



U.S. Department  
of Transportation

**Federal Highway  
Administration**

# Notice

Subject:

**RESCISSION OF UNOBLIGATED BALANCES OF CONTRACT  
AUTHORITY ON SEPTEMBER 30, 2009**

Classification Code	Date	Office of Primary Interest
<b>N4510.710</b>	August 25, 2009	<b>HCFB-1</b>

- 1. What is the purpose of this Notice?** This Notice is to notify the States that \$8,708,000,000 of unobligated Federal-aid highway funds apportioned to States will be rescinded on September 30, 2009, as required by Section 10212 of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), Public Law (Pub. L.) 109-59, as amended by Section 1302(b) of the Pension Protection Act of 2006, Pub. L. 109-280 and Section 112 of the SAFETEA-LU Technical Corrections Act of 2008, Pub. L. 110-244, as affected by Title XI, Subtitle D, Section 1132(a) of the Energy Independence and Security Act of 2007 (EISA), Pub. L. 110-140. FHWA has no discretion in the application of the \$8,708,000,000 rescission.
- 2. What apportioned funds are being rescinded?**

Pursuant to Section 10212 of SAFETEA-LU as amended, an amount of \$8,708,000,000 is to be rescinded from the unobligated balances of funds apportioned before September 30, 2009, for the following programs:

  - (1) Interstate Maintenance;
  - (2) National Highway System;
  - (3) Highway Bridge Program;
  - (4) Highway Bridge Replacement and Rehabilitation Program;
  - (5) Congestion Mitigation and Air Quality Improvement Program;
  - (6) Surface Transportation Program (other than the Surface Transportation Program set-aside programs);
  - (7) Metropolitan Planning;
  - (8) Minimum Guarantee;
  - (9) Equity Bonus;
  - (10) Appalachian Development Highway System;

- (11) Recreational Trails;
- (12) Railway-Highway Crossings:
  - a. Protective Devices; and
  - b. Elimination of Hazards
- (13) Safe Routes to School;
- (14) Coordinated Border Infrastructure;
- (15) Highway Safety Improvement Program (and separately the set-aside for the High Risk Rural Roads Program); and
- (16) Each of the Surface Transportation Program set-aside programs as in effect on the day before **and** after the date of enactment of SAFETEA-LU:
  - a. Railway-Highway Crossings, Protective Devices;
  - b. Railway-Highway Crossings, Elimination of Hazards;
  - c. Hazard Elimination Program;
  - d. Optional Safety;
  - e. Transportation Enhancements;
  - f. Urbanized Areas with Population > 200,000;
  - g. Areas with a Population ≤ 200,000;
  - h. Mandatory Amount for Areas with a Population < 5,000; and
  - i. Amounts Available for Use in Any Area of the State.

3. **How is the total amount to be rescinded by State calculated?**

- a. Pursuant to Section 10212 of SAFETEA-LU, as amended, the amount to be rescinded from each State is based on the aggregate amounts apportioned to each State for fiscal years (FY) 2004 through 2009 for the following programs: Interstate Maintenance, National Highway System, Highway Bridge Program, Highway Bridge Replacement and Rehabilitation, Congestion Mitigation and Air Quality Improvement Program, Surface Transportation Program (other than the Surface Transportation Program set-aside programs), Metropolitan Planning, Minimum Guarantee, Equity Bonus, Appalachian Development Highway System, Recreational Trails, Safe Routes to School, Railway-Highway Crossings, Coordinated Border Infrastructure, Highway Safety Improvement Program (and separately the set-aside for the High Risk Rural Roads Program), and each of the Surface Transportation Program set-aside programs.

- b. The apportionments for such programs listed in subparagraph (a) are inclusive of funds programmatically distributed from the Minimum Guarantee and Equity Bonus programs, but exclusive of funds set aside for State Planning and Research and those funds withheld pursuant to section 154 of title 23, U.S.C. (Open Container Requirements), and section 164 of title 23, U.S.C. (Minimum Penalties for Repeat Offenders for Driving While Intoxicated or Driving Under the Influence), which are separate from, but impact the programs by operation of law.
- c. The total amount to rescind by State was determined by multiplying the ratio that the aggregate amount apportioned to a State for FYs 2004 through 2009 bears to the total amount apportioned for all States for FYs 2004 through 2009 by the total amount to be rescinded, \$8,708,000,000.

