

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	Diane Regas to Carol H. Rasco at 10:19:33.64. Subject: Thanks and ISTEА. [partial] (1 page)	12/11/1996	b(6)

COLLECTION:

Clinton Presidential Records
Automated Records Management System [Email]
WHO ([NEXTEA or ISTEА])
OA/Box Number: 500000

FOLDER TITLE:

[11/02/1995 - 01/09/1995]

2015-0463-F

ab1507

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

RECORD TYPE: PRESIDENTIAL (XCHANGE MAIL)

CREATOR: Judi Gold (CN=Judi Gold/OU=DOT/O=GOV [UNKNOWN])

CREATION DATE/TIME: 2-NOV-1995 16:13:42.00

SUBJECT: Michigan "Hot" Issues

TO: Anne McGuire (CN=Anne McGuire/OU=WHO/O=GOV @ WHO [WHO])

READ:UNKNOWN

TEXT:

Below is the information you requested on Michigan. Two hot issues originally submitted are included and an asterisk has been placed by those that are new. Please contact Nancy Brewer at 366-5959 if you have any questions.

Detroit Light Rail: The Intermodal Surface Transportation Efficiency ACT (ISTEA) directed Federal Transit Administration (FTA) to negotiate and sign a multi-year agreement with Detroit for a light rail system. \$10 million was authorized for the project in FY 93 and FY 94. The City submitted a planning application for \$219,000 in 1992, but work between the City and FTA to finalize the project was never completed. With the change in City administrations, Mayor Archer submitted a letter on October 2, 1994, reiterating the City's desire for planning funds. The grant is now ready for obligation. The Conference Report of the FY 1995 Rescission bill, vetoed by the President rescinds \$4.890 million from this project. Senator Levin has also expressed an interest in this project.

Bus Funding: ISTEA earmarked \$10.5 million in Section 3 (bus) funds in FY 92 and \$10 million each year from FY 93 through FY 97 for needs throughout Michigan. The FY 95 Conference report also identified \$7 million in Section 3 bus funding for Detroit. The City of Detroit and Michigan Department of Transportation (MDOT) assumed this was in addition to the \$10 million earmark. Mayor Dennis Archer asked about this money on several occasions and Senator Levin also made a request for clarification. The FY 95 Apportionment Notice published in the Federal Register did not include the \$7 million for Detroit. FTA concluded that this was part of the \$10 million earmark; and has communicated this to MDOT as well as the mayor of Detroit. FTA has not received any recent inquiries on this issue.

***Detroit City Airport:** Discussions concerning Detroit City Airport are underway with Detroit Deputy Mayor Seabrook and Federal Aviation Administration regional representatives concerning the airports certification for scheduled air carrier operations. Inspections of the airport have revealed certain violations of FAR Part 139 requirements for certification.

***Detroit Metropolitan Airport:** A major expansion of the Detroit Metropolitan Wayne County Airport is underway. The need for expansion includes improving traffic access to the terminal facilities as well as increasing air travel capacity. The south access road will provide

access from I-275 to the new midfield terminal (expected ground breaking in the spring of 1996) and the existing north terminal. This project is an Urban Airport Access Demonstration Project with an estimated cost of \$172 million. To date, \$48.7 million has been appropriated for this project. Since the project is a specifically funded Demonstration project, completion of the project is dependent on further Congressional action. The MDOT indicates it does not have funds available for this project.

*Gas Tax: The biggest transportation issue facing Michigan is the need to address inadequate state transportation revenues. A proposal to increase the gas tax appears to be stalemated. On October 18, 1995, Governor John Engler (R) announced a plan for funding the continuation of several critical, gap-closing "Build Michigan" projects by redirecting existing funds. Various media outlets in Michigan have characterized this initiative as a "diversion" of Federal funds from local projects. Nine projects are featured in this proposal costing about \$240 million over a three-year period. The Governor has taken the position that he will support a gas tax increase if the share dedicated to state trunkline highways is higher than it has been in the past. This current proposal reverses an earlier decision to drop most improve-expand projects from the current program because the anticipated revenues from the tax increase were not forthcoming. There is continuing controversy between the Governor and the legislature about how to share new gas tax revenues between the state and local governments.

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Karin L. Kizer (KIZER_K) (OMB)

CREATION DATE/TIME: 8-FEB-1996 13:57:48.51

SUBJECT: Trying again--II

TO: R. Lawton Jordan III (JORDAN_RL) (WHO)

READ: 8-FEB-1996 14:17:38.89

TEXT:

PRINTER FONT 12_POINT_ROMAN

Thank you for your November 27, 1995, letter regarding the possible reorganization of the Department of Transportation. This proposal originated with the Vice President's National Performance Review (NPR). The intent is to rationalize the Department's structure, eliminate duplication and unnecessary overhead, and improve customer service. It is related to, but separate from, another NPR proposal to consolidate surface transportation infrastructure grants. A decision to re

-organize

the Department does not presuppose a decision on grant consolidation.

We are currently in the process of developing the FY 1997 President's Budget. As we do for all major decisions in the budget, we will reevaluate whether to repropose grant consolidation. It is important to note that the proposal protected funding for Metropolitan Planning Organizations (MPOs) funding through an urban set

-aside. This set

-aside guaranteed

MPOs the same share of surface transportation funds as they would have received under the Intermodal Surface Transportation Efficiency Act (ISTEA). Nevertheless, we are aware of the concerns of the transit community regarding this proposal. Regarding re

-organization, the Administration is keenly aware of the importance of cities and the MPOs to the national transportation network. A goal of any reorganization proposal will be to maintain a strong role for the MPOs. The Department of Transportation is currently evaluating how best to achieve this while meeting the Vice President's streamlining and improved customer service objectives.

We will keep your concerns in mind during the coming weeks.

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Daniel J. Corbett (CORBETT_D) (OMB)

CREATION DATE/TIME:12-MAR-1996 13:51:41.62

SUBJECT: Olympia letter

TO: Jeff P. Dailey (DAILEY_J) (WHO)

READ:12-MAR-1996 14:12:08.58

TEXT:

PRINTER FONT 12_POINT_ROMAN

Dear Mayor Jacobs.....

Thank you for your letter.....expressing concern about Federal support for alternative modes of transportation. I understand that staff at the Department of Transportation has contacted to discuss your concerns.

I want to take this opportunity to reiterate my Administration's strong support for the flexibility provided by the Intermodal Surface Transportation Efficiency Act (ISTEA), including its support for transit, light rail, bicycle and pedestrian facilities. My 1997 budget proposes \$4.3 billion for transit programs, a \$247 million increase over the levels provided in FY 1996.

We will continue to support the funding flexibility provided by ISTEA and will support continuation of this flexibility when reauthorization legislation for ISTEA is considered by the Congress in 1998.

Sincerely

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Jeff P. Dailey (DAILEY_J) (WHO)

CREATION DATE/TIME:13-MAR-1996 17:28:40.51

SUBJECT: olympia letter

TO: Daniel J. Corbett (CORBETT_D) (OMB)

READ:13-MAR-1996 17:33:36.36

TEXT:

Here's my draft of the Olympia letter:

Thank you for your letter regarding funding for alternative modes of transportation.

My Administration remains strongly committed to the flexibility provided by the Intermodal Surface Transportation Efficiency Act and its support for transit, light rail, bicycle and pedestrian facilities. My 1997 budget proposes \$4.3 billion for transit programs -- a \$247 million dollar increase over fiscal 1996 funding. Be assured that my Administration will continue advocating the funding flexibility provided by ISTEA and will support continuation of this flexibility when Congress considers reauthorization for ISTEA in 1998.

I appreciate knowing of your concerns and I'm grateful for your involvement.

