

# Memorandum

**To:** Chairman and Commissioners

**Date:** September 14, 2001

**From:** Robert I. Remen, Executive Director

**File No:** K54  
BOOK ITEM 4.5a  
INFORMATION

**Ref:** **Extension Requirements for Transportation Enhancement Activities (TEA)  
Program Use-It-Or-Lose-It Provisions**

**Issue:** Should the Commission make an allowance for “one-time-only” up to 6-months extension requests for regional TEA funds under its “use-it-or-lose-it” provisions?

**Recommendation:** Commission staff recommends that the Commission modify its regional TEA funds “use-it-or-lose-it” provisions to allow for “one-time-only” extensions of up to 6-months for cause on a case-by-case basis for projects that demonstrate the ability to succeed in the extension time frame.

**Background:** The Commission imposed “use-it-or-lose-it” provisions on regional TEA funds in order to **boost delivery**. With the first regional TEA funds “use-it-or-lose-it” deadline coming December 5, 2001, Commission staff at the Commission’s July 2001 meeting suggested an interim relaxation of the “use-it-or-lose-it” provisions. The Commissioners invited comments from Regional Agencies and other interested parties and requested an analysis from Caltrans on multi-year TEA apportionments.

After receiving comments from the Regional Agencies and analyzing delivery data from Caltrans, Commission staff determined that the “use-it-or-lose-it” provisions are having a positive impact on the delivery of regional TEA funds. Staff reported to the Commission at its August 2001 meeting that an interim relaxation of the “use-it-or-lose-it” provisions for TEA funds would be counter productive. Staff indicated that regional TEA projects close to achieving delivery but up against the “use-it-or-lose-it” deadline should be allowed to seek a “one-time-only” up to 6-months time extension if the project sponsor could demonstrate the ability to succeed in the extension time frame.

Representatives of the Regional Agencies agreed that a “one-time-only” extensions mechanism for regional TEA projects would be beneficial, but advocated for a longer time frame than the up to 6-months limit suggested by Commission staff. The Commissioners instructed staff to return with a “one-time-only” extensions mechanism with an up to 6-months time limit.

**CALIFORNIA TRANSPORTATION COMMISSION**

**TRANSPORTATION ENHANCEMENT ACTIVITIES (TEA) PROGRAM  
USE-IT-OR-LOSE-IT PROVISIONS  
EXTENSION REQUIREMENTS**

Resolution G-01-

WHEREAS the Commission established the Transportation Enhancement Activities (TEA) Program Design by passing Resolution G-98-20 (as amended) on October 28, 1998; and

WHEREAS Assembly Bill 1012 (Chapter 783, 1999) provided a disciplined, structured and accountable environment for the delivery of local Regional Transportation Program (RSTP) and Congestion Mitigation and Air Quality (CMAQ) projects; and

WHEREAS the Commission imposed Assembly Bill 1012's "use-it-or-lose-it" provisions on regional TEA funds, to try to boost delivery; and

WHEREAS no mechanism exists for alleviating undo hardship on regional TEA project sponsors who are close to achieving delivery but are up against the "use-it-or-lose-it" provisions.

NOW THEREFORE BE IT RESOLVED that the Commission adopts "one-time-only" up to 6-months extension provisions for regional TEA funds.

BE IT FURTHER RESOLVED that it is the intent of the Commission to examine extension requests on a case-by-case basis and only for projects that demonstrate an ability to succeed in the extension time frame; and

BE IT FURTHER RESOLVED that the Commission requests that the Department of Transportation in its extension recommendations explicitly state agreement or disagreement with the project sponsor's assertion of ability to succeed in the extension time frame; and

BE IT FURTHER RESOLVED that regional TEA project sponsors must obtain approval from their respective regional agencies before submitting extension requests to the Department of Transportation for processing onto the Commission's agenda for consideration.