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Federal Interests Should Receive More Consideration under the Forest Highway Program. CED-77-130; B-164497(3). October 13, 1977. 13 pp. + appendix (1 pp.).

Report to Secretary, Department of Agriculture; Secretary, Department of Transportation; by Henry Eschwege, Director, Community and Economic Development Div.

Issue Area: Land Use Planning and Control: Federal Programs Concerning Non-public Lands and Related Resources (2307); Transportation Systems and Policies: National Highway System (2409).

Contact: Community and Economic Development Div.

Budget Function: Commerce and Transportation: Ground Transportation (404).

Organization Concerned: Federal Highway Administration; Forest Service.

Congressional Relevance: House Committee on Public Works and Transportation; Senate Committee on Public Works.

Authority: Federal Aid Highway Act of 1970 (P.L. 91-605; 84 Stat. 1713; 84 Stat. 1737; 23 U.S.C. 101(a)). Federal Aid Road Act of 1916. Federal Highway Act of 1921. 23 U.S.C. 244(b). 23 U.S.C. 205(b). 23 C.F.R. 660 et seq.

The forest highway program, as currently administered by the Federal Highway Administration (FHA) and the Forest Service, is not meeting the Forest Service's needs for managing the national forest resources. Findings/Conclusions: Forest highways total about 22,000 miles and are of special Federal interest because they link the national forests to the Federal-aid highway system. The Congress, in establishing the forest highway program, expressed a special interest in providing access to Government-owned national resources as well as for the benefits of communities in or near national forest boundaries. Incremental administrative and legislative changes in the forest highway program between 1970 and 1977 have changed the program's focus from Federal control to State control and have lessened the Forest Service's input. As a result, forest highway funds were devoted to roads of primary importance to the States and had little or no relation to national forest transportation needs. Recommendations: The Secretaries of Agriculture and Transportation should direct the FHA and the Forest Service to jointly develop and issue specific criteria for selecting projects meriting forest highway funding and should jointly develop proposed legislation to permit those forest roads that were formerly considered forest highways to be eligible for funding under the forest highway program. (SC)

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UNITED STATES GENERAL ACCOUNTING OFFICE

Federal Interests Should Receive More Consideration Under The Forest Highway Program

Forest highways total about 22,000 miles and are of special Federal interest because they link the national forests to the Federal aid highway system. However, the forest highway program is not meeting the U.S. Forest Service's needs.

For example, some 3,700 miles of forest roads now ineligible for Federal funding are expected to deteriorate because of legislative and administrative changes between 1970 and 1977.

Although the Federal Highway Administration and the Forest Service are jointly responsible for developing program regulations, they have not made sure that Federal interests are adequately considered when State and Federal officials make project selections.



UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

IN REPLY
REFER TO:

COMMUNITY AND ECONOMIC
DEVELOPMENT DIVISION

B-164497(3)

The Honorable
The Secretary of Agriculture

The Honorable
The Secretary of Transportation

We surveyed the Federal Highway Administration's management of the forest highway program and observed a need to:

- Issue specific criteria for selecting projects meriting forest highway funding.
- Develop proposed legislation to permit those forest roads that were formerly considered forest highways to be eligible for funding under the forest highway program.

Our recommendations, if implemented, should help make sure that greater consideration is given to Federal interests in financing forest highway improvements.

We made our survey at the Highway Administration's headquarters, Washington, D.C., and its division offices in Oregon and Washington responsible for designing and supervising forest highway construction. We reviewed (1) applicable Federal highway laws and regulations, (2) Highway Administration policies and procedures for managing forest highways, and (3) Highway Administration guidance to field offices for project selection, design, and construction. We interviewed U.S. Forest Service officials and reviewed their records and reports. We also interviewed State transportation department representatives responsible for administering forest highway programs in Oregon and Washington.

PROGRAM HISTORY

In 1891, the Congress authorized the creation of forest reserves, now called national forests. Forests were to be

conserved to assure a permanent national timber supply, to preserve scenic and wilderness areas for recreational use by the public, and to safeguard the steady flow of streams that supplied water for domestic, farm, and industrial use.