**4. How is the total amount to be rescinded, \$8,708,000,000, divided between Section 10212 of SAFETEA-LU, as amended, and Section 1132 of EISA?**

The EISA, enacted subsequent to SAFETEA-LU, provides direction on the programmatic distribution for any rescissions of funds apportioned under chapter 1 of title 23, U.S.C. during FYs 2008 and 2009, a subset of the funds subject to the rescission under section 10212 of SAFETEA-LU. To determine how much of the \$8,708,000,000 to be rescinded is administered pursuant to SAFETEA-LU, as amended, and to EISA, the following methodology was used:

- a. Pursuant to Title XI, Subtitle D, Section 1132(a) of the Energy Independence and Security Act of 2007 (EISA), Pub. L. 110-140, the rescission shall be distributed within each State among programs which are apportioned under chapter 1 of title 23, U.S.C. The affected programs under chapter 1 of title 23, U.S.C., among which the rescission shall be distributed, are as follows: Interstate Maintenance, National Highway System, Highway Bridge Program, Highway Bridge Replacement and Rehabilitation, Congestion Mitigation and Air Quality Improvement Program, Surface Transportation Program (other than the Surface Transportation Program set-aside programs), Metropolitan Planning, Minimum Guarantee, Equity Bonus, Recreational Trails, Railway-Highway Crossings, Highway Safety Improvement Program (and separately the set-aside for the High Risk Rural Roads Program), and each of the Surface Transportation Program set-aside programs.
- b. The FY 2009 apportionments for such programs listed in subparagraph (a) are inclusive of funds programmatically distributed from the Minimum Guarantee and Equity Bonus Programs, but exclusive of funds set aside for State Planning and Research and those funds withheld pursuant to section 154 of title 23, U.S.C. (Open Container Requirements), and section 164 of title 23, U.S.C. (Minimum Penalties for Repeat Offenders for Driving While Intoxicated or Driving Under the Influence), which are separate from, but impact the programs by operation of law.

- c. The total to be rescinded by State pursuant to Section 1132 of EISA was determined by multiplying the ratio that the total amount apportioned to a State under chapter 1 of title 23, U.S.C. for FYs 2004 through 2009 for the programs subject to the rescission bears to the total amount apportioned to that State for FYs 2004 through 2009 for all of the programs subject to the rescission. The amount to be rescinded pursuant to Section 1132 of EISA is \$8,518,888,896.
- d. The total amount to be rescinded by State pursuant to Section 10212 of SAFETEA-LU was determined by deducting the amount calculated for a State in paragraph 4(c) from the total amount calculated to be rescinded from a State in paragraph 3(c). The amount to be rescinded pursuant to Section 10212 of SAFETEA-LU, as amended, is \$189,111,104.
- e. Each State's share of the total amount to be rescinded is reflected in Table 1.

**5. How is the total amount to be rescinded from each State by program determined?**

- a. Pursuant to Section 10212(c)(1) of SAFETEA-LU, as amended, within each State, the rescission will be distributed among the affected programs by the ratio that the aggregate amount of unobligated funds available to each State on September 30, 2009, for the Appalachian Development Highway System, Safe Routes to School, and Coordinated Border Infrastructure programs, bears to the aggregate amount of unobligated funds available to the State on September 30, 2009, for all of the Appalachian Development Highway System, Safe Routes to School, and Coordinated Border Infrastructure programs. In order to allow ample time to implement the rescission and close out the fiscal year, the Federal Highway Administration (FHWA) has set a date of September 25, 2009, as the last day for States to obligate funds in the Fiscal Management Information System (FMIS). The data required to determine the program-by-program distribution will be based on the unobligated balances available to each State as of 11:59 pm on September 25, 2009. As a result, the final program-by-program distribution will not be known until such time. **Further information on the program-by-program distribution will be provided in a future Notice to be issued after September 25, 2009.**
- b. Pursuant to Section 1132(a) of EISA of 2007, within each State, the rescission will be distributed among the affected programs – to the extent sufficient funds remain available for obligation – in the ratio that the amount of funds apportioned for each affected program under chapter 1 of title 23, U.S.C., for FY 2009 bears to the amount of funds apportioned for all affected programs under chapter 1 of title 23, U.S.C. for FY 2009. The program-by-program distribution of the amounts to be rescinded pursuant to Section 1132 of EISA is reflected in Table 2.

