

APPENDIX II

I. DEFINITIONS

Following are definitions of terms found in the Cooperative Road Agreement or this Appendix:

Agreement – Common term for the State of Idaho/Forest Service Road Right-of-Way Construction and Use Agreement containing the general requirements of the Agreement.

Balance Sheet – A listing of the obligations, payments, and offsetting of excess costs for each supplement.

Closed Construction Permit – A permit that has been terminated.

Collection Right – Right of the constructing party to recover excess costs incurred on behalf of the cooperating party on an as-hauled basis.

Commensurate or Proportionate Share – Proportion of costs appropriate and assignable to the specific user of a road.

Commercial Recreation Traffic – Traffic generated by authorized recreation related use of lands or facilities where the primary purpose is the sale of goods or services or where recreation events are authorized and an entry fee or participation fee is charged, regardless of whether or not the use or event is intended to produce a profit.

Construction Cost – The cost of constructing or reconstructing a road or structure.

Contribution Value – The difference between the current cost of constructing a new road to standard and the current cost of reconstructing an existing road to the same standard..

Cooperating Party – Party or parties which have entered into an “Agreement.”

Cost Guide – Cost estimating guide for road construction/reconstruction based upon recent contract bid history. Use “best available costs.”

Cost Recovery – A method by which a road owner can recoup road cost by charges to a user for temporary use of the road.

Cost Share – Common term for cooperative road construction and use; the process of cooperating in the joint construction, use, and maintenance of a road or road system.

Cost-to-Cure – The additional cost to correct unsatisfactory features (i.e., after grade culvert installations, slash in fills, etc.) to be deducted from the value of the existing road.

Credit – Assignment of excess cost to a cooperating party.

Deferred Maintenance – Work that is deferred one or more years until such time as the work is needed or can be economically or efficiently performed.

Engineering Cost – Cost of engineering a road or structure including survey, design, testing, and inspection.

Engineering Cost Estimate or Appraisal – An estimate of the total construction cost of a road or structure using common engineering principles and cost data collected for similar work.

Excess Cost – That portion of the project cost which is over and above the constructing party's commensurate share.

Existing Road Value – The current cost of replacing a road with one of equal use, less a deduction for depreciation of structures, road surface, and so forth.

Land Value – Current value of the land within the right-of-way as estimated by qualified State or Forest Service personnel.

Offsetting – Process in which one party does construction or reconstruction on a road in excess of its share to compensate for construction or reconstruction done by another party in excess of its share.

Raw Land Easement – Easement not involving an existing road.

Reconstruction – Activity that results in improvement or realignment of an existing road as follows:

- a) Road Improvement – Activity that results in an increase of an existing road's traffic service level, expansion of its capacity, or a change in its original design function.
- b) Road Realignment – Activity that results in a new location of an existing road or portions of an existing road and treatment of the old roadway.

Recurrent Maintenance - Work that is needed on a continuing basis with accomplishment annually or more frequently.

Replacement/Reproduction Cost – The Current cost of constructing an equivalent road with depreciation deductions.

Restoration – Work necessary to rebuild a road to its previously approved traffic-service level due to damage caused by unusual natural events such as floods.

Road - All travelways created or evolved routes greater than 500' long and driveable by a conventional passenger car or pickup.

Road Abandonment - Closing of a road to traffic and returning the area to resource production. No future use of the land as a road is envisioned; easements are terminated; and the road is removed from the transportation system.

Road Maintenance - The performance of work activities needed to preserve or protect a roadway including surface, shoulders, roadside, structures, and such traffic-control devices as are necessary for its safe and efficient use to the standard provided through construction, the most recent reconstruction, or other condition as agreed.

Road Standard – The road as described and documented in the road plans, drawings, and specifications included in the most recent applicable supplement to the Road Right-of-Way Construction and Use Agreement. This description is expressed in measurements, items, and details included in the plans and specifications.

Road Storage – The process/action of closing a road to vehicle traffic and placing it in a condition that requires minimum maintenance to protect the environment and preserve the facility for future use.

Share – A party’s commensurate financial obligation or interest in a road/facility under the terms of the Road Right of Way Construction and Use Agreement.

Structural Depreciation – Reduction in a structure’s (culvert, road, gate, bridge, etc.) reproduction/contribution value due to normal usage and wear.

Third Party – Owner of land, usually industrial or other large private landowners, other than the “Cooperative Parties.”

