

ESQUIMALT GRAVING DOCK – FACT SHEET

BACKGROUND

- The Esquimalt Graving Dock (EGD), the only “open access” multi-user facility on the west coast of the Americas, is located at the south end of Vancouver Island at Esquimalt Harbour, in the metropolitan Victoria area.
- The EGD is located within First Nations traditional territory and immediately adjacent to Songhees and Esquimalt Reserves.
- The term “open access” describes a facility that provides common services (on a fee-for-service basis) and multi-user access to dry dock infrastructure for a variety of private sector companies. It is directly accessible from the Strait of Juan de Fuca, which is the shipping channel to southern British Columbia and Puget Sound in the United States.
- The EGD (1926-7) is the largest deep-sea shipbuilding and repair facility on Canada’s Pacific coast.
 - It represents 60 percent of Canada’s Pacific coast dry dock capacity and is one of only two west coast dry docks with the capacity to accommodate Panamax-sized vessels (the largest deep sea vessels that can pass through the Panama Canal), including modern cruise ships.
 - Its cranes and berth facilities are large enough to service 92 percent of the world’s bulk carrier ships and 100 percent of the world’s general cargo ships.
 - Two 30T and one 150T cranes.
- The dock measures 357 metres by 38 metres. The north landing jetty is 305 metres long and contains 10 metres of water at low tide. There is an additional 305 metres of berth frontage at the south landing wharf. The dock can be subdivided into three sections to accommodate multiple vessels at the same time.
- The facility supports the provision of ship repair and refit services to a wide range of coastal and ocean-going vessels, such as commercial vessels, the BC ferry fleet, cruise ships and the federal fleet.
 - Its principal stakeholders are the vessel owners that rely on the facility for repair, maintenance and overhauls.
 - This includes National Defence (Navy) and the Canada Coast Guard, BC Ferries, as well as a number of foreign and private vessel owners (including cruise ship lines) that regularly use the facility.
- In 2012/13 the EGD had a total of 75 vessels at the facility:
 - 12 – dry dock
 - 50 – wet dock
 - 13 – hardstand
- In 2013/14 the EGD had a total of 66 vessels at the facility:
 - 22 – dry dock
 - 28 – wet dock
 - 16 – hardstand
- The EGD plays an important role for BC Ferry vessels requiring ship repair, overhaul and maintenance services, particularly for the Spirit and C Class ferries that do not have many alternative dock options.

ECONOMIC IMPACT

- In 2013, ship repair and refit companies servicing vessels at the EGD generated \$313.3 million in revenue. (EGD direct revenue in 2012/13 was \$10.3M)

- Based on these figures, PricewaterhouseCoopers estimates the total gross output and GDP impacts of the EGD on the British Columbia economy at \$434.2 million and \$200.3 million, respectively. Much of the impact is estimated to occur in the Victoria area. .
- The EGD is estimated to contribute approximately 1,350 direct jobs, mostly in the Victoria area—90% of these jobs are full-time jobs.
- There are 46 full-time Public Works and Government Services Canada positions dedicated to the operation of the dock.



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→ Harper Government Announces Investment in Esquimalt Graving Dock

News Release



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Harper Government Announces Investment in Esquimalt Graving Dock

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For immediate release

ESQUIMALT, British Columbia, June 27, 2012 – The Honourable Rona Ambrose, Minister of Public Works and Government Services and Minister for Status of Women, today announced that through Economic Action Plan 2012, the Government of Canada will make a major investment over the next five years in rehabilitating and modernizing the Esquimalt Graving Dock.

"Our Government's priority remains the economy and job creation," said Minister Ambrose. "By supporting the ship repair and shipbuilding industry on Canada's Pacific coast, we are creating local jobs and generating long term economic benefits for British Columbia."

The Esquimalt Graving Dock is an active ship repair facility and this \$101-million investment will ensure that the dock fulfills its obligations to the various fleets using the facility over the long term. It is the largest deep sea shipbuilding and repair facility on Canada's Pacific coast and is the only "open access" multi-user facility on the west coast of the Americas that provides common services (on a fee-for-service basis) and multi-user access to dry dock infrastructure for a variety of private sector companies.

The Esquimalt Graving Dock, which was originally constructed in 1927, generates economic benefits totaling \$183 million annually for British Columbia and it supports an estimated 1,300 jobs in the Greater Victoria Area.

Economic Action Plan 2011 provided \$148 million, on a cash basis, over five years to carry out capital expenditures to maintain and improve a number of engineering assets, such as bridges, dams and other specialized assets, across Canada. Building on this commitment, Economic Action Plan 2012 proposes an additional \$101 million, on a cash basis, over the next five years for Public Works and Government Services Canada to restore and modernize the Esquimalt Graving Dock. This investment will help maintain jobs and support economic activity in southern British Columbia.

Ce texte est également disponible en français.

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BACKGROUND

Esquimalt Graving Dock

The Esquimalt Graving Dock (EGD), the only “open access” multi-user facility on the west coast of the Americas, is located at the south end of Vancouver Island at Esquimalt Harbour, in the metropolitan Victoria area. The term “open access” describes a facility that provides common services (on a fee-for-service basis) and multi-user access to dry dock infrastructure for a variety of private sector companies. It is directly accessible from the Strait of Juan de Fuca, which is the shipping channel to southern British Columbia and Puget Sound in the United States.