Federal participation in forest road construction began when the Congress passed the Federal-aid Road Act in 1916.^{1/} Under section 8 of this act, \$10 million (\$1 million per year for 10 years) was appropriated for the " * * * survey, construction, and maintenance of roads and trails within or only partly within the national forests when necessary for the use and development of resources upon which communities within and adjacent to the national forests are dependent * * * ."

It was not until the passage of the Federal Highway Act of 1921 2/ that two types of forest roads were defined:

- Forest roads and trails of primary importance for the protection, administration, and utilization of the national forests, now called forest development roads and administered by the U.S. Forest Service (Department of Agriculture).
- Forest roads of primary importance to the States, counties, or communities within, adjoining or adjacent to the national forests, now called forest highways and administered chiefly by the Federal Highway Administration, although the Highway Administration shares several administrative responsibilities with the Chief of the Forest Service.

Currently, there are 22,000 miles of public roads in 40 States and Puerto Rico designated as forest highways. (See app. I.) These highways are also a part of other Federal-aid systems, such as the primary or secondary systems. Forest highways and forest development roads form a system essential to the orderly development, management, protection, and use of invaluable forest resources.

PROGRAM MANAGEMENT

The Highway Administration manages the forest highway program. The regulations governing the program, 23 C.F.R. 660 et seq., are recommended by the Federal Highway

1/ Act of July 11, 1916, ch. 241, 39 Stat. 355.

2/ Act of November 9, 1921, ch. 119, 42 Stat. 212.

Administrator and the Chief of the Forest Service and jointly approved by the Secretaries of Agriculture and Transportation.

Apportionment of forest highway funds among the States is based on the value and area of national forest land within the State, compared with national totals of the value and area of federally owned national forest lands. Areas and values currently in use are those certified by the Secretary of Agriculture as of June 30, 1955. Since no State matching funds are required, forest highway funds are generally not turned over to the States for expenditure or reimbursement of expenditures as is done in the case of regular Federal-aid highway funds.

Forest highway regulations require Highway Administration division administrators to request that the States annually develop and submit a list of proposed forest highway projects. Highway Administration officials said that development of a similar list of proposed projects by the Forest Service is optional, and that, while some regional Forest Service officials prepare a list of projects others do not. Officials from the Highway Administration, the Forest Service, and the State highway departments meet yearly to select forest highway projects for funding.

Before construction is undertaken on any forest highway project, the regulations require that an agreement be executed between the States or counties and the Highway Administration to define the responsibilities of each party. Today, the Highway Administration directly designs and constructs approximately two-thirds of the forest highway projects. The Highway Administration obtains State cooperation for construction of the remaining projects. Under cooperative agreements, the States generally provide all rights-of-way and maintenance functions.

The annual forest highway authorization has remained at \$33 million since fiscal year 1960. Forest highway improvements may also be financed by a combination of forest highway funds, regular Federal-aid highway funds, State and county funds, emergency relief funds, and public lands funds--however, they must compete with other highway needs.

Forest highway funds expenditures averaged about \$20 million per year during fiscal years 1973-75. In fiscal year 1976 expenditures more than doubled to nearly \$48 million. Yet, despite this upward trend in forest highway expenditures unresolved problems (that were first identified by the Forest Service in 1974) have limited the program's effective operation.

FEDERAL INTERESTS IN FOREST HIGHWAYS
NOT BEING ADEQUATELY CONSIDERED

In March 1976 the Forest Service reported to the Highway Administration that:

"The most recent highway legislation and reclassification of systems has changed the Forest Highway Program and system into essentially a subsystem of the Federal-Aid Highway System and a program whereby 100 percent Federal funding can be used on State-selected Federal-aid roads. As a result, the states highest priority roads are not necessarily those of highest priority to meet the purposes of which the Forest Highway fund was established."

The Forest Service's current position is that it cannot continue to support forest highway program procedures as they now exist.

We reviewed the House and Senate reports and hearings leading to enactment of the 1921 Act. Forest roads were to (1) link or connect State and county roads outside forest boundaries with those inside forest boundaries and (2) enhance the value of national forest resources by providing access roads for the protection and development of these resources.