## 6. What are the flexibility provisions that apply to the rescission?

- a. Pursuant to Section 10212(c)(2) of SAFETEA-LU, the Secretary must make a second calculation for each program not under chapter 1 of title 23, U.S.C. For each program, the State's rescission amount calculated per paragraph 3(c) is multiplied by the ratio that the total amount apportioned to the State for such program for FYs 2004 through 2009 bears to the aggregate amount apportioned to the State for all programs subject to the rescission.
- b. If the amount to be rescinded for a "covered program" calculated per paragraph 5(a), exceeds the amount calculated per paragraph 6(a), then
  - (1) The amount calculated in paragraph 5(a) will be rescinded; and
  - (2) The State shall immediately restore to the apportionment account for the covered program from the unobligated balances of programs (other than the covered programs) an amount of funds required so that the net rescission from the covered programs does not exceed the amount calculated for the covered program in paragraph 6(a).
- c. The term "covered program" means those programs authorized under section 130 and 152 of title 23, U.S.C., paragraph (2) and (3) of section 133(d) of that title, section 144 of that title, section 149 of that title, and section 1404 of SAFETEA-LU, as amended.
- d. Pursuant to Section 1132(b) of EISA, a State may make adjustments to the distribution of the rescission within the State for a fiscal year by transferring the amounts to be rescinded among the affected programs, except that in making such adjustments the State may not rescind from any such affected program more than 110 percent of the funds to be rescinded from the program as determined by the distribution. The maximum allowable adjustment for each affected program is reflected in Table 3.

## 7. What actions are required?

- a. Division Administrators should ensure that this Notice is provided to State departments of transportation.
- b. Not later than **September 4, 2009**, a State must identify the program codes from which any additional amounts are to be rescinded, based on the flexibility provision in Section 1132(b) of EISA. Each Division Administrator should ensure that this information is submitted on the attached Table 4 to the FHWA Office of Budget (HCFB) official electronic mailbox, "FHWA, BudgetDivision."
- c. **NOTE: NO FUNDS WILL BE WITHDRAWN FROM FMIS BEFORE SEPTEMBER 29. Therefore, once the program codes and amounts have been determined and submitted to the HCFB, a State should ensure that a sufficient amount of unobligated funds are available**

**within each program code subject to rescission and that no obligations are incurred by the State against the amounts identified to be rescinded.**

**8. What is the timeline for administering the rescission?**

- a. **September 4:** States must identify the program codes from which any additional amounts are to be rescinded, based on the flexibility provision in Section 1132(b) of EISA and submit to the "FHWA, BudgetDivision" mailbox.
- b. **September 25:** FMIS will close for obligations no later than 11:00 pm EDT.
- c. **September 26 - 27:** Both the FMIS and Apportionment Analysis Team will run the reports necessary to determine the amounts to be rescinded by program for the three programs for which the programmatic distribution of the rescission is based on unobligated balances as of the close of the FY.
- d. **September 28:** FHWA will issue a Notice informing the States of the amounts to be rescinded by program and provide further instructions on the flexibility provisions. **A State wishing to use the flexibility provisions pursuant to Section 10212(d) of SAFETEA-LU, as amended, must provide responses via e-mail to "FHWA, BudgetDivision" by no later than close of business on September 28.**
- e. **September 29 - 30:** The FMIS Team will withdraw funds from FMIS.