Traffic Service Levels – define a road’s significant traffic characteristics and operating conditions. These levels are identified as a result of transportation planning. There are four different traffic service levels and are further defined in Forest Service Handbook for Road Pre-Construction Engineering. The levels reflect a number of factors such as speed, travel time, traffic interruptions, freedom to maneuver, safety, driver comfort, convenience, and operating cost.

Tributary Area – The land area that is roaded or eligible for roading or where timber removal is otherwise allowed. The boundary is determined by transportation analysis using breakeven points for timber haul routes for normal logging systems and practicable helicopter logging. Timber production is the primary activity but the area may also include lands managed for other uses.

II. EASEMENTS

- A. Exhibit – The Exhibit combines a visual representation of the easement right-of-way on the ground. The objective of the Exhibit is to identify the road(s) being conveyed to the exclusion of other roads. On a case basis, the Exhibit should exceed the minimum requirements set forth below when conditions exist such as additional, applicable data or complicated landownership such as subdivision.

The Exhibit needs to be complete and legible. It will not be larger than 8 ½” x 12-3/4” in size for recording in the county records. It should show the following information:

1. Identification of land subdivisions crossed
 2. Ownership of all lands crossed
 3. Applicable information such as:
 - a. Ties to corners or monuments
 - b. Centerline description:
 - (1) As graphically indicated on Exhibit
 - (2) A centerline survey of the road geometry is not required. The centerline survey may be used to plot the road location, but centerline survey data should not be included on the Exhibit unless it is agreed to use a centerline survey plat instead of an exhibit.
 - c. Right-of-way width(s)
 4. Acreage occupied by the easement
 5. Numbering of Exhibit sheets; e.g., Page 1 of 4.
 6. North arrow
 7. Block containing:
 - a. Road name and number
 - b. Location of project by section, township, range, meridian, county and state
 - c. Scale
 - d. Preparer’s name
 - e. Approval signature and title, and date
- B. Right-of-Way Width – The normal right-of-way width granted by each party will be 66 feet. Exceptions may be necessary, however, in specific cases.
- C. Alternative Survey Standard - When deemed appropriate by the parties.
- D. Centerline Survey - A survey of the road geometry (centerline survey) is not required. When a centerline survey is available, it should be used to plot the road location, but centerline survey should not be included on the Exhibit unless it is agreed to use a centerline plat instead of an exhibit.

- E. Property Corner and Lines - A diligent search for property corners will be made. Each road shall be tied by field survey methods to at least one found property corner. Ties from property corners to the intersection of the property line with the road centerline are preferred but not mandatory. When the road(s) intersects a property line at only one point, a single tie from one corner to the property line and road intersect is sufficient; additional ties will not be required until the time when the road is extended to cross a property line. When an existing road(s) appears in its true position on a USGS orthophoto or topographic quadrangle map, ties to property corners will not be required.
- F. Accuracy requirements - Typical minimum relative accuracy's achievable under normal conditions are included as a guide to aid in evaluating the quality of corner ties:
- Ties to property entry and exit at section lines or property ownership
 - +/- 20 feet, accuracy.
 - Centerline survey not required.
 - Road can be identified on a USGS Quad map.

III. COST SHARING PRINCIPLES

- A. Share – The share assigned to each party will be based on its acres of land tributary to the road(s). The Forest Service will assume the share for all other Federal land (Bureau of Land Management, Corps of Engineers, etc.), and the State will assume the share for all State lands. The Forest Service will assume the share for all Third Party shares. If/when the Third Party(ies) join the Cooperative Road the Forest Service will receive all credits from the Third Party(ies).
- B. Land Value – The land value within the right-of-way will be included as a cost to be shared. Land values will be credited to the landowner even when roads are considered proportionately shared. An exception is when an easement has been previously granted to the other party.
- C. Cost Guide – The current Forest Service cost guide will be used for estimating the road costs. An exception is where a previous agreement on the road was entered into and the costs were established at that time.

Engineering costs including pre-construction and construction engineering will be agreed upon by both parties using existing, Region 1 or 4 standards and will be included as a cost to be shared. Costs to be shared shall include such costs as survey, design and staking. Cost may be based on a percentage of the total construction cost or new construction or reconstruction may be based on actual documented costs. Percentages when used depend upon the standard of survey, design, and staking used for a given project. If the standards used to construct an existing road are not known, both parties will agree upon reasonable standards and percentages based on the evidence at hand in order to establish the value of the existing road.