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RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Paul R. Dimond (DIMOND_P) (OPD)

CREATION DATE/TIME:29-MAR-1996 13:52:18.19

SUBJECT: Infrastructure

TO: Gene B. Sperling (SPERLING_G) Autoforward to: Daniel Taberski (TABERSKI_D)
(WHO)
READ:29-MAR-1996 13:54:20.02

TEXT:

Gene,

I met with Michael Deich with a suggestion about how to meet charge that we've reneged on promise of \$80B for infrastructure. My suggested response has 3 parts:

1. Comparing \$\$ spent on traditinal infrasturcture from all sources 1993-1995 to first three years of Bush Administration. [The premise here is that rebound in economy and lower interest rates actually led to much more infrastructure construction, maintenace, repair as
2. Policy changes -- e.g., to focus on maintenace and repair of traditional infrstrcture as more cost effective and produce greater economic growth than building all-new, plus new partnership with states and localities and private sector (SIBs) as the way to meet traditional infrastructure needs.
3. Broadening our thinking about what we mean by infrastructure to build safer, cleaner, more prosperous economy and communities in the transition to the new infomration age -- e.g., landmark Telecom bill and building of infomration superhighways through encouraging number of competitors to build privtely and with wider range and more responsive servives; clean car (as the most effective means to envrionemntally cleaner transportation and less polluted air; etc. [I'm not sure how this plays, if at all into saying anything about ISTEAs reauthroization, but Michael will work on this as well.]

One thing that I believe that you ought to think about is wehther the actual statistics will show that the rest of the industrialized world is actually spending more dollars to catch up with our traditional infrastructure and is nowhere close to us on the new infrastructures of priavtely financed information superhighways, clean cars, etc. Thoughts?

In any event, the point of the three-part case is that POTUS has learned on the jbo and focussed on how most efficiently to support infrastructure for infomration age; this involves reinvention of existing infrastructure financing as well bold new ways to encourage private sector to build infomration age infrasturcture through private sector, markets, forward-looking deregulation and flexible regulation to meet national priorities. It seems to me that this story has the merit of fitting the facts and fitting what POTUS has done and will continue to do in his Second Term. What's the matter with demonstrating how POTUS has learned on job, so that he can better lead America into a more propserous, cleaner future with less federal tax dollars spent on infrastructure?

Dimond

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: David E. Tornquist (TORNQUIST_D) (OMB)

CREATION DATE/TIME: 9-APR-1996 14:47:54.28

SUBJECT: Transportation Offset E-Mail Per Your Request to Ken Schwartz

TO: Daniel E. Bernal (BERNAL_D) (WHO)

READ: 9-APR-1996 15:00:08.12

TO: Martha Foley (FOLEY_M) (WHO)

READ: 9-APR-1996 14:49:02.81

TEXT:

===== ATTACHMENT 1 =====

ATT CREATION TIME/DATE: 5-APR-1996 15:10:00.00

ATT BODYPART TYPE:B

ATT CREATOR: David E. Tornquist

ATT SUBJECT: Offset Drill

ATT TO: Robert E. Litan (LITAN_R)

ATT CC: Karin L. Kizer (KIZER_K)

ATT CC: Kenneth L. Schwartz (SCHWARTZ_K)

ATT CC: Daniel M. Tangherlini (TANGHERLIN_D)

TEXT:

RESCISSIONABLE ITEMS:

Amount: \$65 million in contract authority; no outlays.

Program: National Highway Traffic Safety Administration
(NHTSA)

Highway Traffic Safety Grants

021-10-8020

Why Possible: The amounts proposed for rescission are unobligated balances of contract authority from the start of year in 1996 which are over and above the obligation limitation on this account. Therefore, they can not be obligated in 1996 and are not required to fund the President's 1997 Request. This would eliminate the entire outstanding balance of contract authority for this account. However, no supplementals are anticipated for this account. To score this rescission, it would have to be exempted from the ISTEA Section 1003 sequester calculations.

Amount: \$33 million in contract authority, no outlays.

Program: Federal Highway Administration, Office of Motor

Carriers (OMC)

Motor Carrier Safety Grants

021-05-8048

Why Possible: The amounts proposed for rescission are unobligated balances of contract authority from the start of year in 1996 which are over and above the obligation limitation for this account in 1996. Therefore, they can not be obligated in 1996 and are not needed to fund the President's Request in 1997. This would eliminate the entire outstanding balance of contract authority for this account. However, no supplementals are anticipated for this account. To score this rescission, it would have to be exempted from the ISTEA Section 1003 sequester calculations.

===== END ATTACHMENT 1 =====

===== ATTACHMENT 2 =====

ATT CREATION TIME/DATE: 5-APR-1996 15:10:00.00

ATT BODYPART TYPE:p

ATT CREATOR: David E. Tornquist

TEXT:

Unable to convert OA\$SHARC1338:ZWFZLOF16.FGN to ASCII,
The following is a HEX DUMP:

===== END ATTACHMENT 2 =====

RESCISSIONABLE ITEMS:

Amount:\$65 million in contract authority; no outlays.

Program: National Highway Traffic Safety Administration (NHTSA)
Highway Traffic Safety Grants
021-10-8020

Why Possible: The amounts proposed for rescission are unobligated balances of contract authority from the start of year in 1996 which are over and above the obligation limitation on this account. Therefore, they can not be obligated in 1996 and are not required to fund the President's 1997 Request. This would eliminate the entire outstanding balance of contract authority for this account. However, no supplementals are anticipated for this account. To score this rescission, it would have to be exempted from the ISTEA Section 1003 sequester calculations.

Amount:\$33 million in contract authority, no outlays.

Program: Federal Highway Administration, Office of Motor Carriers (OMC)
Motor Carrier Safety Grants
021-05-8048

Why Possible: The amounts proposed for rescission are unobligated balances of contract authority from the start of year in 1996 which are over and above the obligation limitation for this account in 1996. Therefore, they can not be obligated in 1996 and are not needed to fund the President's Request in 1997. This would eliminate the entire outstanding balance of contract authority for this account. However, no supplementals are anticipated for this account. To score this rescission, it would have to be exempted from the ISTEA Section 1003 sequester calculations.

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Kenneth L. Schwartz (SCHWARTZ_K) (OMB)

CREATION DATE/TIME:25-APR-1996 19:01:39.28

SUBJECT: 710 Highway Project

TO: John C. Angell (ANGELL_J) (WHO)

READ:26-APR-1996 09:10:29.48

TEXT:

I don't know much, but here is what I do know.

710 is an expensive highway project authorized in ISTEA. It is located in Los Angeles County and is an eight lane, 6 mile urban freeway. Total project cost, I have heard, is almost a billion, but I would guess that only a portion has been authorized to date. The project was highlighted in a report ("Green Scissors Report") issued by the National Taxpayers Union and environmental groups as an example of the type of project that should be stopped. The report received press play in the NY Times, Wash. Post and USA Today. The report was issued at the end of January.

We do have limited information on this project. We can send you what we have, if you would like.

Re: PAD, I hear zippo. Got any good rumors for us?

RECORD TYPE: PRESIDENTIAL (XCHANGE MAIL)

CREATOR: Ed J Gleason (CN=Ed J Gleason/OU=DOT/O=GOV [UNKNOWN])

CREATION DATE/TIME: 2-MAY-1996 17:22:36.00

SUBJECT: DOT Weekly Report of May 2, 1996

TO: Elizabeth Toohey (CN=Elizabeth Toohey/OU=WHO/O=GOV [Cabinet Affairs])
READ:UNKNOWN