The following statements from a June 1921 Senate report 1/ fairly presents the philosophy underlying the special Federal interest in forest roads.

"Some 27,000 miles of road within the boundaries of the national forests, estimated to cost \$130,104,791, are necessary to connect the State and county roads leading up to the boundaries of these forests from the outside and for the protection and development of the national forests * * * It seems only fair that the Government, as owner of these lands, should provide sufficient funds to construct roads through and along its own untaxable property * * *."

Sections 204(b) and 205(b) of Title 23 U.S.C. also reflect the fact that the Congress intended the Federal Government to play a central role in the administration and operation of the forest highway program. These sections provide that

1/ S. Rep. 67-134, 67th Cong., 1st sess. 13 (1921).

"Cooperation of States, counties, or other local subdivisions may be accepted but shall not be required by the respective Secretaries."

Our review indicated that the Highway Administration and Forest Service had not developed specific criteria to assist the Forest Service and States in identifying priority projects meriting forest highway funding. Each section following describes how the forest highway program, as presently conducted, allows the States, rather than the Forest Service or Highway Administration, to exert greatest control over project selections. Because of this situation, projects favored by the Forest Service to enhance the value of Federal lands and provide access to timber, recreational, and other forest resources were not being funded. We also noted the existence of conflicting Federal-State views on where forest highway improvements should be made.

Evolution of State control over project selection

In an August 13, 1973, memorandum to division offices, the Federal Highway Administrator expressed concern with the decline in the forest highway program from a high of \$33 million in 1968 to \$16 million in 1974. The memorandum stated that, in view of continuing program decline and the possible adverse effects on the Highway Administration's direct Federal highway construction program staff (such as the necessity for a reduction in force), plans were being developed for transferring forest highway program responsibility to the State highway departments by 1980. The memorandum further stated that this proposed transfer was part of a concerted effort to stabilize the direct Federal highway construction program and eliminate the undesirable effects of large unforeseen program changes.

According to a September 1976 Highway Administration report,^{1/} some States assumed this proposed transfer meant greater State authority, and they began exercising this authority by dominating project selection. The report stated that the States preferred to improve the heavier traveled roads rather than the roads that serve and enhance the value of Federal land.

^{1/} "Direct Federal Highway Programs--An Evaluation," Federal Highway Administration, Department of Transportation, September 1976.

According to Highway Administration officials, the problem was further aggravated in fiscal year 1975 when forest highway funds were included in obligation limitations given to the State highway departments. At that time, States were particularly reluctant to use their limited obligational authority to finance projects of low State importance regardless of their value to the Forest Service. The 1976 report stated that a solution must be found to enable the Government priorities to be recognized in the selection of projects involving 100-percent Federal funding.

Problems surrounding the forest highway program caused the Highway Administration to defer further transfer of program administration to State highway departments in December 1976 until the program's future direction is settled. At that time, program administration had been transferred to Alaska, California, Nevada, and South Dakota. Two of these States-- Alaska and South Dakota--have subsequently transferred program administration back to the Highway Administration.

A Highway Administration official stated that, while the Highway Administration controls the program in all but two States, the States continue to exert the greatest influence over project selection.

Other recent Highway Administration actions may have aggravated the misunderstanding about who should control project selection. For instance, when forest highway funds are apportioned, certificates denoting the exact apportionment amount are transferred to the State highway agencies. Until fiscal year 1975 the certificate stated that the forest highway funds were " * * * apportioned for expenditure in the several States * * * ." Highway Administration budget officials revised the fiscal year 1976 certificate to read that the funds were " * * * made available to the participating States * * * " to reflect the same wording that appears on regular Federal-aid highway fund apportionment certificates.

Also, a June 10, 1977, Highway Administration report 1/ contained the following statement:

"The selection of projects to be financed with forest highway funds is primarily the responsibility of the State highway departments and local political subdivisions."

1/ "Report of Operations 1973-1976, Forest Highway System," U.S. Department of Transportation, Federal Highway Administration.

