

00:40:46.880 --> 00:40:47.940

<v SPEAKER\_1>I was going to react to something.

00:40:47.940 --> 00:40:48.760

<v SPEAKER\_1>You said two things.

00:40:48.760 --> 00:40:52.500

<v SPEAKER\_1>One is around the trade-offs.

00:40:52.500 --> 00:41:00.400

<v SPEAKER\_1>And I think one thing that we need to do is, I think both industry and the government need to be more frank about what are the trade-offs.

00:41:00.400 --> 00:41:06.860

<v SPEAKER\_1>Because I think everybody talks about them delicately, subtly, and I think they need to be more explicit.

00:41:06.860 --> 00:41:09.540

<v SPEAKER\_1>So there's a good understanding.

00:41:09.580 --> 00:41:15.740

<v SPEAKER\_1>The jobs time, schedule, full bore Canadian, regional, there's all kinds of different elements to it.

00:41:15.740 --> 00:41:17.960

<v SPEAKER\_1>The second thing is I need a history lesson.

00:41:17.960 --> 00:41:25.640

<v SPEAKER\_1>When the NSS was first created, was it first and foremost all about meeting Canada's needs?

00:41:25.640 --> 00:41:40.400

<v SPEAKER\_1>And has now, this goes back to DeRosa, is an export capacity using all of our shipyards, not just the large ones that do Pillar 1, but we have shipyards across Canada, is there now a growing interest or was that always part of it?

00:41:40.400 --> 00:41:42.380

<v SPEAKER\_1>I'm interested in this.

00:41:42.380 --> 00:41:47.420

<v SPEAKER\_2>In my recollection, that was never part of the discussion.

00:41:48.440 --> 00:41:59.980

<v SPEAKER\_2>Aggregating Canadian demand, trying to provide predictable work order, smoothing out of boom and bust, but there was never really any consequential discussion about export capacity.

00:42:00.020 --> 00:42:03.600

<v SPEAKER\_2>It was mostly about serving Canadian maritime shipbuilding needs.

00:42:04.600 --> 00:42:08.660

<v SPEAKER\_3>I remember a fourth leg to the store, which was sustainable industry.

00:42:08.660 --> 00:42:14.500

<v SPEAKER\_3>I think created this thing by being able to sell an house, which is why we started a couple of it.

00:42:14.500 --> 00:42:18.060

<v SPEAKER\_3>But it didn't work yet, still opportunity.

00:42:18.060 --> 00:42:19.240

<v SPEAKER\_3>I think it was.

00:42:19.600 --> 00:42:21.440

<v SPEAKER\_3>I'm going to bring it in just in case.

00:42:23.420 --> 00:42:29.460

<v SPEAKER\_3>The US recently introduced an executive order on Chinese-built tonnage.

00:42:29.460 --> 00:42:41.580

<v SPEAKER\_3>Last year, China filled 75 percent of the world tonnage,

irrespective of military commercial, 75 percent came out of China, which is interesting because the year before was closer to 50 percent.

00:42:41.580 --> 00:42:44.580

<v SPEAKER\_3>So they have stepped up and scaled up at such a privileged rate.

00:42:45.440 --> 00:43:04.260

<v SPEAKER\_3>So what happens if Western ship owners, and there's two structures actually, there's a tariff on Chinese-built structures, and earlier, I think it was the Chinese owned and operated vessels get tariffs earlier, and Western owners within three years get a tariff on their Chinese-built tonnage if it turns up on the stairs.

00:43:04.260 --> 00:43:10.820

<v SPEAKER\_3>What would happen if other people started to adopt with a necessary time period?

00:43:10.820 --> 00:43:12.260

<v SPEAKER\_3>We've got a little bit of a coalition.

00:43:12.920 --> 00:43:17.820

<v SPEAKER\_3>Western shipowners, I think this is an incentive by buying more ships in China.

00:43:17.820 --> 00:43:26.220

<v SPEAKER\_3>So there's going to be something's going to flow back up what has been a downhill slope, say, into South Korea or into Japan.

00:43:26.220 --> 00:43:35.640

<v SPEAKER\_3>And then, what about the nations in Europe that can still build ships that are brilliantly, vertically integrated for certain speciality products?

