U.S. Department of Transportation
Federal Highway Administration

Memorandum

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Subject: **INFORMATION:** Utility Reimbursement Guidance

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In Reply Refer To: HFHD-16

To: CFLHD Employees

Recently, as you may know, the Utility Team posted the new Utility Process on the CFLHD Website (http://www.cflhd.gov/design/survey-map-row/_documents/UtilityProcess.pdf).

Please see the attached "Utility Reimbursement Guidance" which provides direction for funding utility resolution costs on CFLHD projects.

My special thanks go to the Utility Team consisting of Kevin Black, Rich Coco, Gene Dodd, Anita Gebbie-Deisch, Chuck Luedders, and Ryan Tyler.

Any questions about this guidance should be directed to any member of the Utility Team.

Attachments

UTILITY REIMBURSEMENT GUIDANCE

Purpose: This guidance provides direction for funding utility resolution costs on CFLHD projects.

Guidance: The FLH Program requires general participation and buy-in from the project Cooperators through monetary commitments to the project. **In general it is the Cooperator's responsibility to fund any utility conflict resolutions.** Under certain circumstances it may be cost effective, or in the interest of the government, to assist with the cost associated with utility relocation. Utility related project delays borne by the government may cost more than the cost to relocate facilities. Typically, federal participation in the cost for utility relocations is limited to replacement "in kind", or making the utility "whole". There are exceptions and provisions. The basic guideline for participation would be a determination that there is evidence of a direct benefit to the highway project which may include safety, environment, economy, time savings, aesthetics, and future use considerations, or restoring a functioning outdated facility to the equivalent of today's standards. Only on a case-by-case basis can Federal Lands Highway Program (FLHP) funding be used. In these cases, the cooperative discretion of the Program Manager and Project Manager, endorsed by the Management Board, will determine if FLHP funding should be used. Consider the following:

1. Existing Cost Liability: Does the utility company possess a fee, easement, permit, or other interest that requires the FLHP to be responsible for costs associated with the relocation of their facility, purchase replacement easements, or otherwise make the utility "whole" (functionally restored)? Note that acquisition for replacement utility easements from private land owners must be according to the Uniform Act and applicable state requirements.

2. State law/regulations: Does the state have laws or regulations that govern or provide guidance to determine the cost liability for utility relocation? Note that there may be distinction between the liabilty for public (governmental) versus private utility facilities

3. Direct Project Cost: Does the project have Federal Land Management Agency (FLMA) owned utility infrastructure? If so, the project may have to include utility relocation costs as a project expense. The FLMA may contribute material and resources to the relocation effort. Coordination between the FLMA and CFLHD is a critical consideration to avoid project delays.

4. Cooperator's ability to pay: Is the Cooperator able to pay for any utility resolution measures, if required? Is the Cooperator able to contribute resource time or materials?

References:

CFL Utility Process
23 USC 204
23 CFR 645A
PDDM Chapter 12 CFL Supplement (under development)