



## BACKGROUND

### Effects of low water in the Sahtu and Beaufort Delta regions and one-time funding support for businesses and communities impacted by barge cancellations

#### SCENARIO

- The summer of 2024 had little precipitation from early spring and runoff from quickly melting snow, resulting in record low water levels.
- Due to record low water levels, the barges were unable to make it along the Mackenzie River and were forced to cancel their service.
- Communities were unable to receive their goods from the barge delivery – a number of communities have enough stock to wait for the start of the winter road season, but others, like communities in the Sahtu and Beaufort Delta unfortunately will require essential goods before then.
- Communities in the Sahtu are especially vulnerable to increased costs from barge cancellations due to low water as the only alternative method of transport is by air.
- Norman Wells, the largest Sahtu community, is a market community with private fuel providers, not the GNWT.
- There are already plans by the three fuel companies in Norman Wells – Imperial Oil, SRP and World Fuels – to increase prices for the new air shipments of fuel.
- Other communities in the Sahtu are expected to have enough fuel for transportation, space heating and electricity generation to reach winter road season.
- The Sahtu region experiences among the highest cost of living in the country outside of Nunavut.



## SOLUTIONS

- To help local businesses and communities affected by the cancelled barge deliveries for the 2024 sailing season, the GNWT will provide one-time contribution funding to those qualifying businesses, Indigenous governments, community governments and some not-for-profit organizations impacted by increased costs in the affected regions. This is the *Support Funding for Businesses and Communities Impacted by Barge Cancellations* and will provide funding for transportation costs to bring in essential goods.
- The one-time contribution funding is specifically tailored to an extraordinary event – a sudden and severe interruption in a critical supply route – to a region that has no other supply alternatives. See FAQ for more information.
- The GNWT will continue to pay for actual heating costs for eligible Income Assistance recipients and will monitor cost of living increases connected to the cancellation of barges.
- The GNWT is prepared to increase financial supports through the Senior Home Heating Subsidy, as needed and is monitoring home heating costs closely.
- The Mackenzie Valley Winter Road will be widened where possible, with additional signage, including kilometre markers and electronic signs reminding drivers of safe driving requirements. Patrols, checkpoints, and road maintenance activities are increased, supported by extra equipment and collaboration with local bylaw and RCMP officers.

## LONGER TERM

- The GNWT continues to engage with the Government of Canada to secure federal funding to advance the all-season Mackenzie Valley Highway (MVH). The MVH would connect Sahtu communities to highways, create additional freight options, reduce the severity of future low water situations, and build climate change resilience.



- Work is underway to strengthen the supply chain by reducing reliance on marine and air transportation, which is often affected by weather and seasonal conditions.
- The 2024 Hay River Harbour Restoration Project has been completed, which helps open up the navigation on the channel.