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SIMPLIFICATION OF FEDERAL-AID HIGHWAY PROGRAMS

by F. C. TURNER,
Federal Highway Administrator

Presented to The AASHO Committee on
Administrative Practices,
Houston, Texas — November 10, 1970

Red tape is a topic that is getting a lot of attention not only in the Federal Highway Administration and State Highway Department but throughout all levels of government. I am pleased to report to you today on what we have been doing to eliminate or reduce red tape in administering the highway program.

Before I discuss specifically what FHWA, in conjunction with AASHO, has been doing to eliminate or reduce red tape, let me briefly discuss the Federal government's overall effort to simplify and decentralize the administration of grant programs.

In March 1969, President Nixon established the Federal Assistance Review (FAR) program and directed all Federal agencies to begin a three year program to reduce the complexities of Federal procedures and to decentralize Government operations.

The President's program to simplify and decentralize the complex Federal machinery, which was placed under the leadership and guidance of the Office of Management and Budget, was broken down into three categories.

First, action was taken to establish 10 common Federal regional boundaries, especially the human resource agencies such as Health, Education and Welfare, Housing and Urban Development, Labor, Office of Economic Opportunity, and Small Business Administration. This concept is based on the philosophy that a consistent regional structure will make it easier to respond on a coordinated basis to the comprehensive physical, social, and economic planning of a community. Decision has not been made as to the extent FHWA will be asked to make its Regional boundaries comply with this new structure.

Second, the important step of drawing together related department units or programs within a region has been undertaken by establishing Regional Councils. The concept of the Regional Councils will implement the President's commitment to greater decentralization of Federal decision-making through interagency field coordination and problem solving.

and more consistent Federal policies in dealing with State and local governments.

Third, the most emphasis has been and will continue to be placed on simplifying procedures and decentralizing program authority. One of the most perplexing problems in bureaucracy is the attitudinal problem. Most people in a large organization control such a small piece of the total process that they cannot begin to realize the overall problem of inefficiency. Each person tends to conceive of his own little piece as the whole, which results in considerable overlap where the pieces meet. This problem prevails in all levels of government — Federal, State and local.

Relative to other Federal domestic programs, we feel the administration of the highway program fares rather well. This success is largely due to our long standing Federal-State partnership approach to administering the Federal-aid highway programs. However, there is still much that needs to be done to *eliminate* the unnecessary red tape that yet prevails in our daily operations, and to *simplify* the rest of it.

We enthusiastically undertook the President's Federal Assistance Program and proceeded to comprehensively review our current procedures with the expectation of making improvements. It was found that the average Federal review time for highway projects is about 55 days between initiation of the project and the time it is reported completed, a total time elapsed of nearly 4 years, according to recent surveys. Therefore, Federal approvals take about 4 percent of total project time. Suggestions made as a result of this review would eliminate 10 days of the project review time on the average. Although this would represent a significant times savings considering that approximately 8,000 Federal-aid projects are undertaken each year, the biggest payoff from procedural reform would result by simplifying project clearance and approval action taken prior to authorization to acquire right of way.

This brings me to the subject of the joint AASHO-FHWA work to reduce red tape. Last February the Legislative and Administrative Policy Subcommittee of the AASHO Executive Committee met with FHWA representatives to identify discussion and study areas in an effort to reduce some of the detail in the administration of the Federal-aid program. This joint effort is referred to as the "Red Tape" Committee. Out of this meeting came the establishment of five functional area task groups. These task groups are as follows:

TASK FORCE A — General administrative and planning procedures — Chairman, Dave Stevens

TASK FORCE B — Right of way and relocation — Chairman, W. J. Bermeister

TASK FORCE C — Engineering and Safety — Chairman, C. E. Sluonate

TASK FORCE D — Topics — Chairman, J. A. Legarra

TASK FORCE E — Audit procedures—Chairman, W. R. Hjelle

Through A. E. Johnson's office, each State Highway Department was requested to submit comments, suggestions, and/or criticisms of any regulation or procedure relating to the Federal-aid highway program. At AASHO's request, staff work on these suggestions was done by FHWA and compilation of all State suggestions was prepared for task force usage.

