

**DEPARTMENT OF TRANSPORTATION**  
DIVISION OF LOCAL ASSISTANCE M.S. 1  
1120 N STREET  
P. O. BOX 942873  
SACRAMENTO, CA 94273-0001  
PHONE (916) 653-1776  
FAX (916) 654-2409  
TTY 711



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Be energy efficient!*

January 10, 2011

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

Dear Executive Directors:

Subject: Notification for Cycle 12 Under the Assembly Bill 1012 Provisions of "Use It or Lose It"

This correspondence serves as the official notification to the regional and local agencies (Regions) of the "Use It or Lose It" provisions contained in Assembly Bill (AB) 1012 enacted in October of 1999. This notification marks the twelfth year that Regions have been required to comply with the "Use It or Lose It" provisions of AB 1012. Under these provisions, Regions are required to obligate federal funds within three years of receiving apportionments. At this time, the balances subject to reprogramming on November 1, 2011, for this twelfth cycle, Federal Fiscal Year (FFY) 2008-09 under AB 1012, totals zero. This could change, however, if during the year there are project cost savings that result in the deobligation of funds that are older than three years. Should such cost savings occur, the deobligated funds would fall under the provisions of AB 1012 and could be subject to reprogramming on November 1, 2011.

Another provision under AB 1012 is that Regions are required to submit a plan to the California Department of Transportation (Caltrans) to obligate apportionment balances older than two years and to ensure that none of the balances reach three years of age. Obligation plans should be submitted in electronic form to the Caltrans' District Local Assistance Engineers (DLAE) no later than April 1, 2011. The template is available on the Local Assistance Web site at:

<http://www.dot.ca.gov/hq/LocalPrograms/>

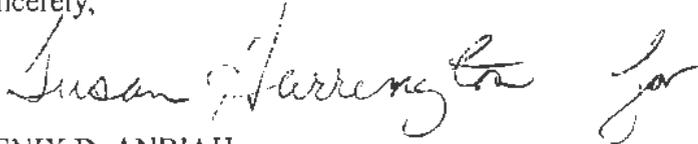
**We ask that no alterations, modifications or changes be made to the template.** The obligation plans should include all federal funded projects that will be obligated between April 1, 2011, and the end of FFY 2010-11. The obligation plans will also be used to determine obligation authority (OA) needs for the remainder of the FFY, to review, prioritize and track projects, and to plan workload.

The Federal Highway Administration (FHWA) has not released the total OA for FFY 2010-11. OA has been provided by a Continuing Resolution. Currently, the Division of Local Assistance (DLA) has received approximately \$515 million of OA in formula funds (this represents 155/365 days) for Regions to use. Caltrans will provide an update on OA and apportionment balances when additional information becomes available.

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If you have any questions about the notification or the report, please contact John Flores at (916) 654-4032 or Courtney Valdez at (916) 653-9151.

Sincerely,

A handwritten signature in cursive script, appearing to read "Susan Harrington".

DENIX D. ANBIAH  
Chief  
Division of Local Assistance

- c: District Directors, Caltrans
- Division Chiefs for Local Assistance, Caltrans
- DLAEs, Caltrans
- DLA Area Engineers, Caltrans
- Fardad Falakfarsa, Caltrans, Office of Federal Resources
- Susan Harrington, Caltrans, DLA