

DEPARTMENT OF TRANSPORTATION

DIVISION OF LOCAL ASSISTANCE, MS 1
1120 N STREET
P. O. BOX 942874
SACRAMENTO, CA 94274-0001
PHONE (916) 653-1776
FAX (916) 654-2409



*Flex your power!
Be energy efficient!*

November 19, 2007

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

Dear Executive Directors:

Subject: Notification for Cycle 9 under the Assembly Bill (AB) 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 AB 1012 enacted in October of 1999. This notification marks the ninth 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 (FFY 2005/06) under AB 1012, the balances subject to potential reprogramming on November 1, 2008, total approximately \$77 million; Congestion Mitigation and Air Quality Improvement Program (CMAQ) – approximately \$39 million and Regional Surface Transportation Program (RSTP) – approximately \$38 million. This Cycle 9 notification assumes that all funds from Cycle 8 (FFY 2004/05) that were subject to reprogramming will be obligated, extended, or reprogrammed. Therefore, no eighth year funds subject to potential reprogramming are included in this notification.

Regional agencies are also required to submit a plan to Caltrans 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 template attached to Caltrans' District Local Assistance Engineers no later than April 1, 2008. (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, 2008, and the end of Federal Fiscal Year 2008. The obligation plans will also be used to determine obligation authority (OA) needs for the remainder of the federal fiscal year, to review, prioritize and track projects, and to plan workload.

The Federal Highway Administration (FHWA) has not released the total obligation authority for FFY 2008. OA has been provided by a continuing resolution. Currently, we have received \$132 million of obligation authority in formula funds (this represent 47/365 days) for local agency use. We will provide an update on OA and apportionments balances when information becomes available.

Metropolitan Planning Organizations
Regional Transportation Planning Agencies
Local Transportation Commissions
November 19, 2007
Page 2

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,

A handwritten signature in black ink, appearing to read "Terry L. Abbott", written over a light blue horizontal line.

TERRY L. ABBOTT
Chief
Division of Local Assistance

Enclosures

- c: District Directors
- Division Chiefs for Local Assistance
- District Local Assistance Engineers
- Division of Local Assistance Area Engineers
- FFalakfarsa, Division of Budgets, Office of Federal Resources
- LQuintana, Division of Local Assistance