The parties shall share the direct costs of those specialists required by law on the same basis as road construction costs. For the purpose of this Agreement, specialists include those professionals who are not directly involved in the design or construction of the road, whose expertise is necessary to meet the requirements of the National Environmental Policy Act, the National Historic Preservation Act, and other laws or regulations that serve to control, limit, or modify road construction activities. Prior to initiating a Supplement under this Agreement the parties shall agree on any Specialists needed to comply with applicable law and regulation, the method to be used for determining the costs of such specialists, and the party that will provide the same. See Exhibit H for a Critical Path schedule of the Cost Share process.

D. Cost Sharing Existing Roads, Contribution Credit and Excess Cost Credits

1. Land Ownership – National Forest

<u>Road Constructed By (1)</u>	<u>Construction Authorization</u>	<u>Procedures</u>
1. FS (Forest Service)	N/A	Reproduction/contribution costs credited to FS.
2. State	None	Parties considered to have borne their commensurate or proportionate shares.
3. State	Schedule A (with Project Agreement)	Project Agreement costs credited to State.
4. State	Schedule A (without Project Agreement)	Reproduction/contribution costs credited to State.
5. State	Raw Land Easement	Reproduction/contribution costs credited to State.
6. State	Other “closed” construction permit providing for crediting excess costs after termination	Reproduction/contribution costs credited to State.
7. State and FS	None	Normally no reproduction/contribution costs credited to either party. Parties considered to have borne their commensurate or proportionate shares. (May share if the specific work/costs by each party are identifiable.)
8. Unknown or Third Party	None	Reproduction/contribution costs credited to FS.

(1) FS and State includes work performed by third parties under an authorization appropriately granted to the third party by either agency.

2. Land Ownership – State

<u>Road Constructed By (1)</u>	<u>Construction Authorization</u>	<u>Procedures</u>
1. State	N/A	Reproduction/contribution costs credited to State.
2. FS	None	Parties considered to have borne their commensurate or proportionate share.
3. FS	Schedule A (with Project Agreement)	Project Agreement costs credited to FS.
4. FS	Schedule A (without Project Agreement)	Reproduction/contribution costs credited to FS.
5. FS	Raw Land Easement	Reproduction/contribution costs credited to FS.
6. FS	Easement (State has reserved commercial haul rights)	(2) Defer to rights and obligations in easement granted.
7. FS and State	None	Normally no reproduction/contribution costs credited to either party. Parties considered to have borne their commensurate or proportionate shares. (May share if the specific work/costs by each party are identifiable.
8. Unknown or Third Party	None	Reproduction/contribution costs credited to State.
9. State or Unknown	FS has road easement	Defer to rights and obligations in the easement granted.

(1) State and FS includes work performed by third parties under an authorization appropriately to the third party by either agency.

(2) Reserved rights, obligations and road construction/reconstruction activities must be reviewed on a case by case basis to determine whether the State must pay proportionate shares. Some easements reserved commercial haul rights subject to paying proportionate shares of any construction, reconstruction or restoration. This obligation applied only to road work completed after easement was granted and did not apply to the existing road in place at the time of easement conveyance. The rights and obligations of the easement will dictate any obligations.

E. Cost Sharing Existing Roads Previously Authorized by Permit.

1. Landownership – National Forest

<u>Situation</u>	<u>Procedures</u>
State has/had a Road Use Permit (FS-7700-41) and has paid cost recovery fees.	Credit Road Use Permit fees to State. (State assumes share for its prior road use.)

Example:

State has paid \$2,000 in cost-recovery fees for use of an existing National Forest road and will now receive \$2,000 credit in cost sharing.

Calculation of Shares

Share Percentages

State tributary acres	4,000
National Forest tributary acres	6,000
Third Party tributary acres	<u>10,000</u>
Total applicable tributary acres	20,000
State share	20 percent
United States share	30 percent
Third Party share	<u>50 percent</u>
Total percent	100 percent

Costs to be Shared

Miles of road (all on National Forest)	2
Reproduction cost of road (built by FS)	\$30,000
Land value (within right-of-way)	<u>\$5,000</u>
Total cost to be shared	\$35,000

Share Amounts

State \$35,000 x 20 percent =	\$7,000
United States \$35,000 x 30 percent =	\$10,500
Third Party \$35,000 X 50 percent	<u>\$17,500</u>
Total	\$35,000

Net Result

<u>Party</u>	<u>Credit</u>	<u>Share</u>	<u>Excess Cost</u>
United States	\$33,000	\$28,000	+\$5,000
State	<u>\$2,000</u>	<u>\$7,000</u>	<u>\$0</u>
Total	\$35,000	\$35,000	+\$5,000

(United States assumes Third Party share)

The net result is the State owes the United States \$5,000.