00:43:35.640 --> 00:43:37.900

<v SPEAKER\_3>And there are a few.

00:43:37.900 --> 00:43:41.420

<v SPEAKER\_3>I would cite things, for instance.

00:43:41.420 --> 00:43:44.040

<v SPEAKER\_3>What about if Canada has that capacity?

00:43:44.040 --> 00:43:50.840

<v SPEAKER\_3>You will see some types of speciality ships, higher-end vessels coming back to our market.

00:43:50.840 --> 00:43:52.280

<v SPEAKER\_3>Wouldn't that be cool?

00:43:52.280 --> 00:43:53.660

<v SPEAKER\_3>That would be so cool.

00:43:53.660 --> 00:44:00.240

<v SPEAKER\_3>So all we need to do is get all of Europe to enjoy and apply the same or some other partnership of nations to do that.

00:44:00.680 --> 00:44:03.680

<v SPEAKER\_3>But I think somewhere in it is an interesting story.

00:44:03.680 --> 00:44:05.060

<v SPEAKER\_2>I think just to jump in on that.

00:44:05.060 --> 00:44:13.460

<v SPEAKER\_2>I mean, now that the last couple of years, NATO has had an increasing focus on actual defence production capacity.

00:44:13.740 --> 00:44:24.240

<v SPEAKER\_2>The Alliance is going to focus on explicitly, and it seems to be on a trajectory where that's actually going to be something that would be measured as an actual input to Allied contributions to the Alliance.

00:44:24.240 --> 00:44:41.780

<v SPEAKER\_2>That was definitely not part of the discussion back in the 2010 timeframe of why we were doing the shipbuilding strategy, but in the current context right now, we're within an Alliance structure, there's an increasingly explicit focus on measuring different nations' ability to actually contribute industrial production capacity to the Alliance as an actual national alliance.

00:44:41.780 --> 00:44:47.600

<v SPEAKER\_3>How would you then create an incentivization, something simple enough to work in the market to get a change there?

00:44:47.600 --> 00:44:48.680

<v SPEAKER\_3>You get a recognition.

00:44:48.680 --> 00:44:49.980

<v SPEAKER\_3>So what does it do?

00:44:50.040 --> 00:44:54.400

<v SPEAKER\_3>Does it reduce your G contribution, 2%?

00:44:54.420 --> 00:44:55.480

<v SPEAKER\_3>It probably doesn't.

00:44:55.480 --> 00:44:58.360

<v SPEAKER\_3>We're going to step up, I understand, to something more than 2%.

00:44:58.380 --> 00:45:00.840

<v SPEAKER\_3>What does that look like?

00:45:00.840 --> 00:45:02.060

<v SPEAKER\_3>But it's not the only solution.

00:45:02.060 --> 00:45:04.580

<v SPEAKER\_3>We have to bring it after.

00:45:04.580 --> 00:45:10.940

<v SPEAKER\_2>Yeah, I mean, I think my observation of the discussion heading into the summit in June would be that there's kind of two tracks.

00:45:10.940 --> 00:45:24.260

<v SPEAKER\_2>There's one about firm capability expenditure on national defence and then some other basket of other not direct investment in military but dual use other commercial capacity, critical mineral.

00:45:24.260 --> 00:45:27.560

<v SPEAKER\_2>And in that scenario, I think that that might be the kind of thing where...

00:45:27.560 --> 00:45:30.940

<v SPEAKER\_3>We need a pencil factory and we've just bought a pencil sharpener.

00:45:30.940 --> 00:45:33.060

<v SPEAKER\_3>Why don't we instead propose that that's something?

00:45:33.060 --> 00:45:36.940

<v SPEAKER\_3>Why doesn't somebody table the idea of why don't we adopt some of that executive order?

00:45:36.940 --> 00:45:40.480

<v SPEAKER\_3>Maybe not the second time, but something of that nature.

00:45:40.480 --> 00:45:41.840

<v SPEAKER\_3>Maybe it's further away.

00:45:41.880 --> 00:45:47.140

<v SPEAKER\_3>But again, so that we first start that, that would move the dial on this industry.

