

DEPARTMENT OF TRANSPORTATION

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*Flex your power!
Be energy efficient!*

August 28, 2012

Dear Transportation Partner,

As you are likely aware, the Secretary of the U.S. Department of Transportation (USDOT) recently announced a unique opportunity for transportation stimulus. The USDOT is making available \$473 million in unspent highway earmarks from FY2003-2006 for other projects "that will create jobs and help improve transportation." The move is intended to speed the stimulus and job creation impact of federal transportation spending by freeing earmark funding for projects that may have lost momentum. Of the \$473 million available nationwide, approximately \$43 million is currently earmarked for projects in California. A complete list of the earmarked projects and the press release from the USDOT is available at <http://www.fhwa.dot.gov/pressroom/redisfy0306earmarks.htm>

According to the USDOT, state departments of transportation will have the ability to use their unspent earmarked highway funds on any eligible surface transportation project. In essence, the USDOT is allowing earmark funding to be used either on the original earmarked project, or on any other eligible project. In either case, the federal funds must be obligated by December 31, 2012. Additionally, by October 1, 2012, states must submit to the USDOT a list of projects that will use the funds, whether they are the original earmarked project or a replacement project. If any state is unable to obligate the funds by December 31, 2012, then the unobligated funds will be lost to that state and redistributed to other states that were able to do so.

Caltrans' Division of Local Assistance has already begun contacting each recipient/sponsor of the earmark projects listed. The recipient of each earmark will be asked if the federal funds earmarked for the project can be obligated by the December deadline. That information is due by September 3, 2012. If the original grant recipient is unable to obligate the funds, Caltrans requests that the earmark recipient work with their Regional Transportation Agency to identify an alternative project that could be obligated by December 31, 2012. We are currently working with the California Transportation Commission to evaluate the extent and method to which these funds can be applied to new projects. If no replacement project can be found, then the state may use the funds on a STIP or SHOPP project.

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The timeline for responding to the USDOT with a final list of projects to use the available funding is rather short, so we will be moving quickly to meet the requirements of the reallocation. If California is successful in obligating all of the funds, the state will be eligible for any redistribution of unused balances. California has been eminently successful in past efforts to capture redistributed funds, and I urge everyone to act swiftly to do so again.

Please continue to work with Caltrans' Division of Local Assistance to expedite this effort.

Sincerely,



MALCOLM DOUGHERTY
Director

cc: Denix Anibah, Chief, Division of Local Assistance