IV. METHODS OF PAYMENT

The share of estimated costs to be borne by each party, whether the road is already constructed or is to be constructed, may be paid by one or a combination of the following three methods:

- A. Reciprocal Exchange of Easements (offsetting Credits) When a reciprocal exchange of easement is involved in the project proposal, then the first method of payment used will be the offsetting of credits. Any remaining net credit owed will be paid through methods B or C below:
- B. Cash Payment
- C. Collection Right – The collection right in the easement will be accomplished by haulers paying, at rates mutually agreed upon, as timber or other commercial products are transmitted over the road(s). Such payments shall be collected by the party owing and paid to the other.

To insure a party will have paid its share of costs prior to the removal of all of the timber from its tributary lands, the collection rate will be based on accelerated amortization of costs over 80 percent of the owing party's estimated timber to be hauled over the road(s) in the next 20 years.

V. ROAD RESTRICTIONS

The parties will review the need for any road restrictions for any road cooperatively shared under this agreement. The parties will jointly agree on the method for regulating any applied road restrictions such as gates or other physical barriers. Any road restriction barriers placed on cooperative roads under this agreement shall be of a type that will not unduly interfere with a party's use of the road as provided for in the easements but will meet the purpose for which a road restriction has been deemed necessary.

VI. SPECIAL SITUATIONS.

- A. Cost Sharing for Existing Road. When preparing a supplement for an existing road owned by one party to an agreement, treat the value contributed by the road as a cost the parties share. Determine the amount of credit for the existing road based on ownership rights and its contributed value to the standard of road that meets the needs of the parties. See section VI, B., for valuing roads on acquired easements.

1. Existing Road Not Being Reconstructed. If the present road is adequate to meet the foreseeable needs of the parties to the agreement without reconstruction, the cost to be shared is the replacement cost, less depreciation of the road. The replacement cost, less depreciation of the road, is the present day cost of replacing the road with one of equivalent utility at current prices less a deduction for depreciation. The following costs may be included, as appropriate, in the replacement cost:

a. Cost of clearing, excavating, grading, draining, stabilizing slopes, and surfacing. In most cases, determine such costs by multiplying remaining quantity estimates by appropriate present-day unit costs less the cost of any deferred maintenance.

b. Depreciated cost of structures that meet the needs of all parties, such as bridges and culverts having at least 10 years remaining useful life. Replace or reconstruct inadequate structures or structures with less than 10 years useful life remaining in the initial supplement unless all parties agree to replacement as stage construction in accordance with section VI, D.

c. Cost allowance for preconstruction and construction engineering if not included in paragraphs a and b.

d. Value of land occupied by the easement

e. After determining the appropriate replacement cost less depreciation or contribution value, calculate the shares as outlined in section III.

2. Existing Road To Be Reconstructed. When an existing road is inadequate to meet the foreseeable joint needs of the cooperating parties, the supplement that adds it to the joint road system shall provide for its reconstruction to the minimum standard. The only alternative to immediate reconstruction is stage construction (sec. VI, D).

a. The contribution of the existing road is the difference between the value of a new road constructed to the agreed standard and the cost of reconstructing the existing road to the agreed standard. Determine the cost of constructing a road to the agreed standard using current costs as if it were new construction, but adjust the cost for physical depreciation of the structures or other components that are not new. Subtract from this cost the costs of reconstruction needed to bring the existing road up to the agreed standard. The remainder is the contribution of the existing road.

b. After determining the appropriate contribution value and reconstruction cost, calculate the shares as outlined in section III.

B. Roads and Easements Across Third-Party Lands

1. Where either party acquires a right-of-way across a third-party property that provides all of the rights needed to make the road to be constructed a usable part of the system, and the second-party has no outstanding easement rights, include reasonable acquisition costs, as well as road construction costs, in the costs to be shared.

