



Government of Canada
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MECTS - SSCMHG: 2005-012-00026
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To: Larry Murray, Deputy Minister Date: 17 JANUARY, 2005
Pour:

Object: AIR CUSHIONED VEHICLE (ACV) PENAC - FORMALLY THE LIV
Objet: VIKING

From / De: Dave Faulkner, Director General, Integrated Technical Services

Via: John Adams, Commissioner

Your Signature
Votre signature

Information

For Comments
Observations

Material for the Minister
Documents pour le Ministre

Remarks:
Remarques:

Please find enclosed an information note to apprise the Minister of the recent enquiry of Mr. John Cummins, M.P. (Delta Richmond-East) through Hoverwork Ltd., in England.

Drafting Officer: Frank Jess 990-5017 / Dave Faulkner 998-1638 /
John Adams 998-1571 / Larry Murray 993-2200

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Deputy Minister

Sous-ministre

Information Act / Document divulgué en vertu
de la Loi sur l'accès à l'information.

2005-012-00026

MEMORANDUM FOR THE MINISTER

AIR CUSHIONED VEHICLE (ACV)
PENAC FORMALLY THE LIV VIKING

(Information Only)

SUMMARY

- The PENAC, formally named LIV VIKING, an existing ACV type AP1-88/100S, was procured from Hoverwork Ltd. in England. The ACV was completely refurbished, modernized and re-configured to meet the operational requirements of the Canadian Coast Guard (CCG) Search and Rescue (SAR) Program.
- The PENAC was delivered to the Pacific Region, accepted on July 9, 2004, and is currently in service at CCG's Sea Island Base in Vancouver B.C.. **The total project cost is less than \$10 Million.**
- On January 7, 2005, the office of John Cummins M.P. (Delta Richmond-East) contacted the Chief Executive of Hoverwork Ltd. in England enquiring as to the cost of a new type BHT-150 hovercraft.
- Mr. Richard Box, Chief Executive of Hoverwork, responded on January 10, 2005, stating that he was aware of criticism in the media by Mr. John Cummins of the hovercraft that Hoverwork had delivered to CCG, including claims by Mr. Cummins that a new hovercraft could have been built in B.C. for \$9 Million. **Mr. Box provided Mr. Cummins a rough order of magnitude (ROM) cost estimate for a type BHT-130/150 hovercraft ranging from 4.2 Million Great Britain Pounds (GBP) to 7.1 Million GBP with the cost depending upon the requirements of the customer.** The BHT-130/150 remains a conceptual design at this point in time. This ROM estimate does not include vessel delivery, training and other procurement costs.

Background

- The Sea Island Base in Vancouver B.C. has provided SAR service since 1968. This service was previously provided by two hovercraft, one as back up. The CG-045 had been the back-up hovercraft, but was retired from service when it was no longer cost effective to maintain.
- To address this back-up SAR shortfall the PENAC, formally the LIV VIKING type AP1-88/100S, was modernized and procured from Hoverwork Ltd. in England.

Analysis / DFO Comment

- To apprise the Minister of the recent enquiry of Mr. John Cummins M.P. (Delta Richmond-East) through Hoverwork Ltd. in England.
- A type BHT-150 hovercraft is a conceptual design and is not yet in-service

Larry Murray

BACKGROUND/SOMMAIRE:

- Sea Island Base in Vancouver B.C. has provided Search and Rescue (SAR) service since 1968. This service was previously provided by two hovercraft, one as back up. The back-up hovercraft was retired from service and to address this back-up SAR shortfall the PENAC, formally the LIV VIKING a type AP1-88/100S hovercraft, was modernized and procured from Hoverwork Ltd. in England. The total project cost is less than \$10 Million well below the cost of a new hovercraft.
- PENAC entered service in August 2004, at Canadian Coast Guard's Sea Island Base in Vancouver B.C. and will provide a 24/7 SAR capability in tandem with the multi-task hovercraft SIYAY.
- On January 7, 2005, the office of John Cummins M.P. (Delta Richmond-East) contacted the Chief Executive of Hoverwork Ltd. in England enquiring as to the cost of a new type BHT-150 hovercraft.
- The Chief Executive of Hoverwork, responded on January 10, 2005, stating that he was aware of the criticism in the media by Mr. Cummins with respect to the hovercraft that Hoverwork had delivered to CCG, including claims by Mr. Cummins that a new hovercraft could have been built in B.C. for \$9 Million Canadian dollars.
- Hoverwork Ltd. provided Mr. Cummins a rough order of magnitude (ROM)-cost estimate for a new type BHT-130/150 hovercraft ranging from 4.2 Million pounds sterling to 7.1 Million pounds sterling with the cost depending upon the requirements of the customer. This ROM estimate does not include vessel delivery, training and other procurement costs.
- The BHT-130/150 Hovercraft series remains a conceptual design at this point in time, and has not been configured or tested for SAR missions.

Source:

E-mail correspondence dated 2005-01-10 received from Public Works Government Services Canada.

SUGGESTED RESPONSE/RÉPONSE SUGGÉRÉE:

- The PENAC was selected as the most cost effective and timely method to procure a replacement hovercraft.
- The Coast Guard has assured me that this replacement hovercraft can be effectively used for SAR activities.
- No other suitable hovercraft meeting CCG's requirements was available within the same time frame.

Prepared By/Préparé par:
Frank Jess 990-5017
David Faulkner 998-1638

Approved By/Approuvé par:
John Adams 998-1571

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ENQUIRIES OF HOVERWORK LTD. ENGLAND BY JOHN

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