TO: Loreen Keller (CN=Loreen Keller/OU=WHO/O=GOV [Cabinet Affairs])
READ:UNKNOWN

TO: John Stiver (CN=John Stiver/OU=WHO/O=GOV [Cabinet Affairs])
READ:UNKNOWN

TO: David Beaubaire (CN=David Beaubaire/OU=WHO/O=GOV [WHO])
READ:UNKNOWN

TO: Rosemary O'Shea (CN=Rosemary O'Shea/OU=WHO/O=GOV [WHO])
READ:UNKNOWN

TO: Laura Bishop (CN=Laura Bishop/OU=WHO/O=GOV [WHO])
READ:UNKNOWN

TO: Mark Aromando (CN=Mark Aromando/OU=WHO/O=GOV [WHO])
READ:UNKNOWN

TO: John Dinneen (CN=John Dinneen/OU=WHO/O=GOV [WHO])
READ:UNKNOWN

TO: Jason Goldberg (CN=Jason Goldberg/OU=WHO/O=GOV [WHO])
READ:UNKNOWN

TO: Gabe London (CN=Gabe London/OU=WHO/O=GOV [WHO])
READ:UNKNOWN

TO: Dan Lipner (CN=Dan Lipner/OU=WHO/O=GOV [WHO])
READ:UNKNOWN

TO: Carl Snoddy (CN=Carl Snoddy/OU=WHO/O=GOV [Cabinet Affairs])
READ:UNKNOWN

TO: Admin User (CN=Admin User/OU=WHO/O=GOV [OA])
READ:UNKNOWN

TO: Ron E Blankenship (CN=Ron E Blankenship/OU=WHO/O=GOV [OA])
READ:UNKNOWN

TO: Marla Zometsky (CN=Marla Zometsky/OU=WHO/O=GOV [WHO])
READ:UNKNOWN

TO: Anne McGuire (CN=Anne McGuire/OU=WHO/O=GOV [WHO])
READ:UNKNOWN

TO: Kris Balderston (CN=Kris Balderston/OU=WHO/O=GOV [WHO])
READ:UNKNOWN

TO: Sheila Turner (CN=Sheila Turner/OU=WHO/O=GOV [WHO])
READ:UNKNOWN

TO: LeeAnn Inadomi (CN=LeeAnn Inadomi/OU=WHO/O=GOV [WHO])
READ:UNKNOWN

TO: Deborah J. Behr (CN=Deborah J. Behr/OU=WHO/O=GOV [OA])
READ:UNKNOWN

TO: Stephen B. Silverman (CN=Stephen B. Silverman/OU=WHO/O=GOV [WHO])
READ:UNKNOWN

TEXT:
MEMORANDUM FOR LEON PANETTA, THE WHITE HOUSE May 2, 1996

FROM: Secretary Peña

SUBJECT: DOT Weekly Report -- Week of May 6, 1996

The following is the Department of Transportation Weekly Report:

KEY DEPARTMENT NEWS

Secretary Peña to Travel to Denver, Los Angeles and San Francisco. On May 9, in a ceremony to be held in Denver, Secretary Peña will announce the signing of a full funding grant agreement for \$178 million to the Regional Transportation District for an 8.7 mile extension of the Southwest Corridor Light Rail line to Littleton. The light rail line is projected to carry over 8,400 passengers daily and is scheduled to be completed by the year 2000. On May 10, while in Los Angeles, he will award a Livable Communities grant announcement and then travel to San Francisco and, along with Mayor Brown, award a \$250,000 community safety grant to the Mission District, a largely Hispanic community. He will then attend the Coast Guards Pacific Area Foundation Awards Dinner.

Overflight of National Parks. On May 11, the Secretary is planning to announce a Notice of Proposed Rulemaking proposing overflight restrictions on tour operators of Rocky Mountain National Park, Colorado. This follows through on President Clintons Earth Day directive.

DOT Headquarters Building Air Quality. The Department is continuing to investigate air quality in the Headquarters building. On May 1, we received reports from laboratories that a dangerous fungus has been identified in a contained area in the DOT fitness center. The center will

be closed until further notice and the area has been sealed off. An all employee memorandum will be distributed on May 2. We expect press coverage.

Vice-President Gore Announces Funding to Replace Chouteau Bridge in Kansas City. On behalf of President Clinton, Vice President Gore, May 1, announced that the Administration will provide \$5 million in discretionary funds from the U.S. Department of Transportation to help Kansas City and the State of Missouri build a replacement for the obsolete Chouteau Bridge. President Clinton said, "I want to congratulate Kansas City, the State of Missouri and the Department of Transportation for working together to identify an innovative way to meet the needs of the people of Missouri. A new and safer bridge is a vital investment that will bring important benefits to the people and the economy of the Kansas City area." Similar announcements for Cape Girardeau and Hannibal are expected in the coming weeks.

St. Louis - Detroit Travel. On April 29-30, Secretary Peña traveled to St. Louis to attend, along with Rep. Gephardt, ceremonies inaugurating TWA service from St. Louis to Toronto. While in St. Louis, he presented a \$10 million light-rail grant, met with state and local leaders, participated in an Editorial Board with the St. Louis Post-Dispatch and attended the Regional Commerce and Growth Association Roundtable. Good press coverage of all events. Secretary Peña was in Detroit, April 30-May 1, and attended ceremonies inaugurating Northwest Airlines service from Detroit to Beijing. Additionally, he met with County Executive Ed McNamara and other airport officials to follow through on President Clinton's promise to help and fund the Detroit-Wayne County Airport expansion project. President honoring his commitment received excellent press coverage. He also visited with auto executives and the UAW President, and attended a Michigan State Party dinner.

Supplemental Emergency Relief (ER) Funds Released. With the signing of the FY 96 Budget, \$267 million in ER funds has become available to respond to emergency requests from states, with \$33M held as contingency available by separate request from the Secretary to the President. Of the total amount, \$70M will go to replenish the funds originally in the interstate discretionary fund and disbursed to the states earlier this year for disaster relief. The major states awaiting receipt of ER funds arising from the January flooding are Oregon, Washington, New York and Pennsylvania. We plan to coordinate this with the White House.

Aviation Inspection Program. On April 30, the Senate Governmental Affairs Subcommittee on Oversight of Government Management and the District of Columbia held a hearing on the training and supervision of Federal Aviation Administration (FAA) inspectors. Administrator Hinson testified. Committee heard testimony on deficiencies in the FAA inspection program, including testimony from an FAA inspector whose identity was shielded for his protection. In response to this, the FAA is reviewing the entire program to see what improvements are necessary. The hearing received wide media coverage.

Child Pilots. On May 1, the House Transportation and Infrastructure Subcommittee on Aviation held a hearing on legislation regarding the

piloting of aircraft by children. Administrator Hinson testified on Chairman Duncan's proposal to prohibit any non-pilot from manipulating the controls of an aircraft during a record-setting event. Secretary Peña has indicated his general support for the legislation, but has proposed strengthening it to include a ban on non-pilots from making take-offs and landings.

Airport Revenue Diversion. On May 1, the Senate Commerce, Science and Transportation Subcommittee on Aviation held a hearing on airport revenue diversion. General Counsel Nancy McFadden testified along with Federal Aviation Administration Chief Counsel Nick Garaufis. The General Counsel testified that the department should maintain its authority over airport diversion policy and its adjudication. DOT Inspector General Mary Schiavo was also called as a witness. Senator McCain focused on Los Angeles Airport issues, including Webb Hubbell's representation of the city before the Department in 1994.

Security of Athens Airport. Federal Aviation Administration (FAA) teams have continued to train screeners, supervisors, and members of the Civil Aviation Authority (CAA). They have also assisted the CAA to implement long-term improvements. FAA hopes to conduct the reassessment May 6-10 and a determination regarding the travel will be made soon thereafter.

Cuban Democracy Movement Flotilla. On May 1, six Cuban Democracy movement boats departed Key West for a demonstration at the location where two Brothers-to-the-Rescue planes were shot down in February. The Coast Guard Cutter THETIS marked the spot of the shootdown to ensure that no boats entered Cuban waters. A Coast Guard C-130 aircraft monitored the flotilla. Upon completing the ceremony, all boats returned to the Florida.

Ford Motor Company Ignition Switch Recall. During the week of April 21, Ford Motor Company informed the National Highway Traffic Safety Administration (NHTSA) that it will recall approximately 7.9 million vehicles to replace faulty ignition switches. The vehicles involved include: 1988-90 Escort; 1988 EXP; 1988-92 and some early build 1993 Mustang, Tempo/Topaz and Thunderbird/Cougar; 1988-89 Crown Victoria, Grand Marquis, and Lincoln Town Car; and 1988-91 Aerostar and Bronco/F-series Light Truck. Ford has identified a quality control problem that, in conjunction with certain electrical equipment, can cause short circuits and fires in the steering column area of these vehicles. NHTSA will continue to monitor complaints and fires in all Ford vehicles equipped with these switches to ensure that the problem has been accurately identified and that the problem is limited to these vehicles.

Union Pacific (UP) Highway-Rail Grade Crossing Accident. On May 1, a northbound UP freight train struck a school bus at a highway-rail grade crossing. The school bus was carrying the driver and 11 children. The driver sustained a broken leg and arm and a student received a black eye and a laceration requiring stitches. Train crewmembers, interviewed after the accident, stated that the bus stopped too close to the tracks and then attempted to cross before the train had approached the crossing. The lead locomotive then struck the bus in the right front loading door area causing the bus to roll over. Skid marks at the scene indicate that the

bus was approaching at a high rate of speed.

