

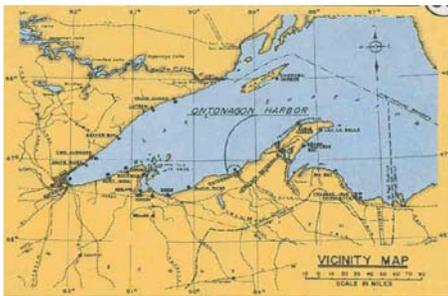
PROJECT FACT SHEET
February 2007

PROJECT: Ontonagon Harbor Channel Extension, Ontonagon, Michigan

DESCRIPTION: Ontonagon Harbor, Michigan, is located along the far west side of the Michigan's Upper Peninsula about 140 miles east of Duluth, Minnesota, on the south shore of Lake Superior, at the mouth of Ontonagon River. The Michigan Department of Transportation has relocated the M-64 highway bridge to a new location approximately 2,600 feet upstream. The Village of Ontonagon has requested that the Federal Navigation Channel be extended 1,000 feet upstream since the bridge was moved. The Village is concerned because currently there is only one commercial carrier that is able to unload coal in the harbor.

CONGRESSIONAL INTEREST: Representative (D) Bart Stupak (MI-1)

LOCATION MAP & PICTURE:



NON-FEDERAL PROJECT SPONSOR: Village of Ontonagon (POC Penny Osier, Village Manager 906-884-2305)

PROJECT AUTHORITY: Section 107 of the River and Harbor Act of 1960, as amended.

FUNDING:	<u>Total</u>	<u>Federal</u>	<u>Non-Federal</u>
Current Working Estimate	\$344,500	\$222,250	\$122,250
Funds Allocated prior to FY07	184,000	184,000	0
Funds allocated in FY07	0	0	0
FY08 Budget	0	0	0
Funds that could be used in FY08	0	0	0
Funds required to complete (> FY08)	160,500	38,250	122,250

STAGE: Feasibility

STATUS: The Fact Sheet recommends No Further Action as No National Economic Development (NED) benefits could be found for extending the Federal navigation channel upstream of its current limit. A preliminary Fact Sheet was initially prepared for the project, but without the economic benefits, pending further evaluation by local agencies. The economic benefits analysis has now been completed, but no additional benefits could be derived to support the Federal project; only regional, commercial benefits would be realized. The likely BCR is well below unity unless regional benefits are included. The benefits accrue directly to only one company, Smurfit-Stone Corporation, and to the community, so they cannot be considered NED benefits. Using Regional Benefits, the BCR range is between 1.9 to 3.2. LRE submitted the preliminary assessment (CAP Fact Sheet) to LRD on May 27, 2004 for approval of the No Further Action recommendation. LRE would submit the preliminary assessment (CAP Fact Sheet) to LRD, HQ and ASA(CW) for discussion. Conduct issue resolution conference with ASA(CW) and HQ prior to initiation of cost-shared feasibility phase. Upon completion and approval to proceed, execute FCSA and prepare DPR within funds available. However, there has been a moratorium on signing any FCSAs in FY06 and FY07.

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