

Marine Transportation Services

Mr. Speaker, the Government of the Northwest Territories' Marine Transportation Services delivers essential goods by tug and barge to all marine-accessible communities in the NWT. Residents rely on the service to receive such items as fuel, food, and household goods, while commercial customers also require fuel, mobile equipment, and building supplies to support their businesses and provide economic growth for the territory.

Mr. Speaker, Marine Transportation Services' launched its second sailing season on June 20 this year from the Port of Hay River. For the 2018 season, the delivery of all scheduled cargo for seven communities was achieved. In addition, over \$20 million in commercial marine services contracts were secured. By the end of the season, a total of 41 million litres of fuel and 13,000 tonnes of dry cargo had been transported by tug and barge.

Marine Transportation Services also supports employment and training opportunities in the marine sector for NWT residents. At the peak of the 2018 delivery season, Marine Transportation Services' workforce included 153 employees. Out of these, 72 were from the NWT. The Government of the Northwest Territories also partnered with the Nunavut Fisheries and Marine Training Consortium earlier this year by entering into a lease with the Consortium to establish a Marine Training Centre in Hay River. The Training Centre, which is operating out of the office complex of Terminal C at the Hay River shipyard, has already supported 29 individuals through the completion of 130 training courses.

New training courses planned for the fall of 2018 include a Bridgeward Rating Program, Small Vessel Operator Proficiency, and a Fishing Master's Program with 49 students registered to date.

As Members of the House are aware, Marine Transportation Services experienced some significant challenges this year. The start of the sailing season was delayed as a result of high water levels on the Mackenzie River in late June, which caused driftwood from the Liard River to take Canadian Coast Guard navigation buoys out of position. Marine Transportation Services vessels had to wait until the buoys were replaced before they could depart.

Vessel departures were further delayed after a significant volume of fuel of the appropriate specification was not delivered in time to the terminal in Hay River. As a result of these issues, sailing departures and schedules were necessarily adjusted, and deliveries to communities and customers were later than planned. The Marine Transportation Services division and the Fuel Services division worked with the fuel supplier to resolve these issues, and updated sailing schedules were posted to the Department of Infrastructure's website for the information of customers.

Vessels were also met with difficult ice conditions in the Beaufort Sea. Although the Canadian Coast Guard provided icebreaker escort assistance to our vessels, conditions worsened to the point that navigation became unsafe and the ice became impassable. For the safety of the crews, we had to make the difficult decision to cancel barge services to the communities of Paulatuk, Kugluktuk, and Cambridge Bay.

Mr. Speaker, the Government of the Northwest Territories recognizes that customers of Marine Transportation Services rely on us to find ways to deliver the supplies they need and we have committed to covering costs to airlift essential goods to these communities. The airlift will provide a quantity of petroleum products sufficient to maintain inventories until next summer's marine resupply. Airlift of fuels will amount to no less than 700,000 litres. A significant portion of the deck cargo for all three communities will also be airlifted and prioritized on a commodity-by-commodity and customer-by-customer basis.

Mr. Speaker, appropriate budgets have been set aside under the Petroleum Products Revolving Fund for the airlift of petroleum products and the Marine Transportation Services Revolving Fund for the airlift of cargoes. Actual costs will depend on the aircraft that are chartered.

As a result of this year's challenges, Marine Transportation Services will be taking additional steps to help mitigate similar situations should they arise in the future. We will attempt to move schedules forward for community resupply and depart for Arctic communities as soon as conditions are ice free. Communications will also be improved by developing a closer working relationship between headquarters and operational staff. Additional customer service representatives have been hired for Marine Transportation Services and processes are being established to improve response times for website updates and community outreach.

Marine Transportation Services is in contact with the Canadian Coast Guard throughout the navigational season and we regularly exchange information concerning weather and ice conditions. We will endeavour to strengthen our partnership with the Coast Guard to steadily continue to monitor conditions going forward. A working group has also been established with the Coast Guard, providing additional opportunities to cooperate with the federal government on marine issues such as improved navigation.

Mr. Speaker, the Government of the Northwest Territories has made a mandate commitment to strengthen connections with public sector partners in transportation infrastructure. This includes working with the federal government to maintain federal community resupply port facilities and marine services in the NWT, to restore safe marine operating conditions in the Port of Hay River and at key sections of the Mackenzie River Corridor, and to improve charting and navigational aids.

This month in Hay River, the Government of the Northwest Territories and Government of Canada announced an investment of \$19.5 million under the Oceans Protection Plan to procure four double-hulled barges. The addition of these four barges to the Marine Transportation Services fleet will optimize delivery to communities by providing increased reliability and efficiency, while providing enhanced protection to help mitigate risks to the environment. As well, the Government of Canada announced a significant investment in harbor infrastructure in Hay River. This investment includes the construction of new floating docks and an extension of the concrete marginal wharf.

These announcements advance our mandate commitments and mark an important milestone in the future of marine operations in the North. This funding will help to stabilize the cost of living, provides increased protection of the marine environment and support the efficiency of resupply to the NWT's marine-serviced northern communities.

Mr. Speaker, the Government of the Northwest Territories remains committed to the safe and efficient delivery of marine resupply services to communities. We will take this year's challenges as an opportunity to learn and improve our operations in order to prepare for a successful season next year. We will also continue to investigate additional opportunities to partner with the federal government to invest in the marine sector to capture economic opportunities, improve marine landings, enhance charting, and improve navigation along our key marine corridors.

Thank you, Mr. Speaker.