
News Release Communiqué

No.

For release
May 21, 2010

GOVERNMENT OF CANADA INVESTS IN TWO FERRIES FOR MARINE ATLANTIC INC.

ST. JOHN'S — Rob Merrifield, Minister of State (Transport), Rob Crosbie, chair of Marine Atlantic Inc.'s (MAI) board of directors, and Wayne Follett, president and chief executive officer of MAI, today announced that Marine Atlantic has reached an agreement with Stena Group of Companies to charter two new vessels. The vessels will significantly improve MAI's ability to provide on-time, reliable service and meet increasing traffic demand between North Sydney and Newfoundland and Labrador.

“Our Government is supporting Canada's economy by investing in new ships to improve Marine Atlantic's service and reliability,” said Minister Merrifield. “This investment, from Budget 2010, is another signal of our government's commitment to Atlantic Canada. I look forward to seeing an improved customer experience as these ships come into service.”

“The Government of Canada's investment in Marine Atlantic presents an opportunity for the Corporation to continue with its revitalization efforts and further improve its service to the people of Newfoundland and Labrador,” said Mr. Crosbie. “Marine Atlantic and its Board owe many thanks to the Government of Canada for this significant investment and for its continued support.”

Budget 2010 provides \$175 million to Marine Atlantic Inc. over the next two years to help renew its fleet and shore facilities, and improve the quality and reliability of its services. The funding will allow MAI to charter two vessels from Stena to replace the aging MV Caribou, and MV Joseph and Clara Smallwood. The new vessels, built in 2006 and 2007, will bring about significant cost savings and operational efficiencies by lowering fuel costs and consumption. The new charter agreement is conditional upon MAI obtaining all necessary governmental and other approvals as may be required.

“Chartering two modern vessels will significantly aid Marine Atlantic in improving its capacity and reliability,” said Mr. Follett. “This can be attributed, in part, to the efficient design and the newness of the vessels. Once they join Marine Atlantic's fleet, the average vessel age will be reduced from twenty-one years to eight years.”

Marine Atlantic Inc., a federal Crown corporation, provides a vital link between Newfoundland and Labrador, and Nova Scotia. As an extension of the Trans-Canada Highway, Marine Atlantic's ferry services support tourism and the import and export of goods. In 2009, an estimated 27 per cent of all passengers, 50 per cent of all freight, and 90 per cent of all perishable goods between the Island of Newfoundland and the Canadian mainland were carried by Marine Atlantic.

MAI was already operating at capacity during peak periods in 2009. Acquiring two new charter vessels will enable the corporation to increase capacity. This initiative builds on the Government of Canada strategy, announced in February 2007, to revitalize MAI's ferry services.

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