00:45:47.140 --> 00:45:49.200

<v SPEAKER\_3>That would be a very significant message.

00:45:49.200 --> 00:45:56.320

<v SPEAKER\_3>Actually, we would be aggressors that we can organize

ourselves, and it makes sense, our old fashion.

00:45:58.300 --> 00:46:02.180

<v SPEAKER\_1>What's interesting is that I have something laminated here in my office.

00:46:02.180 --> 00:46:10.140

<v SPEAKER\_1>I'm looking where I normally keep it, that has laminated all the executive orders that relate to maritime and procurement.

00:46:10.180 --> 00:46:11.320

<v SPEAKER\_1>That is a lot of laminating.

00:46:11.320 --> 00:46:12.120

<v SPEAKER\_1>I love my machine.

00:46:12.120 --> 00:46:15.660

<v SPEAKER\_1>I don't want it to be heckled on my single-use plastic.

00:46:15.660 --> 00:46:18.400

<v SPEAKER\_1>But it might be an interesting fourth podcast for you.

00:46:18.400 --> 00:46:29.460

<v SPEAKER\_1>To actually go through the highlights with your listeners of the EOs, because I've heard you a lot on this particular one that you raise on the Chinese tonnage.

00:46:29.460 --> 00:46:40.620

<v SPEAKER\_1>I think that there's some real merit, because I come back to whether or not to use how it's going to be counted in 2 percent or others, to the point there's what circulates in my mind.

00:46:40.620 --> 00:46:42.580

<v SPEAKER\_1>One, I want to see ships.

00:46:42.580 --> 00:46:45.020

<v SPEAKER\_1>I got clients who are clamoring for ships.

00:46:45.020 --> 00:46:49.160

<v SPEAKER\_1>Regardless of who's building them in Canada, their army, they want to see ships.

00:46:49.160 --> 00:46:49.780

<v SPEAKER\_1>We need ships.

00:46:49.780 --> 00:46:51.080

<v SPEAKER\_1>We need that sovereignty.

00:46:51.080 --> 00:46:53.980

<v SPEAKER\_1>We are in many uncertain circumstances.

00:46:53.980 --> 00:46:55.800

<v SPEAKER\_1>Ships are key to that.

00:46:55.800 --> 00:47:05.520

<v SPEAKER\_1>Second, and I think that's important for your listeners to know, people are knocking on my door asking about the NSS, other procurement organizations around the world.

00:47:06.140 --> 00:47:13.320

<v SPEAKER\_1>So obviously, while we are busy, as we live it, we see the weaknesses, others see the strengths.

00:47:13.320 --> 00:47:16.560

<v SPEAKER\_1>I think that there's some lessons learned in that.

00:47:16.560 --> 00:47:18.060

<v SPEAKER\_1>Do we rest on our lowers?

00:47:18.060 --> 00:47:18.900

<v SPEAKER\_1>No way.

00:47:18.900 --> 00:47:22.640

<v SPEAKER\_1>Do we need to continue to better, faster, leaner execution?

00:47:22.640 --> 00:47:27.860

<v SPEAKER\_1>Do we still work with that rule set so everybody gets a consistent kick at the can?

00:47:27.860 --> 00:47:32.480

<v SPEAKER\_1>Or a kick at the can that's at least consistent and, you know, and procurement.

00:47:32.480 --> 00:47:40.200

<v SPEAKER\_1>I look at everybody in the room and I look at your listeners, you know, we work on a basis of non-preferential treatment.

00:47:40.200 --> 00:47:42.860

<v SPEAKER\_1>And we work on a basis of outcome for Canadians.

00:47:42.880 --> 00:47:55.560

<v SPEAKER\_1>And sometimes that outcome to Canadians or that desire goal gets lost in a wash of risk adverse of contract clauses from all the various socioeconomic lenses we lay in.

00:47:55.560 --> 00:47:59.340

<v SPEAKER\_1>And that goes back to the implicit trade-offs.

00:47:59.340 --> 00:48:09.420

<v SPEAKER\_1>Sometimes, and it's going to be a shocker, sometimes Jason and I have to have very frank conversations where we're articulating what is Canada's one, two, and three.