The Esquimalt Graving Dock is the largest deep-sea shipbuilding and repair facility on Canada’s Pacific coast. It represents 60 percent of Canada’s Pacific coast dry dock capacity and is one of only two west coast dry docks with the capacity to accommodate Panamax-sized vessels (the largest deep sea vessels that can pass through the Panama Canal), including modern cruise ships. Its cranes and berth facilities are large enough to service 92 percent of the world’s bulk carrier ships and 100 percent of the world’s general cargo ships.

The dock measures 357 metres by 38 metres. The north landing jetty is 305 metres long and contains 10 metres of water at low tide. There is an additional 305 metres of berth frontage at the south landing wharf.

The facility supports the provision of shipbuilding and repair services to a wide range of coastal and ocean-going vessels, such as commercial vessels, the BC ferry fleet, cruise ships and the federal fleet. Its principal stakeholders are the vessel owners that rely on the facility for repair, maintenance and refit. This includes National Defence (Navy) and the Canada Coast Guard, BC Ferries, as well as a number of foreign and private vessel owners (including cruise ship lines) that regularly use the facility.

The total economic impact of the Esquimalt Graving Dock on British Columbia’s economy is estimated at \$183 million. It supports an estimated 1,300 jobs in the Greater Victoria Area and generates approximately \$16.5 million annually in federal, provincial and municipal taxes.

As per the 1871 Treaty of Union with British Columbia, the Government of Canada was required to construct a graving dock in the area. (“Graving” means to scrape off barnacles and material from the hull of a ship.) A smaller dock was initially built, with the Esquimalt Graving Dock replacing it in 1927.

The Esquimalt Graving Dock is ISO 14001 certified, which requires the facility to continually strive to reduce any negative environmental impacts from any activities on site.

There are 43 full-time Public Works and Government Services Canada positions dedicated to the operation of the dock.



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→ Harper Government invests in Esquimalt Graving Dock remediation

News Release



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Harper Government invests in Esquimalt Graving Dock remediation

For immediate release

RICHMOND, British Columbia, March 28, 2013 – Today, the Honourable Kerry-Lynne D. Findlay, Q.C., Associate Minister of National Defence and Member of Parliament for Delta—Richmond East, on behalf of the Honourable Rona Ambrose, Minister of Public Works and Government Services and Minister for Status of Women, announced the awarding of a \$38.6-million contract to Tervita Corporation for the remediation of the Esquimalt Graving Dock water lot.

“Our Government’s top priority is jobs, growth and long-term prosperity,” said Minister Ambrose. “Through this project, we are not only cleaning up the seabed surrounding the dock, but also creating jobs and investing in the economic foundation of this community.”

“The ship repair and building industry has a proud history in British Columbia,” said Minister Findlay. “This investment will create jobs and economic growth, while ensuring our environment is protected for future generations.”

The Esquimalt Graving Dock has been used for the repair and maintenance of military and civilian vessels since 1927. Decades of work at the dock have contributed to sediment contamination in the seabed around the facility. This project will ensure that the water lot meets federal and provincial environmental standards and will deliver jobs and important economic benefits to the region’s economy over the next year.

Together, initiatives such as the Esquimalt Graving Dock Water Lot Remediation Project and others included in the Government of Canada's Economic Action Plan 2013 will continue to promote economic growth, job creation and long-term prosperity for all Canadians.

The overall remediation project involves three components: constructing an erosion protection sheet pile wall around the south jetty (currently underway); dredging the contaminated sediment and disposing of it in licensed landfills; and creating new fish habitat. Public Works and Government Services Canada (PWGSC) awarded a \$6.5-million contract for the construction of the sheet pile wall in September 2012 to Salish Sea Joint Venture.

The Esquimalt Graving Dock Water Lot Remediation Project is funded through the Federal Contaminated Sites Action Plan, which is coordinated by Environment Canada and the Treasury Board of Canada Secretariat and provides funding to assess and remediate federal contaminated sites.

PWGSC (Public Works and Government Services Canada) is committed to a fair, open and transparent tendering process. Contracting for the other components of this remediation project will be conducted through the Government Electronic Tendering System (MERX).

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Ce texte est également disponible en français.

For more information, media may contact:

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BACKGROUND

ESQUIMALT GRAVING DOCK—Water lot remediation Project

The Esquimalt Graving Dock (EGD) is an open access public ship repair facility that supports the local ship repair industry and fleet owners. As the EGD (Esquimalt Graving Dock) is an open access facility, Public Works and Government Services Canada (PWGSC) provides infrastructure, services, and multi-user access to the dry dock, on a fee-for-service basis, to a variety of ship repair firms that perform work on domestic and foreign vessels. The EGD (Esquimalt Graving Dock) remains of strategic importance to the Government of Canada; therefore, PWGSC (Public Works and Government Services Canada) is committed to ensuring it continues as an open access public ship repair facility that supports the local ship repair industry and fleet owners.

The EGD (Esquimalt Graving Dock) water lot is located on the north shore of Constance Cove in Esquimalt Harbour. The EGD (Esquimalt Graving Dock) has been used for the repair and maintenance of military and civilian vessels since 1927 and has contributed to sediment contamination in the seabed adjacent to the facility. This project will ensure that the water lot is remediated to meet federal and provincial environmental standards.