2. Where the cooperator has an outstanding easement that is permanent and adequate for the cooperator's needs, but does not convey sufficient rights for an exchange of easements under the cost share agreement, the Forest Service will acquire the additional rights needed to make the road a usable part of the system.

- a. If there is no existing road, share the costs of constructing the road but do not include the easement acquisition costs of either party in the costs to be shared.
 - b. If there is an existing road, the parties share the cost of reconstruction but do not share easement acquisition costs or the cost of the existing road. Both parties are considered to have borne their proportionate share of the easement and construction costs for the existing road.
3. Share the road construction cost or contribution value, as appropriate, as if the road was located on land owned by the easement-holding party, where either party has a permanent easement which conveys:
- a. All of the rights needed to grant easements and to control the use by others.
 - b. The authority to permit use by the public.

C. Examples of Cost Sharing Across Private Lands.

1. When the State has an outstanding, permanent, rawland (road not constructed), third-party easement that was acquired prior to the start of project cost-share negotiations and the easement is adequate for State needs but does not convey sufficient rights for an exchange of easements under cost sharing, then:
- a. The United States will secure the necessary additional rights.
 - b. Do not share either party's acquisition cost.
 - c. The State will subordinate or terminate its outstanding third-party easement rights to the United States. If the State chooses to subordinate its outstanding third-party easement, then the State will execute a Consent and Subordination Agreement. In consideration for the grant of a standard form cost-share easement from the United States as provided for in the Agreement, the State will terminate its outstanding third-party easement. This will make the responsibility, rules and regulations uniform over the entire length of the road. The format of Consent and Subordination Agreements, and Termination documents will be agreed upon by the parties.
 - d. Share planned construction.
2. When either party has an outstanding, permanent, rawland, third-party easement and the easement conveys all the rights needed to grant easements to others, control use by other, and authority to permit use by the public, then:
- a. Share reasonable acquisition costs including those for condemnation.
 - b. Share planned construction.

3. When either party has a permanent, existing road, third-party easement that was acquired prior to the start of project cost-share negotiations and the easement conveys all the rights needed to grant easements to others, control use by others, and authority to permit use by the public, then:
 - a. Share reasonable acquisition costs including those for condemnation.
 - b. Credit the easement holder with the contribution value of the existing road.
 - c. Share planned reconstruction.
4. When either party acquires a permanent, existing road, third-party easement after project cost-share negotiations have begun and the easement conveys all the rights needed to grant easements to others, control use by others, and authority to permit use by the public, then:
 - a. Share reasonable acquisition costs including those for condemnation.
 - b. Consider the existing road mutually shared.
 - c. Share planned reconstruction.

D. Stage Construction or Reconstruction.

1. Stage construction or reconstruction may be used when both parties agree to its use. It may be used when an existing road is brought into the Agreement that is adequate for one party's immediate needs but does not meet the foreseeable needs of both parties, and the first party desires to use the road as it exists because of time or money constraints.
2. Stage construction or reconstruction is appropriate in the case of temporary bridges or other structures that still have useful life but need replacement in order to meet the foreseeable needs of both parties. It is also appropriate where existing roads or structures need restoration or partial restoration in order to meet current needs for access or environmental protection, and both parties agree to plan now for additional reconstruction at a later date to meet the parties' long-term needs.
3. When parties agree to stage construction or reconstruction, include the following documentation in the supplement:
 - a. Items on which the parties agree to defer construction or reconstruction. When the parties agree that the items will be deferred longer than 5 years, describe the anticipated standard of the facility or work item deferred and the need for a lower standard over the period of time until the road is constructed to the higher standard.
 - b. Construction specifications and standards for the current construction items.

- c. Construction program with identification of the party responsible for completion of each item and date that each item in the stage construction must be completed.
- d. The stage construction or reconstruction shall plan for construction of deferred items to begin within 5 years and to be completed promptly, unless otherwise agreed.
- e. Agreement by the parties that they are to share costs for all items to be completed within 5 years in the proportion calculated for the original supplement. When the work is to be delayed for a period longer than 5 years, include the agreement by the parties that they will share the cost for the deferred work on the basis stated in section III.

E. Change In Road Standards. Occasionally there is a need to change the road standard(s) to something less than documented in the plans and specifications of the last constructed or reconstructed standard. The changes might include a reduction in road width, a reduction in surfacing depth, and so forth.