00:48:09.420 --> 00:48:16.060

<v SPEAKER\_1>And I think that helps re-calibrate, but that means that we have to be articulate within the crown as well to define what is our one, two, three.

00:48:16.060 --> 00:48:21.640

<v SPEAKER\_1>And my one, two, three might be different from my client's, who's budgeted, Coast Guard, DND, they may have different views.

00:48:21.640 --> 00:48:33.840

<v SPEAKER\_1>So it's a very difficult ecosystem that I think we can no longer keep working in an amorphous way and that we're going to have to be a lot more explicit about those trade-offs and about the execution.

00:48:33.840 --> 00:48:40.060

<v SPEAKER\_1>Right now, what's top of mind for me is actually getting ships that can be commissioned and tugged wherever they need to be tugged.

00:48:40.080 --> 00:48:44.200

<v SPEAKER\_1>There's not a lot about the fact that the ships get built and then they have to be tugged into other.

00:48:44.200 --> 00:48:48.220

<v SPEAKER\_1>That's a different set of shipbuilding issues.

00:48:48.280 --> 00:48:50.240

<v SPEAKER\_2>We can pivot off that.

00:48:50.240 --> 00:48:54.140

<v SPEAKER\_2>I want to talk about ice pack and how this fits within what Canada is doing.

00:48:54.140 --> 00:49:07.240

<v SPEAKER\_3>It's actually a perfect segue because what we did, I mean, we got certain members of the industry really did not like what we did because it wasn't made in a way and it didn't support the world's only expert icebreaker building.

00:49:07.240 --> 00:49:12.580

<v SPEAKER\_3>You do the analysis of shipyards and the number of icebreakers built in that shipyard.

00:49:12.580 --> 00:49:19.600



<v SPEAKER\_3>In 1954, there's this one line that goes from the origin, the XY insect, all the way up to the top corner.

00:49:19.600 --> 00:49:24.920

<v SPEAKER\_3>There's something like 55% of the world's icebreakers, one shipyard, Helsinki Shipyard.

00:49:24.920 --> 00:49:26.920

<v SPEAKER\_3>Everything else is just noise along the bottom.

00:49:27.000 --> 00:49:31.280

<v SPEAKER\_3>Even Baltic shipyards and Visas, but just built rushes of icebreakers.

00:49:31.280 --> 00:49:35.560

<v SPEAKER\_3>So that shipyard came up for sale in the June moment.

00:49:35.600 --> 00:49:44.560

<v SPEAKER\_3>It was not a particularly easy deal to do for various reasons, but we achieved to find, why did we buy a shipyard?

00:49:44.560 --> 00:49:47.300

<v SPEAKER\_3>Like I said, I've seen a lot of shipyards.

00:49:47.300 --> 00:49:49.540

<v SPEAKER\_3>I've seen a lot of shipyards.

00:49:49.540 --> 00:50:05.660

<v SPEAKER\_3>The rare thing that you find a shipyard in the West that is still a going concern, such as those in the United Nations, in its country, everything you need to do to build a very hard to build type of asset, which is funny when you say that in Finland, Finns kind of laughing.

00:50:05.660 --> 00:50:06.780

<v SPEAKER\_3>For them, it's really easy.

00:50:06.780 --> 00:50:07.640

<v SPEAKER\_3>Why is that?

00:50:07.640 --> 00:50:09.640

<v SPEAKER\_3>Because of the implicit know-how.

00:50:09.640 --> 00:50:12.920

<v SPEAKER\_3>So Icepat was born on the back of that.

00:50:12.920 --> 00:50:16.400

<v SPEAKER\_3>We were invited very kindly by the Minister of Economy.

00:50:16.460 --> 00:50:24.640

<v SPEAKER\_3>Often, if you're on a trade mission and go to a trade mission, go to Amity Sleep, that's been in the Finnish Ex.

00:50:25.320 --> 00:50:27.780

<v SPEAKER\_3>See, I did lots of preparation.

00:50:28.700 --> 00:50:37.820

<v SPEAKER\_3>I stood up on the stage and said, why is Britain and Canada talking to you about shipbuilding, specifically icebreakers and Finns?