U. S. - Japan Aviation Agreement. The Department issued a statement May 1 on U.S.-Japan passenger services. The statement indicated that the following services would be permitted to operate during the summer season: United Airlines' Osaka-Seoul services for the summer 1996 season; United's increase of capacity on its Los Angeles-Tokyo service for five weeks commencing May 2; Japan Airlines' Tokyo-Kona, Hawaii, service for the summer 1996 season; Japan Airlines' Sendai-Honolulu service for up to seven weekly frequencies for five weeks commencing May 2. The two sides agreed to meet again in Tokyo June 3-4 to discuss other passenger issues currently outstanding, including the Japanese requests for consultations on passenger services. This is a significant development that has been closely watched.

Montana Rail Link (MRL) Freight Train Derailment Update. On April 28, Interstate 90 was reopened and all of the remaining evacuees were allowed to return to their homes. In addition, MRL's main track was returned to service. The probable cause remains to be a vertical split head (a crack in the rail). MRL management tentatively agrees with this cause.

AGENCY WORK ON PRESIDENTIAL INITIATIVES

Father's Initiative. Preparations have been completed for the May 3 Federal Conference on "Strengthening the Role of Fathers in Families" being held at the NIH Natcher Center. Secretary Peña will appear during the opening session along with the Vice President and other Cabinet Secretaries. DOT will chair a session in the afternoon on the use of telecommuting to assist fathers in carrying out their work and family responsibilities.

Alaska North Slope (ANS) Oil Exports. On April 28, the President signed a finding that lifting the 22-year ban on export of ANS oil was in the national interest and indicated that it would not adversely affect oil supplies or gasoline prices on the West Coast or elsewhere in the U.S. The Coast Guard is required to develop a plan for a private sector vessel assistance system, and DOT/Policy is to determine by the end of the year the need for additional measures to protect the marine environment.

Adarand Constructors, Inc. v. Peña. This week the United States filed a motion for summary judgment in the Adarand case, which is before the federal district court in Colorado on remand from the Supreme Court. The Supreme Court's decision announced that all federal programs using racial classifications must be reviewed under a new standard of "strict scrutiny." Strict scrutiny requires a showing of a compelling governmental interest and a narrowly tailored program to address that interest. Adarand has challenged the Subcontracting Compensation Clause (SCC), which is used by the Federal Highway Administration to encourage participation of minority and women-owned subcontractors in Federal highway construction. The government's motion argues that Congress had a compelling interest in remedying discrimination in highway construction and governmental contracting, and that the SCC is a narrowly tailored

program that furthers this interest.

Affirmative Action: Court Injunction Against Houston Metro's DBE Program.

On April 22, a federal judge in Houston issued an injunction against Houston Metro's Disadvantaged Business Enterprise (DBE) Program. Houston Metro's DBE program is being challenged by the Houston Contractors Association, who have alleged that the program is unconstitutional because it unfairly discriminates against its members by using race and gender as criteria in the contracting process. On April 26, the Federal Transit Administration advised Houston Metro that failure to implement its FTA-approved DBE program, pending the outcome of DOT's current review of its regulation, will constitute noncompliance and subject Houston Metro to sanctions, including possible suspension of authorization to draw down FTA funds.

Field Restructuring Meeting. On April 24 and 25, the Department of Transportation hosted a meeting of the Regional Administrators from Federal Highway Administration, Federal Railroad Administration, Federal Transit Administration and the National Highway Traffic Safety Administration to discuss opportunities for field restructuring. Secretary Peña, Deputy Secretary Downey and the Administrators from all four operating administrations participated in this first-ever gathering of departmental managers. The objective was to discover ways to enhance customer service and program delivery. The ideas generated will serve as platforms for managers to take back to their regions to develop specific action plans and timetables.

CONGRESS

Federal Role for Transportation and National Interests. On May 2, the House Transportation and Infrastructure Subcommittee on Surface Transportation held a hearing on the federal role for transportation and national interests. The Secretary and Administrators testified on the Department's behalf. The Committee will also hear from governors, mayors, county officials and other witnesses that day.

International Aviation. On April 30, The House Transportation and Infrastructure Subcommittee on Aviation held a hearing on the United States aviation relationship with the U.K. and Japan. Assistant Secretary for Aviation and International Affairs Charles Hunnicutt testified.

FY97 Federal Aviation Administration Appropriations. On May 2, the Senate Appropriations Subcommittee on Transportation will hold a hearing on FY97 Federal Aviation Administration Appropriations. Federal Aviation Administrator David Hinson will testify on the Department's behalf.

Maritime Administration Authorization Bill. The House National Security Committee marked up the MARAD authorization bill, H.R. 3281, on May 1. The maritime panel chaired by Congressman Herb Bateman reported the bill to the full Committee on April 24. The MARAD budget request was reduced from \$78 million to \$69 million. Title XI remained at \$40 million as requested by the Administration. The \$4 million requested by the Administration for Title XI administrative expenses was reduced to \$3.5

million. The overall cut was around 12%. The authorizing committees have been told by the House leadership to reduce agencies' budgets similar to 1996 cuts.

Amtrak Reauthorization Legislation. The Senates schedule for this week includes possible floor consideration of Amtrak reauthorizing legislation, May 2, if the Senate is able to complete action on immigration reform legislation. The Office of Management and Budget is preparing a Statement of Administration Position on the key Administration concerns with the current version of the legislation. A number of provisions that the Administration had objected to in earlier drafts of the bill have been dropped in the current bill. Key remaining issues include: the impact of accelerating Amtraks receipt of appropriated funds; authorization for Amtrak to use guaranteed loans; modifications to the 511 loan guarantee program generally; reauthorization of the Local Rail Freight Assistance Program; and a mandated transfer of title to Washington Union Station to Amtrak. Efforts have also been underway in the Commerce Committee to develop a compromise proposal on the liability issue, which is not addressed in the current Senate bill, but is a key feature of the House-passed Amtrak reauthorization bill (H.R. 1788). Liability concerns have held up Senate floor consideration of the bill for some time.

FY 1997 Coast Guard Reauthorization. U.S. Coast Guard Commandant ADM Kramek will testify before the Senate Commerce Coast Guard Subcommittee on May 7 to present the Coast Guard's FY 1997 budget priorities. One issue will be the likelihood that the still-pending FY 1996 Coast Guard reauthorization will become law. It was not completed last year.

Coast Guard Missions. On May 9, the House Transportation and Infrastructure Subcommittee on Coast Guard and Maritime Transportation will hold an oversight hearing on Coast Guard missions.

Secretary Travel

May 5-7. Secretary Peña will attend the U.S./Mexico Binational Commission Meeting in Mexico City. This is an annual meeting among Cabinet officials of the U.S. and Mexico to discuss cooperative activities and other matters of mutual interest.

May 9-11. Secretary Peña will travel to Denver for a light-rail grant announcement and a Rocky Mountain National Park overflight announcement, to Los Angeles for a grant announcement, and then to San Francisco for a grant announcement and then to attend the Pacific Area Coast Guard Foundation Awards Dinner.

May 13. Secretary Peña will travel to Lehigh, PA. He will participate in an ISTEA field hearing, dedicate a tower at the Lehigh Valley Airport, award an FTA grant and speak at a Chamber of Commerce event.

Deputy Secretary

May 7-8. Deputy Secretary Downey will attend Amtrak meetings in New York

City.

May 26-June 1. Deputy Secretary Downey will participate in the European Conference of Ministers of Transport Council meeting in Budapest, Hungary. While in Budapest, he will hold bilateral meetings with a number of counterparts.

June 6-7. Deputy Secretary Downey will attend ISTEA hearings in New York City.

Modal Administrators/Assistant Secretaries
April 30 - May 7.

Bureau of Transportation Statistics Director T.R. Lakshmanan will participate in the World Congress of the Regional Science Association International, and talk about BTS at a Plenary Session on the topic of Transportation Analysis and Spatial Development in Tokyo Japan.

May 4
National Highway Traffic and Safety Administrator Ricardo Martinez will address the American Trauma Society in Arlington, VA.

May 4-5
Federal Transit Deputy Administrator Grace Crunican will participate in the fourth Congress for the New Urbanism in Charleston, S.C.

May 5
National Highway Traffic and Safety Administrator Ricardo Martinez will be the keynote speaker at the Society for Academic Emergency Medicine Annual Meeting, Denver, CO.