1. When a change in road standards is mutually agreeable, take the following steps to document the change and ensure to the parties in an Agreement that the financial interests of the parties are properly managed:

a. Determine the new road standard(s) and document the change in the form of revised typical sections, line diagrams, or specifications as appropriate. Include documentation adequate to identify the new standard; as a minimum, use a typical section and description by road number(s) and mileposts.

b. Reconcile all accounting and records for past supplements (capital investment) and maintenance for the affected roads. The accounting must be clearly documented and agreed upon by all parties. Maintain the required separation between maintenance and capital investment by keeping work items identified as recurrent or deferred maintenance in the maintenance accounting record and documenting capital investment expenditures to change the current road standard in a supplement.

c. Prepare and process a cost share fact sheet and supplement documenting the revised road standard(s) to be used in the future management of the road(s). Capital investments needed to change from the current road standard to the new road standard are treated as construction/reconstruction using the normal cost sharing process. This process allows full use of the financial options available in the Road Right-of-Way Construction and Use Agreement.

e. Update both road maintenance accounting records and excess cost balance accounting records as necessary to reflect the agreement reached. The supplement may be used to document the results of the reconciliation if the parties so desire. Maintenance funds may not be used to offset construction or reconstruction excess costs.

f. Proceed with the joint use, management, and administration of the roads under the new road standard(s).

A typical change in road standard could be a reduction in the depth of rock surfacing. For example, a road was constructed with a surfacing of 6 inches of aggregate surfacing. Party "A" has hauled a large volume and the deferred maintenance records show that Party "A" has a responsibility to replace 3 inches of aggregate surfacing on the road. The parties agree that the road standard can be reduced from 6 inches to 3 inches of aggregate surfacing and meet the future needs of the parties. Update all maintenance accounts to the road standard as documented in the last supplement. In the maintenance account assign the responsibility for the 3 inches of aggregate surfacing to Party "A." Prepare a fact sheet and supplement to document the new road standard. In this example, there are no capital investment costs to achieve the new road standard. Consequently, the supplement would have no construction/reconstruction funds involved.

If the parties wish, the balances of the maintenance work (the 3 inches of aggregate owed) could be documented in the supplement. Note that the deferred maintenance responsibility of Party "A" may be balanced against maintenance work on another road included in the maintenance agreement.

F. Road Storage and Road Abandonment. Road storage or road abandonment may require one or a combination of the following measures:

1. Blocking and draining the roadway. Waterways are to be in a self-maintaining condition and erosion must be effectively prevented.
2. Removing culverts and bridges and reestablishing the natural drainage configuration.
3. Returning the roadway to resource production through natural or artificial revegetation (grass, browse, or trees).

G. Road Storage. When the parties determine that a road will be used in the distant future, the road may be placed in a storage condition. If the standard of the road is changed in the process of placing the road in storage, share the construction/reconstruction cost to achieve the new standard using the normal cost sharing process and document in a supplement (sec. VI, E). When the road standard is not changed, treat the activity as maintenance (traffic or non-traffic generated) and account for it in the annual maintenance plan. Maintain a record of deferred maintenance on the road.

H. Road Abandonment. One or both parties may elect to abandon their interest in a road or road segment.

1. Take the following steps when both parties agree to abandon the road or road segment:
 - a. Determine the work needed to:
 - (1) Establish the roadway in a condition that is self-maintaining and erosion safe and has a vegetative cover, and
 - (2) Comply with applicable State Best Management and Forest Practices Acts.