Victor M. Mendez  
Administrator

Attachments

**RESCISSION OF UNOBLIGATED BALANCES OF CONTRACT AUTHORITY**  
*Pursuant to Section 10212 of SAFETEA-LU (P.L. 109-59), as Amended, and*  
*Section 1132 of the Energy Independence Security Act of 2007 (EISA)*

<u>STATE</u>	<u>Pursuant to Sect. 1132 of EISA</u>	<u>Pursuant to Sect. 10212 of SAFETEA-LU</u>	<u>Total To Be Rescinded</u>
ALABAMA	\$162,422,705	\$13,238,776	\$175,661,481
ALASKA	80,258,283	468,932	80,727,215
ARIZONA	168,110,315	2,290,619	170,400,934
ARKANSAS	108,845,510	263,960	109,109,470
CALIFORNIA	785,820,478	7,721,081	793,541,559
COLORADO	114,296,348	387,404	114,683,752
CONNECTICUT	119,080,552	309,694	119,390,246
DELAWARE	34,393,696	221,857	34,615,553
DIST. OF COL.	34,367,512	221,857	34,589,369
FLORIDA	441,541,449	1,294,522	442,835,971
GEORGIA	310,754,675	5,409,142	316,163,817
HAWAII	38,324,315	221,857	38,546,172
IDAHO	64,852,171	466,690	65,318,861
ILLINOIS	288,844,180	1,034,474	289,878,654
INDIANA	217,486,727	533,870	218,020,597
IOWA	97,274,538	271,578	97,546,116
KANSAS	91,558,086	267,406	91,825,492
KENTUCKY	134,378,789	16,360,539	150,739,328
LOUISIANA	134,538,932	398,530	134,937,462
MAINE	37,754,382	2,502,151	40,256,533
MARYLAND	137,860,210	2,584,712	140,444,922
MASSACHUSETTS	146,639,592	501,229	147,140,821
MICHIGAN	256,658,178	6,017,456	262,675,634
MINNESOTA	131,573,132	1,198,428	132,771,560
MISSISSIPPI	100,984,497	1,715,094	102,699,591
MISSOURI	201,253,235	477,133	201,730,368
MONTANA	82,245,730	1,520,968	83,766,698
NEBRASKA	64,419,048	222,921	64,641,969
NEVADA	61,110,241	248,929	61,359,170
NEW HAMPSHIRE	40,821,545	280,228	41,101,773
NEW JERSEY	232,074,247	706,185	232,780,432
NEW MEXICO	81,790,863	527,364	82,318,227
NEW YORK	395,728,816	11,225,187	406,954,003
NORTH CAROLINA	238,920,391	10,296,116	249,216,507
NORTH DAKOTA	52,377,538	2,010,877	54,388,415
OHIO	300,635,649	6,622,258	307,257,907
OKLAHOMA	135,496,421	315,855	135,812,276
OREGON	98,156,426	299,626	98,456,052
PENNSYLVANIA	374,596,576	30,162,689	404,759,265
RHODE ISLAND	44,208,991	221,857	44,430,848
SOUTH CAROLINA	144,037,697	1,307,609	145,345,306
SOUTH DAKOTA	57,538,757	221,857	57,760,614
TENNESSEE	179,691,242	10,453,254	190,144,496
TEXAS	728,707,560	11,605,850	740,313,410
UTAH	64,620,916	272,893	64,893,809
VERMONT	34,753,924	1,753,682	36,507,606
VIRGINIA	221,186,542	8,700,939	229,887,481
WASHINGTON	144,955,555	2,723,119	147,678,674
WEST VIRGINIA	73,270,416	20,357,610	93,628,026
WISCONSIN	171,020,687	452,383	171,473,070
WYOMING	56,650,631	221,857	56,872,488
<b>TOTAL</b>	<b>\$8,518,888,896</b>	<b>\$189,111,104</b>	<b>\$8,708,000,000</b>







**ADJUSTMENT OF AMOUNTS TO BE RESCINDED**  
*Pursuant to Title XI, Subtitle D, Section 1132(b) of the Energy Independence and Security Act of 2007*

State: \_\_\_\_\_

Amount Remaining To Be Rescinded			Programs From Which to Adjust the Remaining Amount To Be Rescinded		
Program Code	Program Title	Amount	Program Code	Program Title	Unobligated Balance to Rescind
<b>Total:</b>		<b>\$0.00</b>	<b>Total:</b>		<b>\$0.00</b>