Federal Highway Administrator Rodney Slater will be the Baccalaureate Speaker at University of the District of Columbia.

May 6-7
Coast Guard Commandant ADM Robert Kramek will be the keynote speaker at the Federal Executive Board Excellence in Government Awards ceremony in Boston, MA. Admiral Kramek will also visit Coast Guard units where he will receive operational briefings in New England area.

May 6
Federal Highway Administrator Rodney Slater will attend the DC, Maryland, Virginia ITS event in Washington, D.C.

May 7-10
National Highway Traffic and Safety Administrator Ricardo Martinez will participate in meetings and hold technical discussions with the Japanese Automobile Manufacturers Association (JAMA), Honda, Nissan, Toyota, and Takata Corporation --Tokyo, Nogoya, and Osaka, Japan.

May 7

Federal Transit Administrator Gordon Linton to address the Intelligent Transportation Society of Michigan in Ann Arbor, Michigan.

Office of Intermodalism Associate Deputy Secretary Michael Huerta will be chairing Truck Size and Weight Study focus group meetings in Detroit, MI.

May 7-9 Director of Civil Rights Antonio J. Califa will travel to Post Falls, Idaho to participate as a keynote speaker at the Civil Rights Conference hosted by the Idaho Transportation Department.

May 8

Saint Lawrence Seaway Development Corporation Administrator Gail McDonald will participate in an International Bridge meeting, Cornwall, Ontario.

National Highway Traffic and Safety Deputy Administrator Phil Recht will speak at the Drive Smart Virginias 1996 Annual Conference on Trans. Safety in Richmond, VA.

May 9

Saint Lawrence Seaway Development Corporation Administrator Gail McDonald will speak before the Business & Professional Women's Club, Massena, New York; she will also speak to history students at Massena High School; and will participate in a radio interview while in Massena, N.Y.

National Highway Traffic and Safety Deputy Administrator Phil Recht will be the keynote speaker at the Commonwealth of Virginia statewide transportation safety conference, Richmond, VA.

Federal Highway Administrator Rodney Slater will speak at the National Associated General Contractor Conference in Little Rock, AR.

Federal Highway Deputy Administrator Jane Garvey will accept the Womens Transportation Seminar Diversity Award on behalf of FHWA in Portland, OR.

May 10

Federal Highway Administrator Rodney Slater will speak at the University of Arkansas Commencement in Jonesboro, AR.

Secretary Peña and Federal Transit Administrator Gordon Linton will travel to Los Angeles for a grant announcement and participate in a tour of the Los Angeles Neighborhood Initiative project in Los Angeles. They will also travel to San Francisco for a DOT livable communities grant announcement. Federal Highway Deputy Administrator Jane Garvey is tentatively scheduled to travel with the Secretary to Los Angeles and San Francisco for intermodal project announcements.

May 11

Maritime Administrator Albert Herberger will speak to the National Council of Maritime Academy Alumni Associations in Reston, VA.

May 11-15

Office of Intermodalism Associate Deputy Secretary Michael Huerta to participate in worldwide seminar on "Prioritization of Multimodal Transport Infrastructure" in the Netherlands.

May 11-18

National Highway Traffic and Safety Administrator Ricardo Martinez will attend and serve as head of the U.S. Delegation for the Department of Transportations 15th International Technical Conference on the Enhanced Safety of Vehicles, in Melbourne, Australia, and participate in technical motor vehicle safety discussions with the Australian Road Traffic Authority (RTA), in Sydney, Australia.

May 14-15

Maritime Deputy Administrator Joan Yim will participate in the Great Lakes Regional Dredging Team in Indianapolis, IN.

May 13

Federal Highway Administrator Rodney Slater will speak at the ISTEA Regional Forum in Philadelphia, PA.

Saint Lawrence Seaway Development Corporation Administrator Gail McDonald will speak at the 3rd Annual International Conference on St. Lawrence Ecosystem, in Cornwall, Ontario.

Federal Transit Administrator Gordon Linton to participate in first regional forum on ISTEA reauthorization and participate in a ceremony for further improvements to the Frankford Transportation Center in Philadelphia, PA.

May 14

Federal Highway Administrator Rodney Slater will speak at the U.S. Trade Development Agency Conference in St. Louis, MO.

Federal Highway Deputy Administrator Jane Garvey will speak at the Regional Forum Luncheon in Philadelphia, PA.

May 15

National Highway Traffic and Safety Deputy Administrator Phil Recht will be the Luncheon speaker at the 1st Annual Traffic Safety Summit in Lansing, MI.

Federal Aviation Administrator David Hinson to speak at the International Society of Women Airline Pilots Convention and participate in dedication of VSCS at Dallas Center in Ft. Worth, TX.

May 17

Vice Admiral Henn will attend the Coast Guard Cutter MODOC Wreath Laying Ceremony at Arlington National Cemetery.

May 19

Federal Highway Administrator Rodney Slater will speak at the West Virginia State University Commencement in Charleston, WV.

May 21

Federal Highway Administrator Rodney Slater will speak at the ISTEA Forum Intermodal Freight Facility Opening in Chicago, IL.

Assistant Secretary for Governmental Affairs Steve Palmer will address the Regional Airline Associations Annual Convention in Orlando, FL.

May 22

Federal Highway Administrator Rodney Slater will speak at the Chief Executive Officers Expanded Delta Region Meeting in Jackson, MS.

President Clinton, Secretary Peña and Admiral Kramek will participate in the Coast Guard Academy's Class of 1996 graduation ceremonies.

Federal Transit Administrator Linton will speak at the Community Transportation Association of America's (CTAA) Expo '96 conference in Milwaukee.

May 23

Saint Lawrence Seaway Development Corporation Administrator Gail McDonald will speak at the Port of Cleveland's Maritime Day luncheon in Cleveland, Ohio.

May 24

National Highway Traffic Safety Deputy Administrator Phil Recht will speak at the Drive Smart Virginia Press Conference in Richmond, VA.

Saint Lawrence Seaway Development Corporation Administrator Gail McDonald will participate in a Maritime Business Development Conference & Exposition in Chicago, IL.

Federal Highway Administrator Rodney Slater will speak at the Red Light Running Dedication to FHWA Oklahoma City bombing victims in Oklahoma City, OK.

May 31

National Highway Traffic and Safety Administrator Ricardo Martinez will give the keynote address at the Brain Injury Association Annual Membership and Board of Directors Meeting, Alexandria, VA.

Maritime Administrator ADM Herberger will speak at the Marine Day Dinner in Philadelphia, PA.

May 31-June 1

Federal Highway Deputy Administrator Jane Garvey will speak at the ISTEA Focus Group Meeting in Albuquerque, NM.

June 1

Admiral Kramek is tentatively scheduled to travel to Montauk, NY to attend the Montauk Lighthouse Bicentennial Celebration.

June 2

Federal Highway Deputy Administrator Jane Garvey will speak at the

Statewide Multimodal Planning Conference in Idaho.

June 5

National Highway Traffic and Safety Administrator Ricardo Martinez will address the USAA Executive Management Group, San Antonio, TX.

June 7

Federal Highway Administrator Rodney Slater and Deputy Administrator Garvey will speak at the Innovative Finance Ribbon Cutting Ceremony in Stark County, OH.

June 8

National Highway Traffic and Safety Administrator Ricardo Martinez will speak at the California Chapter of the American College of Emergency Physicians 1996 Scientific Assembly on "Change and Opportunity for Emergency Medicine: Re-engineering Health Care," La Jolla, CA.

June 10-11

Federal Highway Deputy Administrator Jane Garvey will speak at the Northeast Association of State Transportation Officials.

June 12

Admiral Kramek is tentatively scheduled to travel to San Francisco to officiate at the Coast Guard Pacific Area Change of Command.

June 13

Federal Highway Deputy Administrator Jane Garvey will attend the Global Eco/Intermodal Connections ISTEIA Outreach in Forum in Miami, FL.

June 14

Coast Guard Commandant ADM Robert Kramek will officiate the Atlantic Area/Coast Guard Fifth District Change of Command in Portsmouth, VA.

June 15

Coast Guard Vice Admiral Gene Henn will attend the launching of the Coast Guard Cutter WILLOW in Marinette, WI.