00:50:37.820 --> 00:50:43.540

<v SPEAKER\_3>Major nations want to have their own sovereign shipbuilding capacity and they do everything the hard way on their own.

00:50:44.140 --> 00:50:57.380

<v SPEAKER\_3>But however, with New World Order going back to end of the East dividend era, perhaps if we work together, we could be fast and more efficient and maybe that would send the right signal, and you could have been certain of the stuff before, and that's why we did.

00:50:57.380 --> 00:51:03.180

<v SPEAKER\_3>So out of those conversations, then finally, we're interested to hear about Arianne.

00:51:03.180 --> 00:51:08.520

<v SPEAKER\_3>You mentioned that people are coming to you to talk about the national shipbuilding structure that Canada has put together.

00:51:08.520 --> 00:51:12.680

<v SPEAKER\_3>I found that there was an interest in that, and there was an interest in what we were trying to do.

00:51:12.680 --> 00:51:18.240

<v SPEAKER\_3>Question that was posed by some very smart people, and we see, what are your difficulties here?

00:51:18.240 --> 00:51:19.700

<v SPEAKER\_3>What is it you're trying to do?

00:51:19.700 --> 00:51:25.120

<v SPEAKER\_3>We were able to say, well, boil it down to the smallest possible.

00:51:25.120 --> 00:51:31.180

<v SPEAKER\_3>It is that we don't think we know, we don't actually know because we haven't done it recently.

00:51:31.240 --> 00:51:36.980

<v SPEAKER\_3>Last time, an icebreak was built out of Canada, a major one in the early 80s.

00:51:36.980 --> 00:51:42.480

<v SPEAKER\_3>We think we know, but we haven't done it recently in things reading.

00:51:42.480 --> 00:52:01.400

<v SPEAKER\_3>So we're looking for know-how, we're looking for source of design, looking for all of these things that are the secret source, and to get that to happen, it doesn't just come in a manual, Ikea style, but then follow instructions one to 50, and then wonder what to do with the extra screws.

00:52:03.680 --> 00:52:07.920

<v SPEAKER\_3>You have to get that into people's heads, so you need to get people.

00:52:07.920 --> 00:52:10.900

<v SPEAKER\_3>Now Helsinki is a pretty nice place to be.

00:52:10.900 --> 00:52:21.880

<v SPEAKER\_3>So we thought, what if we could, Canada has been pressing here, what if we could get people to go over time on tools, on job, and start to do that learning exercise?

00:52:22.380 --> 00:52:28.300

<v SPEAKER\_3>So, first thing is the exchange of know-how, and the other is workforce mobility to allow training.

00:52:28.300 --> 00:52:34.460

<v SPEAKER\_3>But then there has to be something that's on the other side, because you're basically asking Finland to give up its secret source.

00:52:35.460 --> 00:52:44.420

<v SPEAKER\_3>They've spent a lot of money, time, and effort perfecting this ability to build icebreakers, which they have to do, because it's the only nation in Europe that's fully iced in in winter.

00:52:44.420 --> 00:52:48.040

<v SPEAKER\_3>And now we want to take away that secret source, so there has to be a deal on the other side.

00:52:49.040 --> 00:52:56.420

<v SPEAKER\_3>And so the concept was an aggregation of allied demands with that kind of art to build acid.

00:52:56.420 --> 00:53:06.440

<v SPEAKER\_3>And anyone, I think, in theory, with a qualified yard and

capacity, would then get the best opportunity to offer the case.

00:53:08.440 --> 00:53:15.020

<v SPEAKER\_3>It's quite a long time because we've got head of icebreakers, so do the Americans, other artists, the rice factory.

00:53:15.020 --> 00:53:20.980

<v SPEAKER\_3>And what was super interesting about it is that it had carried beyond one administration because Mr.

00:53:20.980 --> 00:53:23.260

<v SPEAKER\_3>Trump has a fascination.

00:53:24.060 --> 00:53:26.220

<v SPEAKER\_3>The question is, how do you do it?

00:53:27.120 --> 00:53:29.600

<v SPEAKER\_3>You know, so many things intersect.

00:53:29.600 --> 00:53:31.200

<v SPEAKER\_3>This is hard to build a ship.