The project involves three components: constructing an erosion protection sheet pile wall around the south jetty to isolate the contamination under the jetty; open water remediation by dredging the contaminated sediment and disposing of it off-site; and creating new fish habitat. The open water remediation is the primary part of the overall project. The work items include: structure demolition and disposal; temporary structure relocation and re-installation; water-based dredging and removal of approximately 149,630 cubic metres of contaminated sediment and associated debris by barge; upland transport and disposal of contaminated sediment at permitted Canadian disposal facilities; and placement of clean sand and rock armour on portions of the seabed in the water lot.

The EGD (Esquimalt Graving Dock) Water Lot Remediation Project is funded by the Federal Contaminated Sites Action Plan, which is coordinated by Environment Canada and the Treasury Board Secretariat to provide funding to assess and remediate federal contaminated sites.

PWGSC (Public Works and Government Services Canada) will address the major objectives of the project through the following key activities:

- planning for remediation works, including supplementary investigations, options analysis, permit/approval acquisition, remedial design, and contracting;
- remediating the majority of sediment contamination through removal to off-site disposal facilities;
- conducting environmental monitoring during the work;
- carrying out risk management on a small portion of sediment contamination that will remain on the site; and

- conducting post-remediation confirmatory sampling and monitoring.

The primary contaminants of concern include metals (i.e., arsenic, copper, lead, and zinc), polychlorinated biphenyls (PCBs), and polycyclic aromatic hydrocarbons (PAHs).



(<http://actionplan.gc.ca/en>)

Date Modified: 2013-03-28



BRIEFING NOTE FOR INFORMATION

DATE: June 11, 2014

PREPARED FOR: INFORMATION

ISSUE: Esquimalt Graving Dock (EGD).

SUMMARY:

s13, s16, s17

- **The EGD is an important asset in BC's shipbuilding and repair industry, and its continued operation helps ensure the Province's competitiveness in the west coast marketplace.**

s13, s16

BACKGROUND:

The Asset:

The EGD is a drydock facility located in Esquimalt harbour, adjacent to the Canadian Forces Base Esquimalt and both the Songhees and Esquimalt First Nations (see Appendix 1 for location). The EGD is owned by the federal government, and is operated by PWGSC as an open-access, multi-user facility. The facility provides a wide range of drydock and related services on a year-round basis to government fleet owners (federal and provincial) and private domestic and international vessels.

The main features at the EGD include:

- One large scale "graving drydock", which can accommodate vessels up to 100,000 DWT (approximately 90% of the world's ships), and can be subdivided into three sections to accommodate multiple vessels at the same time.
- High-speed heavy lift cranes, one 150T and two 30T.
- 274 metres of berthing at 12.2 metre water depth, and 305 metres of berthing at 10 metre water depth.

In addition to the open-access nature of the facility, the EGD's graving dock infrastructure is the largest shipbuilding and repair facility on BC's west coast. Ship owners can access the facility through PWGSC's online reservation system (reservations provide a right of first refusal, and fees are not due at the time of booking). Booking fees start at \$5,000.00 per reservation, with additional charges for use of the cranes, utilities, drainage of the graving dock, and other activities. The fees are established through the Esquimalt Graving Dock Regulations (see Appendix 2 for a breakdown of the different fees).

PWGSC also leases space at the EGD to ship building and repair contractors, including Victoria Shipyards (Seaspan Marine Corporation), the Esquimalt Drydock Company, and Babcock Canada Inc. Note that ship owners are not limited to the use of these contractors, and may source from outside contractors.

Economic Overview:

In 2013 ship repair and refit companies servicing vessels at the EGD generated \$313.3 million in revenue, not inclusive of fees collected by PWGSC. It is estimated that the current total gross output and GDP impacts of the EGD on the BC economy are \$432.2 million and \$200.3 million respectively. The EGD is estimated to support 1,349 direct jobs, mostly in the Capital Regional District with 90% of these jobs as full time.¹ The EGD currently generates a total of \$17.3 million in federal taxes, \$12.4 million in provincial taxes, and \$1.9 million in municipal taxes through direct, indirect and induced effects.²

In 2013 more than 139 vessels were serviced at the EGD. In respect to revenues, 90% of the work performed in 2013 was for either the Canadian Navy and/or Coast Guard Fleet at \$282.2M followed by BC Ferries with \$15.9M (5%). Non-government sources of revenue amounted to a total revenue of \$14.7M (4.7%).³

Fee related revenue collected by PWGSC typically generates 3-5% of the above industry related revenue. As shown in Appendix 3 - Figure 1, a consistent fee revenue between 1996/97 and 2009/2010 can be partly attributed to an unchanged tariff structure at the EGD over that period. Appendix 3 - Figures 2 to 4 show total annual revenue from the different types of customers/users at the facility, including vessel sources (shipbuilding and repair), and onsite leases and related activity (non-vessel sources).

Typically, bookings represent approximately 90% of the total capacity at the graving dock, with actual work representing approximately 60% of the total capacity. Cancelled reservations are generally due to contractors pre-booking for prospective contract bids, and commercial vessels seeking additional in-service time prior to maintenance. Overall, demand generally fluctuates based on cyclical maintenance schedules and contracts from key customers (including Navy and Coast Guard fleets, and BC Ferries), the strength of the Canadian dollar, and non-scheduled emergency work.