June 18

National Highway Traffic and Safety Administrator Ricardo Martinez will speak at the American Association of Health Plans, New Orleans, LA.

June 20

Federal Highway Administrator Rodney Slater will speak at the National Association of Latino Elected Officials Annual Conference in Los Angeles, CA.

June 21

Federal Highway Administrator Rodney Slater will attend the U.S. Conference of Mayors Conference in Cleveland, OH.

June 23-26

Federal Highway Deputy Administrator Jane Garvey will speak at the Western

Association of State Highway and Transportation Officials in Albuquerque, NM.

June 24

Coast Guard Commandant ADM Robert Kramek will officiate at the Coast Guard Yard Change of Command Ceremony in Curtis Bay, MD.

June 25

National Highway Traffic and Safety Administrator Ricardo Martinez will participate in Grand Rounds at Louisiana State University Medical School, Shreveport, LA.

June 27

Coast Guard Commandant ADM Robert Kramek will officiate at Vice Admiral Hennis retirement Ceremony in Alexandria, VA.

Federal Highway Deputy Administrator Jane Garvey will speak at the Liveable Communities ISTE Outreach in Los Angeles, CA.

June 28

Coast Guard Commandant ADM Robert Kramek is tentatively scheduled to travel to Long Beach, CA to officiate at the Coast Guard Eleventh District decommissioning & ceremony.

Press

Media Inquiries

(New Listings in Bold)

National Highway Traffic Safety Administrator Martinez will appear as a guest on Larry King Live May 2. The topic will be aggressive driving.

Dateline, April 29, continues to collect information on a possible future story on aggressive drivers. Dateline has been given statistical data and will talk with Associate Administrator James Hedlund on background, and is expected to ask for an on-camera interview with Administrator Martinez.

USA Today, April 29, asked for further information on the way insurance companies reported information on the Ford ignition switch fires, and will be working in the docket to review their responses. A story on this is expected this week.

Business Week, April 30, asked for historical information on light truck CAFE for the Big Three and for Toyota and Honda. A story is planned for next week's magazine.

U.S. News & World Report is preparing a comprehensive article on the status of rail safety in America. U.S. News has been attending congressional hearings, talking to all segments of the rail industry, NTSB

and labor.

Federal Railroad Administrator Molitoris will appear on Prime Time Live May 7 to discuss rail safety.

Washington Post Magazine, April 23, called for information on the way states can determine if an applicant for a driver's license has had adverse actions in another state. Asked for historical statistical information on national fatalities and injuries. A story is planned for a future Post Magazine on trends in highway crashes, possibly regional in nature.

Vice President Gore, March 4, announced that the St. Lawrence Seaway Development Corp. was a candidate to become a Performance Based Organization. A Department of Transportation task force is now determining if SLSDC qualifies. Results are expected in May or June and media calls are anticipated.

A Washington Times story is possible as a result of a story in the "Corporate Crime Reporter" that portrays the National Highway Traffic Safety Administration's (NHTSA) initiatives to improve security within its Office of Defect Investigation as a "plumbers unit" seeking to stop press leaks and "get" employees. NHTSA Administrator Martinez was interviewed by the Times reporter, who indicated she might not do the piece.

AP, April 26, was supplied with information from MARAD rebutting a Journal of Commerce report on MARAD's handling of Export-Import Bank shipments.

Two of three Great Lakes/Seaway pilot organizations have filed suits against the Department of Transportation for exceeding authority by transferring the Coast Guard Pilotage office to the St. Lawrence Seaway Development Corp. The U.S. District Court of the District of Columbia held a hearing March 8 and the judge ruled in favor of DOT. St. Lawrence Seaway continues to receive media calls on this issue.

Washington Post, April 18, called with follow-up questions related to an earlier inquiry regarding tankers with Title XI financing serving the Alaskan oil trade. Publication date not known.

Wall Street Journal, April 16, called MARAD concerning any studies on economic benefits of landside access to ports, part of a story on intermodalism it has been pursuing. They have already talked to Office of Intermodalism Director Michael Huerta.

The Washington Post, April 8, asked for current information on children riding in the beds of pickup trucks. Date of eventual story is not known.

ABC's 20/20, April 6, asked for a copy of the study on antilock brakes in passenger cars, dated December 1994. National Highway Traffic Safety Administrator Martinez was interviewed for a possible consumer information segment on ABS several months ago. ABC indicated there was some interest

in moving forward on the story, but the date is unknown.

NBC Dateline, April 2, requested information on air bags and rear-facing seats. Date of eventual story is not known.

Houston Chronicle is in the early research stages for an article on Title XI and the shipbuilding industry. It interviewed Admiral Herberger March 22. The article is expected to appear late summer.

FOIA REQUESTS

The Wall Street Journal requested Service Difficulty Reports recorded for Delta Airlines from 1990 through 1995. They also requested copies of incident and accident reports for the same time period or the most recent time period available.

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Mark J. Mazur (MAZUR_M) (WHO)

CREATION DATE/TIME: 4-MAY-1996 11:59:02.81

SUBJECT: parking cashout, etc.

TO: Daniel J. Corbett (CORBETT_D) (OMB)

READ: 6-MAY-1996 06:46:48.98

TEXT:

Dan,

I am free most of the day Monday. If you have some time when you'd like to discuss parking cashout, ISTEAs, and other transportation issues, please suggest a specific time and I'll pencil you in.

Mark

RECORD TYPE: PRESIDENTIAL (XCHANGE MAIL)

CREATOR: Ed J Gleason (CN=Ed J Gleason/OU=DOT/O=GOV [UNKNOWN])

CREATION DATE/TIME: 8-MAY-1996 10:45:40.00

SUBJECT: Hot Issues-Pennsylvania

TO: Elizabeth Toohey (CN=Elizabeth Toohey/OU=WHO/O=GOV [Cabinet Affairs])
READ:UNKNOWN

TO: Loreen Keller (CN=Loreen Keller/OU=WHO/O=GOV [Cabinet Affairs])
READ:UNKNOWN

TO: John Stiver (CN=John Stiver/OU=WHO/O=GOV [Cabinet Affairs])
READ:UNKNOWN

TO: David Beaubaire (CN=David Beaubaire/OU=WHO/O=GOV [WHO])
READ:UNKNOWN

TO: Rosemary O'Shea (CN=Rosemary O'Shea/OU=WHO/O=GOV [WHO])
READ:UNKNOWN

TO: Laura Bishop (CN=Laura Bishop/OU=WHO/O=GOV [WHO])
READ:UNKNOWN

TO: Mark Aromando (CN=Mark Aromando/OU=WHO/O=GOV [WHO])
READ:UNKNOWN

TO: John Dinneen (CN=John Dinneen/OU=WHO/O=GOV [WHO])
READ:UNKNOWN

TO: Jason Goldberg (CN=Jason Goldberg/OU=WHO/O=GOV [WHO])
READ:UNKNOWN

TO: Gabe London (CN=Gabe London/OU=WHO/O=GOV [WHO])
READ:UNKNOWN

TO: Dan Lipner (CN=Dan Lipner/OU=WHO/O=GOV [WHO])
READ:UNKNOWN

TO: Carl Snoddy (CN=Carl Snoddy/OU=WHO/O=GOV [OA])
READ:UNKNOWN

TO: Admin User (CN=Admin User/OU=WHO/O=GOV [OA])
READ:UNKNOWN

TO: Ron E Blankenship (CN=Ron E Blankenship/OU=WHO/O=GOV [OA])
READ:UNKNOWN

TO: Marla Zometsky (CN=Marla Zometsky/OU=WHO/O=GOV [WHO])
READ:UNKNOWN

TO: Anne McGuire (CN=Anne McGuire/OU=WHO/O=GOV [WHO])

READ:UNKNOWN

TO: Kris Balderston (CN=Kris Balderston/OU=WHO/O=GOV [WHO])

READ:UNKNOWN

TO: Sheila Turner (CN=Sheila Turner/OU=WHO/O=GOV [WHO])

READ:UNKNOWN

TO: LeeAnn Inadomi (CN=LeeAnn Inadomi/OU=WHO/O=GOV [WHO])

READ:UNKNOWN

TO: Deborah J. Behr (CN=Deborah J. Behr/OU=WHO/O=GOV [OA])

READ:UNKNOWN

TO: Stephen B. Silverman (CN=Stephen B. Silverman/OU=WHO/O=GOV [WHO])

READ:UNKNOWN

TEXT:

MEMORANDUM TO: Kitty Higgins
Secretary to the Cabinet
The White House

FROM: Ann Bormolini
Chief of Staff

SUBJECT: Background Information -
Pennsylvania

DATE: May 7, 1996

New "hot issues" involving the state of Pennsylvania are noted below. For other recently-reported issues involving the State, please refer to my April 22, 1996, which is attached with updates noted in italics. Please contact me or Barbara Leach at 366-5680 if you have any questions.