Task Force "A," general administration and planning, met in July and out of this meeting came the identification of four high priority areas in which further investigation of Federal aid procedures might lead to procedural improvement. These high priority areas are:

- (1) Procedure for AASHO review of proposed directives before issuance.
- (2) Codification of all FHWA regulations.
- (3) Review of all actions, clearances, etc., required prior to authorization to acquire right of way.
- (4) Review all data and reporting requirements.

We have recently prepared a proposed procedure which will provide significant FHWA directives to be submitted to AASHO for their review and comments before issuance. This proposal has been circulated to all Task Force "A" members. This procedure will be formalized very soon. I might add that many of our PPM's have resulted from joint action with AASHO Committee. It may appear that because we don't accept all comments received that we are not working cooperatively with AASHO. It is still our responsibility to settle upon a version that is in accordance with law and regulation, still remain administratively workable, and provide for uniformity in our relations with the States. Nevertheless I am pleased that we are formalizing our procedure to ensure that AASHO has the opportunity to become involved in the directive before issuance.

Task Force "A" has also prepared a topical index of FHWA directives to serve as a guide to persons that work with the various PPM's, IM's, etc. This index is now being processed and will be distributed to all State Highway Departments and FHWA offices very shortly.

In still another effort to simplify the FHWA directives system, we have recently eliminated the Administrative Memorandum series and circular memorandums. The present directive system includes

PPM's, IM's, FHWA Orders and FHWA Notices. It has long been our intent that the PPM series would form "manuals" such as has been recommended by many of the States. It has been our policy to consolidate in the PPM series all other series such as IM's. An example of this type of consolidation has been the 80 series on right of way.

Another priority item established by Task Force "A" was the review of all data and reporting requirements. The first step in this effort is to inventory our current requirements. This task is underway and the inventory will be completed this month.

Following the inventory a review group will determine how each required report is used, and will propose elimination or simplification where possible. This is a time consuming process, but some progress can be expected early in 1971.

This review of reporting requirements is very timely since there is a Government-wide effort to reduce total costs of Federal reporting and paperwork by about \$200 million over the next 12 months.

The one Task Force "A" priority item which has received discussion across the range of task forces is the possibility of revising the programming procedures from a project basis to a functional or program basis.

For a short-range goal, investigation is underway of elimination of duplication of approvals resulting from BOB A-95 Clearinghouse requirements. A long-range goal which will give a major payoff in reducing red tape, is the placing of programming approval on a functional or program basis rather than a project basis. This will be a most time consuming task to complete, but the possible benefits warrant such an effort. Further State-Federal action groups will be needed for this investigation.

Task Force "B" on Right of way and Relocation, has had two meetings. The first meeting was held on April 14 to review a proposed revision of PPM 80-3, dealing with right of way appraisals. This revision was issued on May 19.

The second meeting was held on June 17 to review our proposals for revisions to IM 80-1-68 on relocation assistance. By means of subsequent correspondence and discussions, a draft was prepared and forwarded on September 8 to the AASHO Executive Director for referral to the AASHO members of the Joint Committee. Their comments have been returned to FHWA and after consideration by our staff, a revised IM has been issued and should be available by the time you return home.

Task Force "C" has not yet become fully operational.

Task Force "D", TOPICS Procedures met in San

Francisco on September 10 to discuss and make recommendations for possible simplification of TOPICS procedures. The following two proposals were recommended by this group:

(1) "The costs involved in preliminary and construction engineering for a TOPICS projects are eligible for Federal participation using TOPICS funds subject to both State and Federal audits. Since many of the smaller local jurisdictions do not record engineering costs on a project-by-project basis, it is virtually impossible for such jurisdictions to qualify their engineering costs on a TOPICS project under existing audit procedures.

"To assist such local jurisdictions as above, it is recommended that Federal directives be modified to permit each local jurisdiction at its option to obtain Federal TOPICS fund participation in preliminary and construction engineering costs on a fixed percentage basis without necessity for a 'showing' of audited costs of previous Federal-aid projects as required by PPM 30-2.1 in the case of Construction Engineering. It is suggested that this fixed percentage could be based on an arbitrary figure or on a State's experience which is usually readily available.

(2) "Existing directives and procedures for the clearing of consultants and documentation of their qualifications for use in the TOPICS program are, as far as local jurisdictions are concerned, too involved and time consuming. Since such consultant agreements are in fact contracts between the city or county or local jurisdiction and the consultant, it is felt that concurrence therein by the States is all that should be required.

