

California Principles for a Federal Transportation Economic Recovery Program

California is seeking a federal economic recovery highway program that includes increased investment in shovel-ready transportation projects and accomplishes eight key goals:

1. **Creates Jobs.** Any federal program should maximize the return to California, the nation's economic engine, by utilizing a distribution formula that produces the most funding for the State.
2. **Provides Direct Payment.** The federal recovery program should provide funds directly to the states, sub-allocation recipients without requiring or prohibiting the use of their own funds prior to receiving federal reimbursement for expenditures.
3. **Eases Funding Restrictions.** States and recipients of sub-allocated funds should be able to use federal economic recovery money to fund up to 100% of the cost of a proposed project, without precluding other funding sources that may have previously been programmed to complete a project
4. **Delivers Investment Where It is Needed Most.** States should be able to use recovery funds to sustain projects that are already under contract but are in jeopardy of breach because of impending state or local funding shortfalls; provided that project proponents agree to a future "maintenance of effort" once funding becomes available.
5. **Cuts Through the Red Tape.** To more quickly stimulate our nation's economy, the federal recovery program should implement pre – award authority and an emergency suspension of cumbersome and time – consuming non-wage-related regulations for programming, project delivery, and contracting to allow the immediate implementation of funded projects, thereby creating critical jobs as soon as possible.
6. **Provides Flexibility.** A federal program should ensure that there is maximum flexibility allowing states to:
 - a. Select projects for funding within the scope of Titles 23 and 49 of US Code, and
 - b. Substitute projects as necessary to meet "use it or lose it" requirements including projects that are not currently programmed but are in an approved Metropolitan or State Transportation Plan.
7. **Reduces Time to Market.** The federal economic recovery plan should include sub-allocation of funding using the existing federal STP sub-allocation formula to regions, cities and counties for a portion of the total funds to get the money into the economy quickly. Regions shall work with their local stakeholders to determine an equitable proportion of funds that are allocated to cities and counties.
8. **Addresses Immediate and Future Needs.** To provide the highest level of benefit to job creation and infrastructure improvement, the federal recovery plan should establish staggered timelines for expenditure of funds – ranging from obligation in 150 days to two years. This approach will enable an immediate influx of jobs and projects but also enable larger, high priority projects to be constructed in an expedited manner.
9. **Transitions to Sustainable Transportation Systems.** Any federal program should also recognize the need to achieve job creation and environmental protection together. In evaluating projects, states and subrecipients should give additional consideration to new transportation projects that create jobs and are also part of a transition to a more sustainable transportation system.