Award of Federal Funds for University Park Airport

A federal grant in the amount of \$10.2 million is ready to be announced. The grant will provide for the construction of a runway extension at the University Park Airport in State College. The airport serves commuter and corporate flights to and from the Penn State area. We will coordinate with you on release.

Emergency Relief Funds

Federal Highway Emergency Relief funds are ready to be released this week. The funds provide an additional \$15 million to the state of Pennsylvania to help continue repair work on federal-aid highways damaged during flooding in January. The funds bring Pennsylvania's total federal-aid package to \$36 million for the January flooding. We anticipate releasing the funds Thursday and have coordinated with you on this.

ISTEA Reauthorization

Secretary Peña will be in Philadelphia on Monday, May 13, to convene the first of twelve Intermodal Surface Transportation Efficiency Act (ISTEA) Regional Forums. He will also announce a transit grant in Philadelphia and dedicate a new air traffic control tower in Lehigh.

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Daniel J. Corbett (CORBETT_D) (OMB)

CREATION DATE/TIME:10-MAY-1996 16:25:20.96

SUBJECT: Another ISTEa meeting

TO: Michael D. Deich (DEICH_M) (OPD)

READ:13-MAY-1996 08:08:47.77

TO: Mark J. Mazur (MAZUR_M) (WHO)

READ:10-MAY-1996 16:26:22.48

TEXT:

Another ISTEa reauthorization meeting. AASHTO is the American Association of State Highway and Transportation Officials. AASHTO represents State DOTs and State Highway Departments.
Dan

===== ATTACHMENT 1 =====

ATT CREATION TIME/DATE: 3-MAY-1996 21:38:00.00

ATT BODYPART TYPE:B

ATT CREATOR: Daniel J. Corbett

ATT SUBJECT: Event -> 15-May-1996 09:30am CORBETT_D

ATT TO: Diane R. Montgomery (MONTGOMERY_D)

ATT TO: Daniel M. Tangherlini (TANGHERLIN_D)

ATT TO: Jon Ball (PAPER MAIL)

ATT TO: David E. Tornquist (TORNQUIST_D)

ATT TO: Patricia S. Haney (HANEY_P)

ATT TO: Rebecca A. Wayne (WAYNE_R)

TEXT:

You are invited to the following meeting:

Scheduled by : CORBETT_D

Purpose : Meeting with AASHTO

On : 15-May-1996

From : 09:30am To : 11:00am

At : Room 9116

You already probably have this meeting on your calendar. It has been moved to start at 9:30 instead of 10:00. Let me know if this poses a problem.
Dan

===== END ATTACHMENT 1 =====

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Daniel J. Corbett (CORBETT_D) (OMB)

CREATION DATE/TIME:10-MAY-1996 16:21:28.96

SUBJECT: ISTE A reauthorization meeting

TO: Mark J. Mazur (MAZUR_M) (WHO)

READ:10-MAY-1996 16:25:51.47

TO: Michael D. Deich (DEICH_M) (OPD)

READ:13-MAY-1996 08:08:33.47

TEXT:

Feel free to attend if you are interested.

Dan

===== ATTACHMENT 1 =====

ATT CREATION TIME/DATE:22-APR-1996 11:35:00.00

ATT BODYPART TYPE:B

ATT CREATOR: Daniel J. Corbett

ATT SUBJECT: Event -> 14-May-1996 10:00am CORBETT_D

ATT TO: Diane R. Montgomery (MONTGOMERY_D)

ATT TO: Daniel M. Tangherlini (TANGHERLIN_D)

ATT TO: Jon Ball (PAPER MAIL)

ATT TO: Patricia S. Haney (HANEY_P)

ATT TO: David E. Tornquist (TORNQUIST_D)

ATT TO: Rebecca A. Wayne (WAYNE_R)

TEXT:

You are invited to the following meeting:

Scheduled by : CORBETT_D

Purpose : Meeting with APTA on ISTE A Reauthorization

On : 14-May-1996

From : 10:00am To : 11:30am

At : Room 9116

We have scheduled a meeting with APTA to discuss their views on the ISTE A reauthorization.

Please let me know if this time and date is a problem. APTA is confirming the time and date with their attendees.

===== END ATTACHMENT 1 =====

RECORD TYPE: PRESIDENTIAL (XCHANGE MAIL)

CREATOR: Carolyn Moore (CN=Carolyn Moore/OU=DOT/O=GOV [DOT])

CREATION DATE/TIME:20-MAY-1996 13:56:17.00

SUBJECT: Hot Issues Wisconsin

TO: Elizabeth Toohey (CN=Elizabeth Toohey/OU=WHO/O=GOV [Cabinet Affairs])
READ:UNKNOWN

TO: Loreen Keller (CN=Loreen Keller/OU=WHO/O=GOV [Cabinet Affairs])
READ:UNKNOWN

TO: John Stiver (CN=John Stiver/OU=WHO/O=GOV [Cabinet Affairs])
READ:UNKNOWN

TO: David Beaubaire (CN=David Beaubaire/OU=WHO/O=GOV [WHO])
READ:UNKNOWN

TO: Rosemary O'Shea (CN=Rosemary O'Shea/OU=WHO/O=GOV [WHO])
READ:UNKNOWN

TO: Laura Bishop (CN=Laura Bishop/OU=WHO/O=GOV [WHO])
READ:UNKNOWN

TO: Mark Aromando (CN=Mark Aromando/OU=WHO/O=GOV [WHO])
READ:UNKNOWN

TO: John Dinneen (CN=John Dinneen/OU=WHO/O=GOV [WHO])
READ:UNKNOWN

TO: Jason Goldberg (CN=Jason Goldberg/OU=WHO/O=GOV [WHO])
READ:UNKNOWN

TO: Gabe London (CN=Gabe London/OU=WHO/O=GOV [WHO])
READ:UNKNOWN

TO: Dan Lipner (CN=Dan Lipner/OU=WHO/O=GOV [WHO])
READ:UNKNOWN

TO: Carl Snoddy (CN=Carl Snoddy/OU=WHO/O=GOV [Cabinet Affairs])
READ:UNKNOWN

TO: Admin User (CN=Admin User/OU=WHO/O=GOV [OA])
READ:UNKNOWN

TO: Ron E Blankenship (CN=Ron E Blankenship/OU=WHO/O=GOV [OA])
READ:UNKNOWN

TO: Marla Zometsky (CN=Marla Zometsky/OU=WHO/O=GOV [WHO])
READ:UNKNOWN

TO: Anne McGuire (CN=Anne McGuire/OU=WHO/O=GOV [WHO])
READ:UNKNOWN

TO: Kris Balderston (CN=Kris Balderston/OU=WHO/O=GOV [WHO])
READ:UNKNOWN

TO: Sheila Turner (CN=Sheila Turner/OU=WHO/O=GOV [WHO])
READ:UNKNOWN

TO: LeeAnn Inadomi (CN=LeeAnn Inadomi/OU=WHO/O=GOV [WHO])
READ:UNKNOWN

TO: Deborah J. Behr (CN=Deborah J. Behr/OU=WHO/O=GOV [OA])
READ:UNKNOWN

TO: Stephen B. Silverman (CN=Stephen B. Silverman/OU=WHO/O=GOV [WHO])
READ:UNKNOWN

TEXT:

MEMORANDUM TO: Kitty Higgins
Secretary to the Cabinet
The White House

FROM: Katherine Archuletta
Chief of Staff

SUBJECT: Background Information -
Wisconsin

DATE: May 17, 1996

FHWA - I-94 East-West Corridor

The Federal Highway Administration (FHWA) and the Federal Transit Administration (FTA) are joint lead agencies developing a combined Environmental Impact Statement (EIS)/Major Investment Study (MIS) for transportation improvements in this corridor. Alternatives being evaluated include No-Action; a mix of light rail transit, freeway modernization, and special lanes for buses and car pools; and combinations of freeway modernization and fixed transit. In this corridor, I-94 is a six-lane freeway. The freeway was constructed in the late 1960's with many design features which do not meet current standards. Preliminary construction costs range from \$1 billion to \$3 billion. Approval of the draft EIS is anticipated in the summer of 1996.