- b. Determine the costs of the work and the performing party. Allocate shares to the parties on the basis of non-traffic generated maintenance (capital investment share). Where the capital investment share is not documented, use the current process for calculating shares with the tributary area being that area accessed by the facility.
 - c. Reconcile all accounts for the road to be abandoned. Make a separate accounting for construction/reconstruction and maintenance. Deferred maintenance items, such as brushing, that will not be performed may be offsetting in the accounting.
 - d. Prepare a supplement that documents the cost, payment, and agreement to terminate the easement(s) prior to any work on the ground. The means of settlement of the maintenance accounts may be documented in the supplement.
 2. Take the following steps when one party elects to abandon a road or road segment undamaged by natural causes but the other party needs the road at the constructed standard:
 - a. Determine any deferred maintenance work needed to restore the road to its as constructed (shared) standard.
 - b. Determine the costs of the work. Allocate shares to the parties on the basis of non-traffic generated maintenance (capital investment share) or traffic generated maintenance (proportional use) accordingly. Where the capital investment share is not documented, use the current process for calculating shares with the tributary area being that area accessed by the facility.
 - c. Reconcile all accounts for the road to be abandoned. Make a separate accounting for construction/reconstruction and maintenance. Deferred maintenance items may be offset in the maintenance accounting.
 - d. Prepare a supplement that documents the cost, payment, and agreement to terminate the easement(s) prior to any work on the ground. The means of settlement of the maintenance accounts may be documented in the supplement.
 3. Take the following steps when one party elects to abandon a road or road segment damaged by natural causes but the other party needs the road:
 - a. Determine the work needed to:
 - (1) Comply with applicable State Best Management and Forest Practices Acts, and
 - (2) Correct, stabilize, and prevent future resource damage. This may be a separate project or an integral part of the restoration of the facility by the party needing access.
 - b. Determine the costs of the work in paragraph 1 and the performing party. Allocate shares to the parties on the basis of non-traffic generated maintenance (capital investment share) for the road or road segment. Where the capital investment share is not documented, use the current process for calculating shares with the tributary area being that area accessed by the facility.

c. Reconcile all accounts for the road to be abandoned. Make a separate accounting for construction/reconstruction and maintenance. Deferred maintenance items may be offset in the maintenance accounting.

d. Prepare a supplement that documents the cost, payment, and agreement to terminate the easement(s) prior to any work on the ground. The means of settlement of the maintenance accounts may be documented in the supplement.

VII. RESTORATION

If significant damage or destruction, caused by natural events, occurs to any portion of a road jointly financed, the parties will establish the restoration work to be performed and the share to be borne by each. A Supplement for that project will be developed.

VIII. UPGRADING/IMPROVING

If either party desires to upgrade the standard of a road beyond that which is necessary to comply with current legal requirements for use of the road by both parties, the other party is not required to participate in the upgrading costs. The party that desires the road upgrade will consult with the other party on the new road specifications. An agreement for that project will be developed. The agreement will also include any changes to road maintenance requirements and obligations as a result of the agreed to unilateral upgrade of road standards.

IX. CHANGE IN OWNERSHIP

Land transactions that involve the Cost Share Agreement roads and easements need to address and resolve the following issues:

- A. Retention of access rights and needs by cooperating parties involved with a road (Road Reservations).
- B. The assignment of access rights to landowners not a party to the Agreement.
- C. The need for additional access rights by the parties as a result of the land transaction.
- D. Status of outstanding obligations involving Excess Costs and road construction or reconstruction obligations.
- E. Status of outstanding obligations involving recurrent and deferred maintenance.
- F. The need to terminate easements or segments of easements as a result of the land transaction.
- G. The need to execute new supplements, or amend previous supplements.

X. Easement Termination. Either party may elect to terminate its acquired easement. See section VI, H. for the process to be followed.

XI. Unilateral Action. Unilateral actions may include reconstruction, restoration, maintenance, or abandonment of a road, termination of an easement or permit, or termination of this Agreement. Neither party may act to diminish the other party's interest in a cost share road by unilateral action. Threats of unilateral action or termination of an Agreement rarely resolve conflict in a mutually satisfactory manner. In those situations where resolution of the conflict does require unilateral action by either party, the Regional Forester shall review the circumstances of the situation. The Regional Forester may approve or disapprove a Forest Service unilateral proposal after review of the economic analysis, the history of negotiations, other special circumstances affecting the action, and the need to continue or terminate the agreement. Copies of the decision on unilateral actions shall be sent to the Washington Office, Director of Lands.

XII. Conflict Resolution. The objective of this Agreement is to reach mutually agreeable solutions providing for cooperative development, use, and maintenance of a road system serving the needs of both parties, with the costs thereof shared equitably. The agreement provides a framework for negotiation but conflicts may arise between the parties. The parties should strive to resolve conflict in a timely manner at the local level using available management tools, including assigned flexibility and authority to make on-the-ground decisions. If for any reason the conflict is not resolved at the local level in a timely manner, formally or informally elevate those issues not resolved to the next highest management level of both parties for resolution. Referring the conflict to the next highest management level for resolution is an expected action on occasion and is considered a positive effort to reach eventual solution.