Currently, the facility is operating at a cost-recovery level for day-to-day operations; however the federal government has not made any significant capital maintenance or improvements to the facility in excess of twenty years. While in 2012 over \$100M was earmarked by the Federal government for rehabilitating and modernizing the EGD, PWGSC has not initiated any of the capital maintenance or improvements pending a decision on the ownership and governance of the EGD.

s13, s16, s17

BC's Shipbuilding and Repair Industry:

BC's shipbuilding and repair sector has followed a pattern of growth and decline. The last significant shipbuilding took place in the mid-1990s with the construction of the three fast ferries for BC Ferries. Since that time the sector has largely remained dormant until the federal National Shipbuilding Procurement Strategy (NSPS) contract announcement. Even in dormancy BC's shipbuilding and repair industry plays an important role in the provincial economy by designing, building, repairing, maintaining and refitting ships for the marine transportation system.

In October 2011 the Federal government announced the results of the NSPS, identifying Seaspan Marine Corporation (Seaspan) as one of two successful proponents on the federal government's \$33

¹ EGD Economic Impact Analysis, p1.

² EGD Economic Impact Analysis, p.2.

³ EGD Economic Impact Analysis, p.7.

billion program to construct combat and non-combat vessels for the federal government over the next 20 years. Seaspan will construct these vessels at its Vancouver shipyards however the set-to-work, tests and trials and commissioning will occur at the EGD. As such, the primary hub for in-service support, ship repair, modernizations, conversions, and new vessel commissioning will continue to be the EGD. The BC shipbuilding and ship repair industry is also anticipated to experience growth in other ship construction, vessel refits, maintenance and repairs, and in-service support contracts totaling an estimated \$10 billion through 2020.⁴

In addition to the renewed interest in shipbuilding and repair within BC, the US Pacific Northwest and Alaska are also experiencing growth in shipbuilding and repair. Some of this new business is due to the increased trade with Asia Pacific, increased cruise ship travel and renewed interest in LNG developments. It is estimated that the increased tanker traffic may provide for up to \$500M in opportunity per year for ship repairers on the West Coast of Canada and the Northern US.⁵

The result is that BC is now facing stronger competition for shipbuilding and ship repair contracts. For example, Vigor Industrial, the leading provider of shipbuilding, ship repair and other industrial services in the Pacific Northwest and Alaska, will have a new floating drydock in operation in Portland by the beginning of summer 2014. Appendix 1 shows the EGD in reference to other drydocks within BC's south coast region as well as other key large-scale facilities through the west coast of North America.

DISCUSSION:

One of the main users of the facility (aside from the Navy and Coast Guard) is BC Ferries. Represented in Appendix 4, approximately 13 of the BC Ferries fleet can only receive maintenance through a large dry-dock facility (either EGD or Seaspan's facilities in Vancouver). If maintenance costs or access becomes restrictive at the EGD or Vancouver facilities, BC Ferries could explore options to maintain their fleet at US Pacific Northwest facilities.

s13

The EGD does play a significant role in the viability and competitiveness of BC's ship-building and repair industry. While the current model allows for any contractor to bid on and complete work for any ship or fleet owner, there is currently only one major ship repair company on the west coast, the Washington Marine Group (WMG) and its three shipyards: Vancouver Drydock, Vancouver Shipyards, and Victoria Shipyards (located at the EGD). WMG shipyards perform approximately 90% of the available work on the west coast and employs approximately 75% of the workers⁶.

s13

⁴ BC Shipbuilding & Ship Repair Board, "Towards 2020: A BC Shipbuilding & Ship Repair Industry Workforce Strategy", p.4.

⁵ J. Berglund/T. McGrath, "West Coast Traffic Analysis", May 2014, p.1.

⁶ The Esquimalt Graving Dock (EGD) 'Ship Repair Authority' Business Case, p.1.



s13

Attachments:

- Appendix 1: Map - West Coast Shipbuilding and Drydocks
- Appendix 2: EGD Fee Structure Regulations
- Appendix 3: s13, s17
- Appendix 4: Shipyard Capacity and BC Ferries Accessibility
- Appendix 5: s13, s17

PREPARED BY:

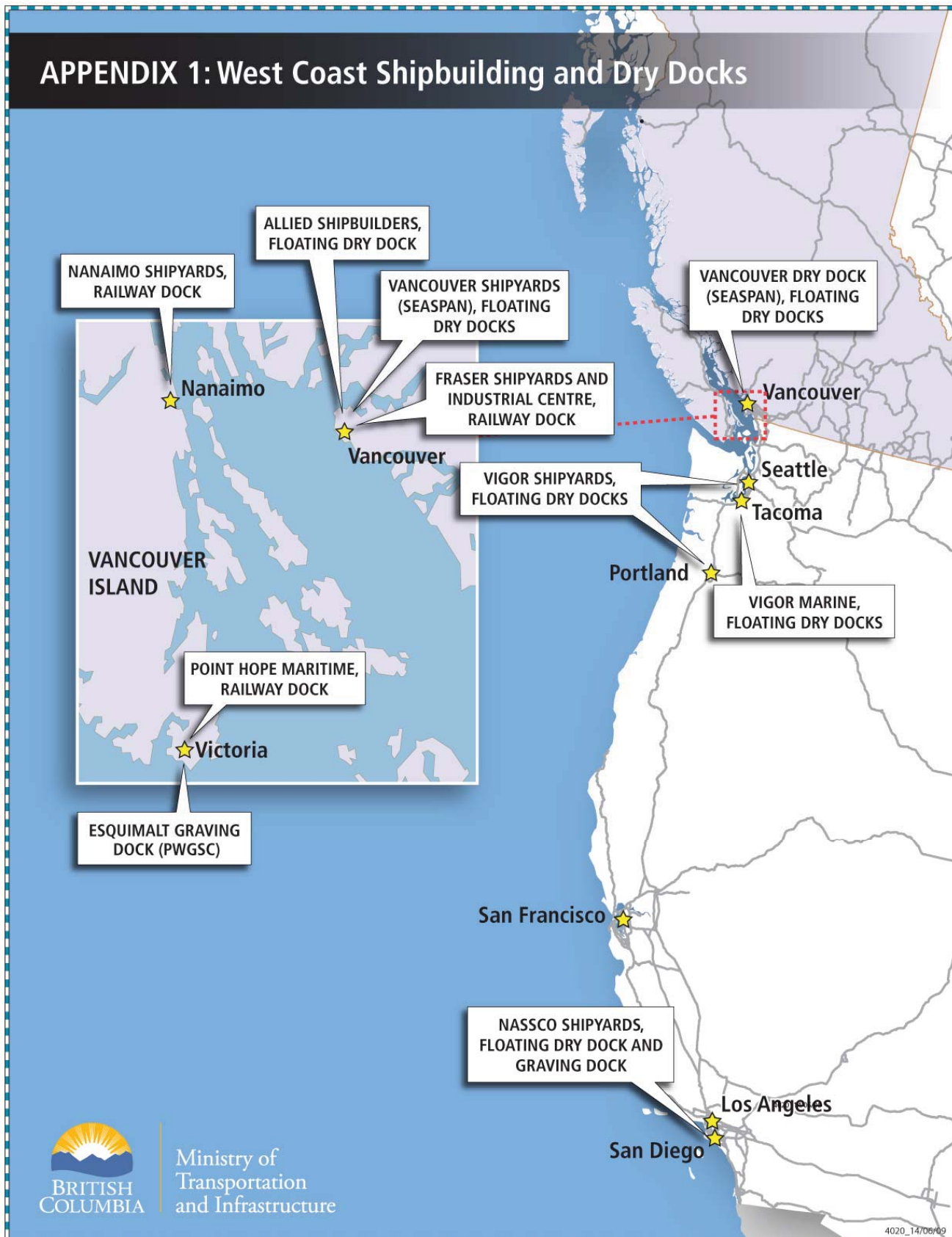
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APPENDIX 1: West Coast Shipbuilding and Dry Docks





Appendix 2: EGD Fees Regulations

DORS/89-332 — 14 mai 2014

SCHEDULE
(section 2, paragraphs 4(2)(e) and 5(1)(c) and sections 34 and 36.1)

DOCK CHARGES (\$)

Item	Column 1 Services and Facilities	Column 2	Column 3	Column 4	Column 5	Column 6
		April 1, 2010 – March 31, 2011	April 1, 2011– March 31, 2012	April 1, 2012– March 31, 2013	April 1, 2013– March 31, 2014	April 1, 2014– March 31, 2015
1.	Booking	4,200.00	4,400.00	4,600.00	4,800.00	5,000.00
2.	Draining, per section	3,800.00	4,100.00	4,400.00	4,700.00	5,000.00
3.	Berthage, per metre, per day	5.19	5.35	5.51	5.67	5.84
4.	Rail-mounted crane, per hour					
	(a) with light hook	407.88	420.12	432.72	445.70	459.07
	(b) with main hook, up to 50 tonne lift	589.16	606.83	625.04	643.79	663.10
	(c) with main hook, over 50 tonne lift	906.40	933.59	961.60	990.45	1 020.16
5.	Mobile crane, per hour					
	(a) 9-tonne crane	113.30	116.70	120.20	123.81	127.52
	(b) 20-tonne crane	145.02	149.37	153.86	158.47	163.23
	(c) 30-tonne crane	176.74	182.04	187.52	193.13	198.94
	(d) Forklift	86.11	88.69	91.35	94.09	96.92
	(e) Tower crane	145.02	149.37	153.86	158.47	163.23
6.	Air compressor (first), per manifold hour	99.70	102.70	105.78	108.95	112.22
7.	Air compressor (second), per manifold hour	95.17	98.03	100.97	104.00	107.12
8.	Air compressor (wheeled), per manifold hour	49.85	51.35	52.89	54.47	56.11
9.	Motorized vessel, per hour	164.80	169.74	174.84	180.08	185.48
10.	Fresh water, per cubic metre	1.13	1.17	1.20	1.24	1.28
11.	Electric power, per kilowatt hour	0.13	0.14	0.14	0.15	0.15
12.	Tie-up or letting go	721.00	742.63	764.91	787.86	811.49
13.	Overtime labour services, drydock employee, per hour	88.99	91.66	94.41	97.24	100.16
14.	Security services, per vessel, per day	407.88	420.12	432.72	445.70	459.07
15.	Dockage, 1 section, per day	2,200.00	2,400.00	2,600.00	2,800.00	3,000.00
16.	Dockage, 2 sections, per day	8,400.00	8,800.00	9,200.00	9,600.00	10,000.00
17.	Dockage, 3 sections, per day	11,600.00	12,200.00	12,800.00	13,400.00	14,000.00
18.	Dockage per tonne, per day: under 5,000 gross tonnage	0.00	0.00	0.00	0.00	0.00
19.	Dockage per tonne, per day: 5,000-34,999 gross tonnage	0.12	0.12	0.12	0.12	0.12
20.	Dockage per tonne, per day: 35,000-69,999 gross tonnage	0.11	0.11	0.11	0.11	0.11
21.	Dockage per tonne, per day: 70,000-89,999 gross tonnage	0.10	0.10	0.10	0.10	0.10
22.	Dockage per tonne, per day: over 89,999 gross tonnage	0.09	0.09	0.09	0.09	0.09
23.	Sewer discharge, per litre	0.01	0.01	0.01	0.01	0.01
24.	Vacuum loader	58.92	60.88	62.50	64.38	66.31