"It is, therefore, recommended that Federal directives be revised to provide for delegation of the matter of consultant selection and clearance to the Division Engineer of the FHWA."

These recommendations are now being considered by the appropriate offices in FHWA.

Task Force "E", Auditing Procedures, met in Chicago on September 8 to discuss and recommend possible simplification of auditing procedures. Out of this meeting came the following suggested areas of action:

(1) Replace project agreements by annual program or fund agreements.

(2) Suggest that each State have its own internal audit capability and request support of a pending BOB effort to make this a requirement for Federal aid.

(3) Review the present statistical requirements of PR-37 and eliminate that which is no longer needed.

(4) Eliminate form PR-186 pertaining to accrued unbilled costs.

(5) Simplify the handling of railroad and utility agreements.

(6) Recommend all Federal agencies adopt one position on participation in administrative costs.

(7) Review PPM 80-1 and PPM 30-6 to determine whether it is now necessary for State highway departments to submit all data which now must accompany program and final vouchers rather than permitting the States to have this information available in the State highway departments for review.

All of these suggestions are under consideration and a former BPR employee, Frank Alexander, has been engaged on a consultant basis to explore the project agreement and PR-37 problems for me.

In addition to the above suggestions, State highway departments had sent in 11 other suggestions. Members of the Task Force from the State highway departments said that nine of the suggestions were State-oriented problems isolated to the State which submitted the problem and not of general concern.

The two remaining recommendations pertained to the length of time for retention of documents. GAO has recently approved a FHWA plan which will give the State highway departments some relief from requirements of keeping financial records in connection with the reimbursement of Federal aid to the States. States were previously required to keep many records 10 to 15 years. The new retention period will be reduced to 4 years, resulting in significant dollar savings to both the Federal and State governments. The GAO decision may have a far-reaching effect in that the FHWA offers a breakthrough and a precedent to be followed by other agencies involved in grant-in-aid programs.

There will be a meeting in Washington early in January of the full Joint Committee to review the reports of the Task Forces and project future plans.

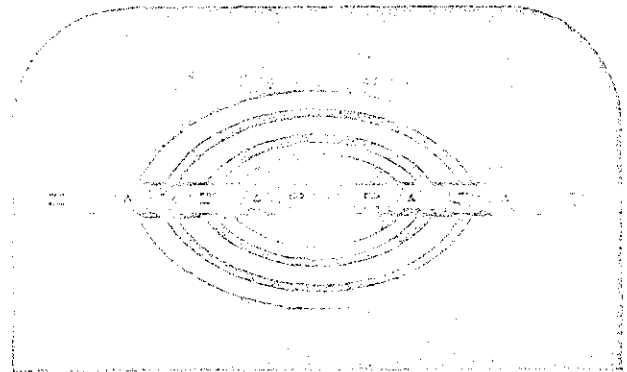
Let me turn briefly to the subject of decentralization within the Federal Highway Administration. Since 1956, when Secretary Volpe was then the Federal Highway Administrator, the responsibility for all normal project-level Federal-aid decisions has been delegated to the Division offices. This delegation of authority has proved to be a wise move in light of the increased highway program since that date.

During the six-month period of January 1 — June 30, 1970, a survey was made to determine the number of projects referred to the Washington office for approval. Of 5,515 authorizations to States to proceed with work, only 217 or 4 percent were submitted to Washington prior to approval. Of the 217, 154 were required to be submitted to the Washington of-

ice for approval. The others were submitted for advice.

In summary, this six month survey reflects that 97 percent of all project authorizations were approved in the field office. I know of no other Federal agency which can match this record, yet we are continuing our efforts to push that 97 percent even higher.

I have described many areas in which we in the FHWA, separately and jointly with AASHIO, are seriously working to eliminate and simplify the unnecessary and costly procedures which now exist. If this is to be a partnership approach for the elimination of red tape, then it is incumbent upon the States to review their own procedures and take effective steps to modernize and update them. Results of this comprehensive AASHIO-FHWA red tape effort should provide typical models which States could adopt or modify to modernize their present procedures. It is absolutely incumbent upon all of us to rid ourselves of the unnecessary paperwork and procedures and get on with the job of improving our transportation systems. ☆



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