Both of these actions apparently gave States the impression that they had substantial control over project selection and continue to adversely affect program management. For example, in an August 3, 1977, memorandum to the Chief, Federal Highway Projects Division, the Executive Officer of the Highway Administration's region 10 office reported that:

"The States are continuing to interpret the apportionment letter* * * as authority for the State to control the expenditure of Forest Highway funds; although, in actuality, the Federal-aid Highway Act states that the Secretary will have control of the expenditure of funds, and not the State Highway Department."

The memorandum stated further that:

"In at least one major incident in this Region and at least one other in another, the State advised both FHWA and the Forest Service that either FHWA and the Forest Service must begin playing a lesser role at the Annual Forest Highway Program meeting, or the State would not release any of their obligational authority for Forest Highway projects that were not of top priority to that State."

Unsystematic project selection

Forest highway program regulations provide that projects to be included in the forest highway program shall be based on several considerations, including benefit to the protection, development, management, and multiple use of the national forest, and provision for the maintenance of forest highways existing or under construction.

The Highway Administration, the Forest Service, and State highway departments do not make systematic comparisons among proposed projects because regulations do not assign weight or priority to any of these considerations. Instead, representatives of these agencies, when conducting final deliberations on projects proposed for inclusion in the annual forest highway program, must rely on their own judgment about which considerations receive top priority.

Decisions on where to make improvements are the result of negotiating for favored projects. State officials generally favor improvements designed to alleviate congestion on high-volume highways serving through traffic while Forest Service officials generally favor improvements designed to serve traffic to national forests.

Our discussions with Highway Administration, Forest Service, and State highway officials revealed that there are often wide and varying interpretations by State and Federal officials about which roads should be improved. For example:

--In Oregon, the Forest Service and State's disagreement on where to make improvements produced a tradeoff in which the State received a bridge on coastal route 101 (estimated cost \$3.2 million) while the Forest Service received an improvement to the Cascade Lakes highway in the Deschutes National Forest (estimated cost \$2.8 million). The bridge is to improve traffic flow on a major coastal arterial highway predominantly serving a high nonforest-related traffic flow consisting mostly of residents, tourists, and recreationists visiting the coast. The Cascade Lakes highway primarily serves a low volume of forest-related traffic such as logging trucks and vehicles visiting the forest for recreation.

-- In Washington, \$2 million is being provided for a new bridge and tunnel on State primary highway 20. This route is a major high-volume cross-State highway serving a low volume of forest-generated traffic. While the Forest Service concurred with this project, it identified two more critical forest highway improvements that are not being funded because of State opposition.

A Highway Administration official stated that in instances where the Forest Service and the State officials cannot agree on projects through negotiation, the Highway Administration regional office representative will intervene and cast the deciding vote as a last resort.

Our examination of forest highway regulations, policies, and procedures, and discussion with Highway Administration officials, revealed that there are no specific criteria for final project selection. As a result, no systematic basis exists for selecting forest highway projects and, therefore, no assurance exists that the selected projects are the best candidates for funding under this program.

Highway Administration officials stated that, after considering the Forest Service's position and the program's legislative history, they believe the provision of an adequate road network serving the national forests is primarily a Federal, rather than State, responsibility. Both Highway

Administration and Forest Service officials agree that the Forest Service should play a greater role in forest highway project selection. They recognize, however, that a certain amount of State participation is basic to an effective program.

Highway Administration and Forest Service officials stated that the Secretaries of Agriculture and Transportation have the authority to make the regulatory revisions required to increase the Forest Service's role in project selection. Highway Administration and Forest Service officials said that they are reluctant to initiate such actions because (1) they do not want to lose the States' support for the program, and (2) they prefer to have additional congressional guidance before making major program revisions. To date the Highway Administration and Forest Service have not initiated actions along these lines.

PROBLEMS ARISING FROM RECENT LEGISLATION
AND SYSTEM RECLASSIFICATIONS

As a result of reclassifying Federal-aid highways, about 3,700 miles of highway connecting forest development roads with other Federal-aid highways are no longer eligible for funding under the forest highway program. The Forest Service and the Highway Administration must rely on State and local Governments to make necessary improvements on these roads.