SOR/2009-324, s. 16.

Pages 15 through 16 redacted for the following reasons:

s13, s17

Appendix 4 - Shipyard Capacity and BC Ferries Accessibility

							WMG- Vancouver Dry Dock	WMG- Vancouver Drydock	WMG- Vancouver Ship Yards	Allied Shipyards	Fraser Shipyards	Nanaimo Shipyards	Point Hope			
					Owner:	Public Works										
					Apparatus:	Graving Dock	Float (Pan)	Float2 (Kar)	Syncrolift	Floating	Railway1	Railway1	Railway			
					Lightship			Cap (tonnes):	100,000	36,000	30,000	1,500	1,800	800	750	1,200
					Displacement	Over all	Extreme	Length (m)	347.67	220.00	131.10	90.00	76.20	48.80	54.86	54.86
Vessel Name	Size	(tonnes)	Length	Breadth	Breadth (m)	38.40	45.80	35.50	21.34	19.51	13.41	13.71	16.76			
Queen of Alberni	Major	4458.62	139.35	27.13		Yes	Yes	No	No	No	No	No	No			
Queen of Coquitlam	Major	4384.05	139.35	27.13		Yes	Yes	No	No	No	No	No	No			
Queen of Cowichan	Major	4384.05	139.29	27.08		Yes	Yes	No	No	No	No	No	No			
Queen of Surrey	Major	4836.30	139.35	27.59		Yes	Yes	No	No	No	No	No	No			
Queen of Oak Bay	Major	4769.11	139.35	27.59		Yes	Yes	No	No	No	No	No	No			
Spirit of British Columbia	Major	8471.00	167.50	32.90		Yes	Yes	No	No	No	No	No	No			
Spirit of Vancouver Island	Major	8647.00	167.50	32.90		Yes	Yes	No	No	No	No	No	No			
Queen of Burnaby	Major	3616.06	129.98	23.93		Yes	Yes	Yes	No	No	No	No	No			
Queen of Esquimalt	Major	4207.78	129.98	23.93		Yes	Yes	Yes	No	No	No	No	No			
Queen of Nanaimo	Major	3476.19	129.98	23.93		Yes	Yes	Yes	No	No	No	No	No			
Queen of New Westminster	Major	4297.37	129.90	23.96		Yes	Yes	Yes	No	No	No	No	No			
Queen of Saanich	Major	7207.78	129.98	23.17		Yes	Yes	Yes	No	No	No	No	No			
Queen of Vancouver	Major	4218.31	129.95	23.96		Yes	Yes	Yes	No	No	No	No	No			
Skeena Queen	Intermediate	1873.57	110.00	24.00		Yes	Yes	Yes	No	No	No	No	No			
Queen of Prince Rupert	Major	3440.02	101.12	18.65		Yes	Yes	Yes	No	No	No	No	No			
Tsawwassen	Major	2572.69	102.39	22.61		Yes	Yes	Yes	No	No	No	No	No			
Chilliwack	Intermediate	2615.78	102.23	17.80		Yes	Yes	Yes	No	No	No	No	No			
Queen of Capilano	Intermediate	1850.50	96.00	21.23		Yes	Yes	Yes	No	No	No	No	No			
Queen of Cumberland	Intermediate	1964.41	96.00	21.23		Yes	Yes	Yes	No	No	No	No	No			
Quinsam	Minor	1066.63	86.67	21.34		Yes	Yes	Yes	Yes	No	No	No	No			
Bowen Queen	Minor	1126.10	84.97	18.65		Yes	Yes	Yes	No	No	No	No	No			
Howe Sound Queen	Minor	691.59	73.46	18.45		Yes	Yes	Yes	Yes	Yes	No	No	No			
Mayne Queen	Minor	1139.59	84.97	18.62		Yes	Yes	Yes	No	No	No	No	No			