00:53:31.200 --> 00:53:33.920

<v SPEAKER\_3>There's not many in the West, and we need them.

00:53:33.920 --> 00:53:35.160

<v SPEAKER\_3>Because otherwise, guess what?

00:53:35.160 --> 00:53:39.940

<v SPEAKER\_3>We can't defend our sovereign interests in Northern territories.

00:53:41.080 --> 00:53:44.700

<v SPEAKER\_3>Talk about the Antarctic.

00:53:44.700 --> 00:53:45.840

<v SPEAKER\_3>That's a whole other subject.

00:53:45.840 --> 00:53:55.800

<v SPEAKER\_3>But so it also had the possibility, it turns out, of living beyond the administration, which it happened to have before.

00:53:55.800 --> 00:53:59.440

<v SPEAKER\_3>I'll stop there, and Arianne for observations.

00:53:59.600 --> 00:54:03.900

<v SPEAKER\_1>I mean, I think that you've been very eloquent on your lived experience.

00:54:03.900 --> 00:54:07.160

<v SPEAKER\_1>ICEPAC is something that three administrations are putting together.

00:54:08.400 --> 00:54:09.780

<v SPEAKER\_1>So we're working very closely.

00:54:09.780 --> 00:54:18.340

<v SPEAKER\_1>PSPC has a lead role with the support of ministers on setting up mechanisms for that, you know, technical expertise and information that you looked at.

00:54:18.340 --> 00:54:23.040

<v SPEAKER\_1>And what's interesting is that, you know, it's really shipyard agnostics.

00:54:23.040 --> 00:54:26.060

<v SPEAKER\_1>There's lots of opportunity for all the shipyards to participate in it.

00:54:26.060 --> 00:54:33.220

<v SPEAKER\_1>I do think that, you know, Finland offers right now that level of expertise, and there is a strong interest in icebreakers, given many different things.

00:54:34.500 --> 00:54:38.180

<v SPEAKER\_1>So, I would say from a polar perspective, very key.

00:54:38.180 --> 00:54:44.540

<v SPEAKER\_1>And again, I think icebreak is all about the faster delivery of ships in today's context.

00:54:45.720 --> 00:54:56.120

<v SPEAKER\_2>Well, Arianne, James, I pretty much appreciate your time today and going through the relationship that we've had with ship construction.

00:54:57.980 --> 00:54:59.960

<v SPEAKER\_2>Last question I ask all the guests.

00:54:59.960 --> 00:55:01.180

<v SPEAKER\_2>James, I'll start with you.

00:55:01.180 --> 00:55:02.060

<v SPEAKER\_2>What are you reading these days?

00:55:03.060 --> 00:55:04.100

<v SPEAKER\_3>I've bought some of the books I want.

00:55:04.100 --> 00:55:06.000

<v SPEAKER\_3>I can tend to read books simultaneously.

00:55:06.020 --> 00:55:07.480

<v SPEAKER\_3>So I go find the piece that I want.

00:55:07.680 --> 00:55:11.460

<v SPEAKER\_3>I understand reading, but Mark, I know where it is on the shelf.

00:55:11.560 --> 00:55:14.100

<v SPEAKER\_3>It's like a palace of the mind, which I can't do.

00:55:14.100 --> 00:55:16.020

<v SPEAKER\_3>But I know where it is on the shelf, so I can find it again.

00:55:16.020 --> 00:55:18.320

<v SPEAKER\_3>It's like a very big kind of surviving system.

00:55:18.320 --> 00:55:21.220

<v SPEAKER\_3>So I brought some examples of books that I'm reading.

00:55:21.220 --> 00:55:25.740

<v SPEAKER\_3>And I've got the first one is around publication and inflection.

00:55:25.820 --> 00:55:28.780

<v SPEAKER\_3>It's Reversed the Erosion of US and Allied Military Power Inflicts.

00:55:28.780 --> 00:55:30.200

<v SPEAKER\_3>It's a pretty solid read.

00:55:30.200 --> 00:55:37.480

<v SPEAKER\_3>I've got to say, it's going to, you know, you might read me some of those pages, but some of it's really exciting.