Prior to 1970 forest highways were funded through a Highway Administration appropriation. During this period forest highways were classified as follows:

Class 1--on the Federal-aid primary system.

Class 2--on the Federal-aid secondary system.

Class 3--other forest highways (e.g., State and county roads not on the Federal-aid system).

However, the 1970 Federal-Aid Highway Act ^{1/} changed the funding source to the Highway Trust Fund. This funding change meant that only those forest roads on the Federal-aid system would be considered forest highways eligible for Federal funding. As a result 2,850 miles of class 3 roads were removed from the forest highway system.

^{1/} The Federal-Aid Highway Act of 1970, Pub. L. No. 91-605, Sec. 141, 84 Stat. 1713, 1737 (23 U.S.C. Sec. 101(a)).

It is not clear why the Congress limited Federal forest highway program funding to those forest roads on the Federal-aid system.^{1/} In any event, class 3 roads that were once considered forest highways eligible for Federal funding are, as a result of the legislation discussed above, no longer eligible for funding under the forest highway program.

The 1973 Federal-Aid Highway Act ^{2/} called for realignment of the Federal-aid system by June 30, 1976. To accomplish this legislation, the Highway Administration initiated a national functional road classification study to classify all Federal-aid roads (by volumes of traffic and function served) as either principal arterials, minor arterials, major collector roads, minor collector roads, or local roads. Only roads classified as major collectors or higher qualified as Federal-aid roads. As a result, about 890 miles of forest roads designated as minor collector or local roads lost their status as forest highways and became ineligible for forest highway funding.

We observed the road networks in several national forests and noted that many of the roads no longer eligible for forest highway funds do not meet established road standards and provide a reduced service level; however, they generally provide access for hauling timber to market or visiting recreationists. Both Highway Administration and Forest Service officials agreed that many of the roads now ineligible for forest highway funding are adequate for these current traffic volumes. The officials said that continued neglect will devalue the service level of these roads and create problems in the future (such as road safety hazards and timber harvesting delays). The Forest Service and the Highway Administration, however, lack specific information needed to measure the overall economic effects of the lack of forest highway funding for these minor collector or local routes on the development and use of national forest resources. The Forest Service has started developing some information.

Forest Service and Highway Administration officials stated that because States and counties place low priority on these roads needed improvements resulting from heavy timber

^{1/} The Federal-Aid Highway Act of 1970, Pub. L. No. 91-605, Sec. 141, 84 Stat. 1713, 1737 (23 U.S.C. Sec. 101(a)).

^{2/} The Federal-Aid Highway Act of 1973, Pub. L. No. 93-87, 87 Stat. 250.

truck and recreational traffic will not be made and maintenance will be minimized or neglected. In some instances, however, States and counties have used their own funds to maintain minor collector or local forest roads that serve a public function (such as school bus and mail delivery routes).

Efforts to resolve funding problems

In February 1976 the Forest Service and the Highway Administration formed a committee to redefine forest highways, reassess the forest highway system, identify needs, and prepare proposed changes to the law. This committee requested the Western Association of State Highway and Transportation Officials (WASHTO) to assist in formulating policies and guidelines for a proposed new system.

In late 1976 the Highway Administration and the Forest Service developed a proposed legislative amendment that would eliminate the requirement that forest highways be on the Federal-aid system. Essentially, this proposal would have restored the forest highway definition to its pre-1970 status. The WASHTO did not support the proposed amendment because it believed the revision would have made Highway Trust Funds available for non-Federal-aid roads, thereby diluting the fund.

The legislative proposal was included in the Department of Transportation fiscal year 1977 legislative package submitted to the Office of Management and Budget; however, the administration decided to not propose any new highway legislation and dropped the proposal. After reassessing the forest highway system, Highway Administration and Forest Service officials said that they still believe a legislative change is necessary, and they have resubmitted the same proposal to the Federal Highway Administrator and recommended its inclusion in the administration's Fiscal Year 1979 Federal-Aid Highway bill. As of September 1977 the proposal was awaiting the Highway Administrator's approval.

