

**DEPARTMENT OF TRANSPORTATION**

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 Be energy efficient!*

November 14, 2008

To: Metropolitan Planning Organizations  
 Regional Transportation Planning Agencies  
 Local Transportation Commissions

Dear Executive Directors:

Subject: Notification for Cycle 10 under Assembly Bill 1012 Provisions of "Use It or Lose It"

This correspondence serves as the official notification to the regional agencies of the "use it or lose it" provisions contained in Assembly Bill (AB) 1012 enacted in October 1999. This notification marks the tenth year that regional agencies have been required to comply with the "use it or lose it" provisions of AB 1012. Under these provisions, agencies are required to obligate federal funds within three years of receiving the apportionments. For this ninth cycle Federal Fiscal Year (FFY) 2006/07 under AB 1012, the balances subject to potential reprogramming on November 1, 2009, total approximately \$57.8 million; Congestion Mitigation and Air Quality Improvement Program (CMAQ) – approximately \$29.3 million and Regional Surface Transportation Program (RSTP) – approximately \$28.5 million. This Cycle 10 notification assumes that all funds from Cycle 9 (FFY 2005/06) that were subject to reprogramming will be obligated, extended, or reprogrammed. Therefore, there are no funds subject to potential reprogramming from the ninth year in this notification.

Regional agencies are also required to submit a plan to the California Department of Transportation (Department) to obligate apportionment balances older than two years and to ensure that none of the apportionment balances reach three years of age. Obligation plans should be submitted in electronic form on the enclosed template to the Department District Local Assistance Engineers no later than April 1, 2009 (we ask that no alterations, modifications or changes be made to the template.) The obligation plans should include all federally funded projects that will be obligated between April 1, 2009 and the end of the FFY 2009. The obligation plans will also be used to determine obligation authority (OA) needs for the remainder of the FFY to review, prioritize and track projects, and to plan workload.

The Federal Highway Administration has not released the total obligation authority for FFY 2009. OA has been provided by a Continuing Resolution. Currently, we have received \$467 million of OA in formula funds (this represents 157/365 days) for local agency use. We will provide an update on OA and apportionment balances when information becomes available.

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If you have any questions about the notification or the report, please call Laura Quintana at (916) 653-7200 or John Flores at (916) 654-4032.

Sincerely,



EARL R. SEABERG, JR.  
Acting Chief  
Division of Local Assistance

Enclosures

c: District Directors  
Deputy District Directors for Local Assistance  
District Local Assistance Engineers  
Division of Local Assistance Area Engineers  
Laura Quintana, DLA  
John Flores