					Owner:	Public Works	WMG- Vancouver Dry Dock	WMG- Vancouver Drydock	WMG- Vancouver Ship Yards	Allied Shipyards	Fraser Shipyards	Nanaimo Shipyards	Point Hope			
					Apparatus:	Graving Dock	Float (Pan)	Float2 (Kar)	Syncrolift	Floating	Railway1	Railway1	Railway			
					Lightship			Cap (tonnes):	100,000	36,000	30,000	1,500	1,800	800	750	1,200
					Displacement	Over all	Extreme	Length (m)	347.67	220.00	131.10	90.00	76.20	48.80	54.86	54.86
Vessel Name	Size	(tonnes)	Length	Breadth	Breadth (m)	38.40	45.80	35.50	21.34	19.51	13.41	13.71	16.76			
Powell River Queen	Minor	1184.14	84.99	18.62		Yes	Yes	Yes	No	No	No	No	No			
North Island Princess	Minor	666.39	61.04	17.98		Yes	Yes	Yes	Yes	Yes	No	No				
Tachek	Minor	620.49	49.54	14.69		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes			
Quadra Queen II	Minor	617.22	48.62	13.21		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes			
Quinitsa	Minor	730.23	74.52	19.51		Yes	Yes	Yes	Yes	Yes	No	No	No			
Tenaka	Minor	424.42	46.18	13.21		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes			
Mill Bay	Minor	140.63	36.58	9.94		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes			
Kahloke	Minor	351.46	54.72	14.18		Yes	Yes	Yes	Yes	Yes	No	Yes				
Kwuna	Minor	347.64	71.63	14.18		Yes	Yes	Yes	Yes	Yes	No	Yes	No			
Klitsa	Minor	297.12	47.43	12.25		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes			
Nimpkish	Minor	218.21	33.53	12.50		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes			
Nicola	Minor	224.69	33.53	11.92		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes			

Non-BC Shipyards (sample, with focus on large facilities):

Owner:	Nassco-San Diego	Vigor-Portland	Nassco- San Diego	Vigor- Portland	Vigor- Portland	Vigor-Seattle	Vigor-Seattle	Vigor- Tacoma	Vigor- Alaska	Vigor- Alaska
Apparatus:	Floating Drydock	Dry Dock 3	Graving Dock	Dry Dock 2	Dry Dock 1	Dry Dock 5	Dry Dock 1	Dry Dock 1	Dry Dock 1	Dry Dock 2
Cap (tonnes):	44,000	40,000	30,000	27,000	15,000	18,000	17,500	2,800	10,000	2,500
Length (m)	820	101	1000	202	182	168	161	119	140	69
Breadth (m)	136	43	174	35	27	28	27	17	34	26

Pages 19 through 20 redacted for the following reasons:

s13, s17

‘ BRIEFING NOTE FOR INFORMATION

DATE: 04/15/14

PREPARED FOR: Dave Duncan, ADM Highways Department

ISSUE: Meeting with Public Works and Government Services Canada and ADM to discuss
s13, s16, s17 Esquimalt Graving Dock and provincial interest.

SUMMARY:

s13, s16, s17

BACKGROUND:

s13, s16, s17

PWGSC is

currently in contact with provincial representatives at the Ministry of Technology, Innovation and
Citizens' Services to facilitate federal-provincial discussions.

The 19.09 ha EGD is located in Esquimalt, Victoria at Colville Rd and Admirals Rd, situated in the Esquimalt Harbour adjacent to CFB Esquimalt. While it is owned and operated by PWGSC, the facilities are leased to private ship repair/shipbuilding firms such as Victoria Shipyards Co. (Seaspan), Esquimalt Drydock Co., and Intercon Marine Inc. PWGSC provides an online reservation system and collects a booking fee of \$5,040.00 per booking, and may charge an additional per hour fee for ships using the facilities.

Overall the facilities include:

- High-speed heavy lift cranes, one 150T and two 30T.
- Dock accommodation of vessels up to 100,000 DWT (approximately 90% of the world's ships), which can be subdivided into three sections to accommodate multiple vessels at the same time.
- 305 metres of berthing at 10 metre water depth, 274 metres of berthing at 12.2 metre water depth.
- Additional buildings and facilities include:
 - Fabrication and construction shops
 - Operations, and administrative facilities
 - Electrical and sandblasting shops
 - Winch and pump houses
 - Fuel and Hazardous Materials Storage
 - Weather station and Telecommunications building

As shown in Attachment A, PWGSC has provided a Fact Sheet on the EGD, which includes the following highlights:

- Only “open access” multi-user facility on the west coast of the Americas.
- Largest deep-sea shipbuilding and repair facility on Canada's Pacific coast.
- 75 vessels in 2012/2013 resulting in \$10.3M direct revenue to the EGD
- 66 vessels in 2013/2014 (unknown direct revenue amount).

- Contribution of 1,350 direct jobs (90% are full-time). Currently, there are 46 full-time PWGSC positions dedicated to operation of the dock.

Additionally the following information has been collected to supplement the Fact Sheet provided by PWGSC:

- **Capital Investments:** In a news release from June 27, 2012 (Attachment B), the federal government announced an investment of \$101-million through the Economic Action Plan for restoration and modernization activities.
- **Contaminated sites:** PWGSC has allocated approximately \$700,000 directly in testing and remediation over the last several years for contaminated sites clean-up in and around the EGD. On March 28, 2013, the federal government announced the award of a \$38.6-million contract to Tervita Corporation for the remediation of the EGD, as part of the Federal Contaminated Sites Action Plan (see Attachment C). The work items of this contract include: structure demolition and disposal; temporary structure relocation and re-installation; water-based dredging and removal of approximately 149,630 cubic metres of contaminated sediment and associated debris by barge; upland transport and disposal of contaminated sediment at permitted Canadian disposal facilities; and placement of clean sand and rock armour on portions of the seabed in the water lot.
- **Auditor General Report:** In an Auditor General of Canada report from 1984, it was indicated that the EGD was operating at a significant loss (\$8.6 million shared loss between EGD and another dry dock). The Auditor General found that the losses constituted an unauthorized and undisclosed indirect subsidy to principle dry dock users.
- **Shipbuilding programs:** In October 2011, Seaspan Shipyards (owner of Victoria Shipyards) was awarded an \$8 Billion contract by the federal government that will see it build 7 (possibly 8) vessels for the Canadian Coast Guard and Department of National Defence. This includes scientific research vessels, fisheries vessels, a polar icebreaker, and two or three support vessels for the Royal Canadian Navy. The ships will be constructed at Vancouver Shipyards, with final outfitting to be done at EGD.
- **Esquimalt OCP:** In its Official Community Plan (2007), Esquimalt indicated the following:

2.6 Federal Lands

The Federal Department of National Defence (DND) owns the largest tracts of land within Esquimalt. Although these tracts are within the Township's geographical boundaries, they are not subject to municipal zoning regulations.

The municipality is interested in acquiring any DND lands which may be released for sale or redevelopment. Two areas which are currently part of the Canadian Forces Base, CFB Esquimalt but are surrounded by residential neighbourhoods are the Macaulay Point—Work Point area and the Wardroom—Hospital area. The municipality may develop a general concept plans for these areas, however, at this time, the Township does not have the authority to regulate these lands.



DISCUSSION:

s13

Attachments:

- Appendix A: Esquimalt Graving Dock – Fact Sheet
- Appendix B: Harper Government Announces Investment in Esquimalt Graving Dock
- Appendix C: Harper Government invests in Esquimalt Graving Dock remediation

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INITIALS:

Sample Drydock Images



Esquimalt Graving Dock, Victoria, British Columbia



The Todd Shipyard Graving Dock, Red Hook, Brooklyn



Seaspan Floating Drydocks in Vancouver



Floating Dry Dock located at Sevastopol

The Esquimalt Graving Dock (EGD)
Meeting with Public Works and Government Services Canada
April 16, 2014

Background

- The EGD is located in Esquimalt Harbour, adjacent to the Canadian Forces Base Esquimalt
- In the 1870's Canada made the commitment to construct the graving dock as a condition of BC joining confederation - EGD opened in 1927
- Canada owns and operates the EGD, through Public Works and Government Services Canada (PWGSC), which operates the facility as an open-access, multi user facility that provides a wide range of dry dock services on a year round basis to government fleet owners (federal and provincial) and private domestic and international vessels
- Use of the dock is booked through PWGSC for a nominal fee - the dock tends to be booked 2-3 years in advance through reservation system
- Fees are set by Canada per the User Fee Act
- EGD is one of the few facilities on the west coast of North America (only four competing commercial ship repair facilities) able to accommodate larger ships.
- EGD is the base for ship repair, maintenance and refit services to the Canadian Navy and Coast Guard, BC Ferries and other large barges and fishing vessels. It also provides services to cruise ships and shipbuilding, to a limited degree, occurs at EGD.
- The EGD and a privately owned floating dry dock in Vancouver Harbour are the only Panamax sized dry docks available on the west coast of Canada.
- EGD contains heavy lift electrically driven, rail mounted travelling cranes, mobile cranes and forklift trucks.
- There are approximately 43-46 staff there that operate the yard.
- Shipyard services are provided by companies operating on site from leased premises (10 vendors in 2013), including Victoria Shipyards which is part of Seaspan, Babcock Canada, Jenkins Marine, Esquimalt Dry Dock Company and InterCon Marine.
- Pacific Fleet (Canadian Navy) is about 40% of the business for this dock (A significant number of vessels in the Pacific Fleet will be going through a mid-life refit over the next 4-5 years).
- BC Ferries is about 15-25% of the business for this dock
- More than 139 ships were serviced in 2013, with majority of work performed on federal Navy and Coast Guard vessels (33) and BC Ferries ships (29).

Historical Approach

- In 1985-2008, Canada had a divestiture mandate and looked at options to divest EGD
- In 2008, this position was reversed - the Graving Dock was viewed as a strategic asset, but new governance structures were reviewed (e.g., Crown Corporation, port authority, P3)

- Federal fleet (or Queen's fleet) must always have "emergency access" to this dock (mandatory term of any new governance model), but officials are less clear on the "strategic control" of the dock
- Navy has its own very small graving dock across the harbour from the Esquimalt (but can't handle the bigger ships)

s13, s16, s17

Economic Impact Analysis Summary

- Economic Impact Analysis of the EGD was completed for PWGSC in 2014 by Price Waterhouse Coopers.
- The analysis estimated the economic impact associated with ship repair and refit and other related activity at the EGD.
- In 2013, ship repair companies services the vessels at EGD generated \$313 million in revenue, resulting in significant direct impacts to the BC economy mostly in the Victoria area. Total gross output and GDP impacts of the EGD on the BC economy were estimated at \$434 million and \$200 million, respectively.
- The EGD is estimated to support 1,349 direct jobs, mostly in Victoria area, with 90% being full time employment.
- The EGD is estimated to generate a total of \$17.3 million in federal taxes, \$12.4 million in provincial taxes and \$1.9 million in municipal taxes.

Next Steps

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s13