CONCLUSIONS

The forest highway program, as currently administered by the Federal Highway Administration and the Forest Service, is not meeting the Forest Service's needs for managing the national forest resources.

The Congress, in establishing the forest highway program, expressed a special interest in providing access to Government-owned national resources as well as for the benefit of communities in or near national forest boundaries. Furthermore, the Congress made Federal cooperation with the States a program option rather than a requirement. Therefore, we believe the Congress intended that Federal needs be considered in selecting forest highway projects for improvement.

Incremental administrative and legislative changes in the forest highway program between 1970 and 1977 have changed the program's focus from Federal control to State control and has lessened the Forest Service's input. As a result, forest highway funds were devoted to roads of primary importance to the States and had little or no relation to national forest transportation needs.

We believe the Highway Administration and Forest Service should improve its forest highway selection procedures. Because of limited funds authorized for the program nationwide (\$33 million annually), project development and the selection process should be based on sound criteria to assure that those projects that best meet the program's intent are given top consideration.

Many minor collector or local roads needed for access to national forest resources are no longer eligible for forest highway funds as a result of the recent legislation discussed in this report. These roads are still being used for forest-related traffic (e.g., logging trucks and recreationists), but many are not being maintained due to lacking funds. These roads are expected to gradually deteriorate and cause safety and economic problems to those dependent on them. We believe the present forest highway definition that requires that all forest highways be on the Federal-aid system should be revised. If the definition were revised to its pre-1970 status, it would facilitate the Forest Service's and Highway Administration's development of a more integrated forest road system by funding those links between forest development roads and other Federal-aid highway systems.

RECOMMENDATIONS TO THE SECRETARIES
OF AGRICULTURE AND TRANSPORTATION

We recommend that the Secretaries direct the Federal Highway Administration and the Forest Service to jointly develop and issue specific criteria for selecting projects meriting forest highway funding. We further recommend that

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the Secretaries jointly develop proposed legislation to permit those forest roads that were formerly considered forest highways to be eligible for funding under the forest highway program.

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Copies of this report are being sent to the House and Senate Committees on Appropriations; the House Committee on Public Works and Transportation; the Senate Committee on Environment and Public Works; the House Committee on Government Operations; the Senate Committee on Governmental Affairs; the House Committee on Agriculture; the Senate Committee on Agriculture, Nutrition, and Forestry; and the Director, Office of Management and Budget.

As you know, section 236 of the Legislative Reorganization Act of 1970 requires the head of a Federal agency to submit a written statement on actions taken on our recommendations to the House and Senate Committees on Government Operations no later than 60 days after the date of the report and to the House and Senate Committees on Appropriations with the agency's first request for appropriations made more than 60 days after the date of the report.

Sincerely yours,



Henry Eschwege
Director

MILEAGE OF THE NATIONAL FOREST
HIGHWAY SYSTEM (BY STATE)

<u>Region, State, or Territory</u>	<u>Mileage</u>
<u>West:</u>	
Alaska	388.7
Arizona	1,004.7
California	2,135.3
Colorado	1,299.1
Idaho	819.8
Montana	1,014.4
Nevada	331.0
New Mexico	701.4
Oregon	1,316.4
South Dakota	281.1
Utah	655.1
Washington	726.6
Wyoming	559.7
Total - West	<u>11,233.3</u>
<u>East:</u>	
Alabama	372.1
Arkansas	656.1
Florida	207.1
Georgia	397.4
Illinois	319.0
Indiana	101.2
Kentucky	300.0
Louisiana	290.8
Maine	32.7
Michigan	1,162.8
Minnesota	814.6
Mississippi	550.2
Missouri	909.9
Nebraska	30.5
New Hampshire	123.2
North Carolina	684.5
Ohio	98.7
Oklahoma	115.3
Pennsylvania	237.4
South Carolina	548.1
Tennessee	436.1
Texas	416.2
Vermont	110.8
Virginia	817.1
West Virginia	508.4
Wisconsin	466.5
Puerto Rico	31.5
Total - East	<u>10,748.2</u>
GRAND TOTAL	<u><u>21,981.5</u></u>