

Highlights of [GAO-12-45](#), a report to the Subcommittee on Transportation, Housing and Urban Development, and Related Agencies, Committee on Appropriations, House of Representatives

## Why GAO Did This Study

The Federal Highway Administration (FHWA), within the U.S. Department of Transportation (DOT), administers the Emergency Relief Program to provide funds to states to repair roads damaged by natural disasters and catastrophic failures. In 2007, GAO reported that in recent years states' annual demand for emergency relief funds often exceeded the program's \$100 million annual authorization from the Highway Trust Fund and required supplemental appropriations from general revenues to address a backlog of funding requests from states. GAO recommended that FHWA tighten eligibility standards and coordinate with states to withdraw unneeded emergency relief funds, among other actions. For this report, GAO reviewed (1) Emergency Relief Program funding trends since 2007, (2) key program changes made in response to GAO's 2007 report, and (3) the extent to which selected emergency relief projects were approved in compliance with program eligibility requirements. GAO reviewed projects in New York, Texas, and Washington state, states selected based on the amount and frequency of funding allocations since 2007, among other factors.

## What GAO Recommends

GAO makes several recommendations including that FHWA establish (1) time frames to limit states' requests for emergency relief funds and to close completed projects and (2) standardized procedures for reviewing emergency relief documentation and making eligibility decisions. DOT provided technical comments on project time frames and costs which GAO incorporated as appropriate.

View [GAO-12-45](#) or key components. For more information, contact Phillip R. Herr at (202) 512-2834 or [herrp@gao.gov](mailto:herrp@gao.gov)

# HIGHWAY EMERGENCY RELIEF

## Strengthened Oversight of Project Eligibility Decisions Needed

### What GAO Found

From fiscal years 2007 through 2010, the Emergency Relief Program received about \$2.3 billion, of which \$1.9 billion came from three supplemental appropriations compared with about \$400 million authorized from the Highway Trust Fund. FHWA allocated this funding to 42 states and 3 territories to reduce the backlog of funding requests, with \$485 million in unfunded requests remaining as of June 2011. This backlog list did not include funding requests for August 2011 damages from Hurricane Irene. Because the program lacks time frames to limit states from requesting funds years after events occur, the June 2011 backlog list includes about \$90 million for events that occurred prior to fiscal year 1994. Without time limits for emergency relief funding requests, FHWA's ability to anticipate and manage future program costs is hindered.

In response to GAO's 2007 report, FHWA withdrew about \$367 million of unobligated emergency relief funds from states and redistributed most of this funding for other emergency relief needs. However, additional funding remains unused, including (1) at least \$63 million allocated to states before fiscal year 2007 that has yet to be obligated to projects and (2) \$341 million obligated between fiscal years 2001 and 2006 that remains unexpended. Due to a lack of time frames for states to close-out completed projects, FHWA lacks project status information to determine whether unexpended funding is no longer needed and could be deobligated. FHWA has not addressed GAO's 2007 recommendation to revise its regulations to limit the use of emergency relief to fully fund projects that have grown in scope and cost as a result of environmental or community concerns. The Emergency Relief Program faces the continued risk of escalating costs due to projects that have grown in scope beyond the program's goal of restoring damaged facilities to predisaster conditions.

GAO's review of 83 emergency relief project files in three FHWA state offices found many instances of missing or incomplete documentation—as such, GAO was unable to determine the basis by which FHWA made many eligibility determinations. For example, about half of the project files did not include required repair cost estimates, and 39 of 58 (67 percent) emergency repair projects approved for 100 percent federal funding did not contain documentation of completion within 180 days—a requirement for states to receive 100 percent federal funding. FHWA lacks clear requirements for how states submit and FHWA approves key project documentation, which has resulted in FHWA state offices applying eligibility guidelines differently. Establishing standardized procedures for reviewing emergency relief documentation and making eligibility decisions would provide greater assurance that projects are in fact eligible and that FHWA makes eligibility determinations consistently and transparently.

#### Instances of Missing or Incomplete Emergency Relief Project Documentation

GAO-identified areas of concern regarding eligibility	Instances
Missing or incomplete detailed damage inspection reports	47 of 83
Missing repair cost estimates	42 of 83
Missing or incomplete dates for 100 percent federal funding projects	39 of 58
Missing documentation for specific improvements	6 of 15

Source: GAO analysis of Emergency Relief Project documentation in three FHWA state offices.