00:55:37.480 --> 00:55:47.400

<v SPEAKER\_3>And I've got a piece of history that I wanted to understand what happened, you know, various statements around the why of Ukraine, and that's NATO's expansion after the Cold War.

00:55:48.440 --> 00:55:56.240

<v SPEAKER\_3>I've got a piece of history which, as you can say, I've seen it's been waiting to at the moment, which is blowing away something of the mid.

00:55:56.240 --> 00:56:04.220

<v SPEAKER\_3>It was industrialists that saved Second World War through building all of the ships.

00:56:04.220 --> 00:56:05.440

<v SPEAKER\_3>There's a truth about that.

00:56:05.440 --> 00:56:12.340

<v SPEAKER\_3>They built Liberty ships, which were company based, but warships, which were iterated, that was not like that.

00:56:12.340 --> 00:56:13.340

<v SPEAKER\_3>That was something else.

00:56:13.400 --> 00:56:16.900

<v SPEAKER\_3>And there are a huge, it's quite interesting about that.

00:56:16.900 --> 00:56:23.240

<v SPEAKER\_3>And I've got an example of the kind of stuff that I read when I just want to not take my mind off it.

00:56:23.240 --> 00:56:24.380

<v SPEAKER\_3>It seems a bit highbrow.

00:56:24.380 --> 00:56:25.620

<v SPEAKER\_3>It's not intended to be.

00:56:25.900 --> 00:56:28.740

<v SPEAKER\_3>It's a book of verse by Kip.

00:56:28.740 --> 00:56:35.180

<v SPEAKER\_3>And Kip is something of a Victorian era journalist and writer.

00:56:35.180 --> 00:56:39.500

<v SPEAKER\_3>It's sometimes very unpopular, but he did write some good poetry.

00:56:39.580 --> 00:56:45.100

<v SPEAKER\_3>One poem, I would point to everybody, and it's called It, which is easy to remember, but it's easy to suspect.

00:56:46.300 --> 00:56:54.720

<v SPEAKER\_1>So, I mean, after that, I feel like a one-trick pony because I'm only reading one book, but I'm always influenced by The Economist Bartleby, which talks about management.

00:56:54.720 --> 00:57:00.500

<v SPEAKER\_1>So this is an old school book from the late 50s, Parkinson's Law and Other Studies in Administration.

00:57:00.500 --> 00:57:06.120

<v SPEAKER\_1>A little bit of light read, but it holds true all the time about the complexities of administration.

00:57:06.120 --> 00:57:08.620

<v SPEAKER\_1>And you're going to be consistent, I believe, in your reading habits.

00:57:08.860 --> 00:57:13.100

<v SPEAKER\_2>I still haven't finished Bob Lighthizer's book on trade, but I did pick up Mr.

00:57:13.100 --> 00:57:14.480

<v SPEAKER\_2>Carney's values.

00:57:14.540 --> 00:57:17.220

<v SPEAKER\_2>I'm just having that chance to get a great part of it.

00:57:17.220 --> 00:57:19.000

<v SPEAKER\_1>That will be for the next podcast.

00:57:19.000 --> 00:57:20.880

<v SPEAKER\_2>Yeah.

00:57:20.880 --> 00:57:23.900

<v SPEAKER\_2>James, Arianne, thanks for joining us on Defence Deconstructed.

00:57:23.900 --> 00:57:24.160

<v SPEAKER\_3>Thank you.

00:57:26.000 --> 00:57:27.240

<v SPEAKER\_3>Arianne, thanks for hosting.

00:57:27.240 --> 00:57:28.320

<v SPEAKER\_1>Thank you very much.

00:57:28.320 --> 00:57:30.060

<v SPEAKER\_1>Take care.

00:57:30.060 --> 00:57:32.260

<v SPEAKER\_2>Thanks for listening to Defence Deconstructed.

00:57:32.260 --> 00:57:37.380

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00:57:37.760 --> 00:57:44.320

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00:57:44.320 --> 00:57:46.920

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00:57:46.920 --> 00:57:50.580

<v SPEAKER\_2>Music credits go to Drew Phillips, and this episode was produced by Jordyn Carroll.