This project is highly controversial because local, State, and Congressional leaders hold differing positions on the fixed rail versus freeway alternatives. Milwaukee Mayor John Norquist (D) is a fixed rail advocate, but fixed rail was defeated in a recent Waukesha County referendum. Members of the Congressional delegation have mixed views on the project.

The FY 95 Department of Transportation Appropriations Act amended Section 1045 of the Intermodal Surface Transportation Efficiency Act of 1991 by

making \$241 million of the \$289 million for this segment of I-94 in the 1991 Interstate Cost Estimate available as contract authority in 1995. The \$241 million is to be used by the Wisconsin Department of Transportation (WIDOT) for capital transit investment.

FHWA - Innovative Financing for the Main Street Bridge - Green Bay
The FHWA and the Wisconsin Department of Transportation (WIDOT) are exploring innovative financing techniques to reconstruct the Main Street Bridge in Green Bay. The bridge is a two-lane multi-span structure carrying U.S. 141 over the Fox River. Because of rapid deterioration and fear of the bridge collapsing, a decision was made to close the bridge. estimated cost to replace the bridge is \$23.3 million. Under normal funding mechanisms, the WIDOT would not have funding available for this project until 1999, delaying completion until the year 2000. However, WIDOT has submitted to the FHWA's Wisconsin Division a request to use Advanced Construction procedures for this project. Allowing post-Intermodal Surface Transportation Efficiency Act (ISTEA) Advanced Construction procedures, would permit the State to start the project in FY 1996 while qualifying for both FY 1999 and 2000 Federal funds.

FHWA - U.S. 41 - Brewers Stadium Infrastructure
On October 12, 1995, the Wisconsin legislature enacted legislation which established the Southeast Wisconsin Professional Baseball Park District. The legislation enables the District to construct a new Milwaukee Brewers stadium and stadium infrastructure. The stadium is located near the intersection of I-94 and U.S. 41.

To accommodate the site chosen for the stadium, U.S. 41, which currently functions as a freeway, will be relocated west of the stadium and be reconstructed as an urban arterial roadway. On March 20, 1996, the FHWA approved a Finding of No Significant Impact for the environmental assessment.

This project is controversial for two reasons. First, the Mayor did not support the site chosen, but instead preferred a site in the central business district. In order to locate the stadium in the downtown area, the existing Park East Freeway would have to be partially removed. Since Federal funds were used to finance its construction, these funds would have to be reimbursed unless the FHWA grants a waiver.

Second, the enabling legislation provided for a 0.1 percent sales tax in five counties in southeast Wisconsin to finance part of the project cost. This sales tax is extremely unpopular.

The ground breaking for this project was scheduled for March 1996. The event had to be delayed because the baseball club is having difficulty securing its \$90 million contribution for the project. Total cost for the stadium is \$250 million. Total cost for the infrastructure is \$72 million. Federal funds will be used to fund part of the infrastructure work. Work is expected to begin in June 1996 with a completion scheduled for the spring of 1999.

FAA - General Mitchell International Airport Power Problems - Milwaukee

There have been two failures of the Federal Aviation Administration (FAA) airport surveillance radar (ASR-9) at the Milwaukee Airport in 1996.

The FAA is working to correct internal ASR-9 problems. In addition, FAA is planning to install a power conditioning system at the airport to eliminate commercial power spikes once equipment becomes available.

FAA spoke with Congressman Gerald Kleczka (D-WI-4) and explained that a power problem internal to the ASR-9 radar caused the problem. FAA is working to solve that problem. The National Air Traffic Controllers Association (NATCA) union continues to lobby the Congressman to push for the installation of a power conditioning system. The Congressman recently visited the tower at the invitation of NATCA. He also has written to FAA requesting the installation of a power conditioning system.

USCG & MARAD - Hazardous Cargo

The Wisconsin Department of Natural Resources (DNR) and state legislators and Governor Tommy Thompson (R-WI) recently (April 25 - Earth Day) approved Assembly Bill 495 which placed stiff regulations on river tank barges carrying hazardous cargoes.

The bill requires tug escorts for single-skin barges and allows DNR wardens to board the barge tows to inspect for state law violations.

Industry representatives enlisted help from the U.S. Coast Guard and the Maritime Administration (MARAD) to negotiate with the Wisconsin DNR, but, failed to reach a satisfactory working relationship with the state. State legislators and the governor were concerned that they would be criticized for not supporting environmentally safe legislation and passed the legislation by a strong - nearly unanimous - support.

Industry organizations, such as the American Waterway Operators and Upper Mississippi Waterways Association may take legal action against the state under provisions of the Commerce Clause of the Constitution. Other states, Iowa and Minnesota, are expected to follow Wisconsin's example which could eventually lead to 22 different state regulations for the barge operators.

The Upper Mississippi river operators have not experienced any spills due to barge design. There have been minor spills (100 gallons) over a five-year period due to shore-side loading and handling of tank barges. Industry representatives are extremely upset by Wisconsin's lack of willingness to negotiate a nonlegislative solution.

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Elizabeth E. Drye (DRYE_E) (OPD)

CREATION DATE/TIME:30-MAY-1996 15:58:08.23

SUBJECT: DOT's "Livable Communities" grant program

TO: Carol H. Rasco (RASCO_C) (WHO)

READ:30-MAY-1996 17:29:27.97

CC: Jeremy D. Benami (BENAMI_J) (WHO)

READ:30-MAY-1996 17:09:28.19

CC: Julie E. Demeo (DEMEO_J) (OPD)

READ:30-MAY-1996 16:02:27.81

TEXT:

DOT highlighted this program in a Cabinet weekly report and you asked me to look into it. It's a small Federal Transit Authority (FTA) demonstration program to promote community-based planning and development; it has the dual purposes of revitalizing urban communities while improving transportation. FTA is funding five small demonstration projects -- all in EZs. The first two were in LA and San Francisco. The next three are in Harlem, Corpus Christi (sp?), Texas, and Miss. Delta. HARlem announcement is in the near term. Funds will be used to redesign Frederick Douglass Circle. FTA may make the announcement with Cong. Rangel.

This program is not explicitly authorized. FTA's using ISTEA enhancement funds.

The FTA put backround materials in the mail to me today. Let me know if you want to know more, or if EZ people need to know more. Thanks.

(Julie please note in Tickler)

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: David E. Tornquist (TORNQUIST_D) (OMB)

CREATION DATE/TIME:18-JUN-1996 15:31:17.61

SUBJECT: RE: Your ?'s on DOT House Approps Letter

TO: Martha Foley (FOLEY_M) (WHO)

READ:18-JUN-1996 15:32:03.63

TEXT:

The transit earmarks are a mixture of previously authorized projects (ISTEA authorized about \$1B more in projects than it funded), continuation of previous Congressional earmarks for which we did not request follow on funding and new Member requests made directly to the appropriators. We can ask DOT/FTA if they have a breakdown of the earmarks by category if you like.

On Alemeda, I misspoke. The \$400M is the total amount we requested and the \$140M to be disbursed in 1997 is also what we requested. However, we asked for \$220M to be disbursed in 1998 and \$40M in 1999. The Subcommittee provided \$140M in 1998 and \$120M in 1999. DOT staff have not heard any complaints from the project sponsors about this revised spread and therefore infer that it is not a big deal to them. However, if we are looking for things to complain about, we could argue that this may jeopardize the construction schedule by underfunding 1998 (assuming Alemeda can live up to its original schedule). We may want to check with the Alemeda reps before we do though.

I forwarded your request on SCA to Barry White and the Labor Branch.

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Martha Foley (FOLEY_M) (WHO)

CREATION DATE/TIME:18-JUN-1996 17:56:29.22

SUBJECT: RE: Your ?'s on DOT House Approps Letter

TO: David E. Tornquist (TORNQUIST_D) (OMB)

READ:18-JUN-1996 17:57:47.31

TEXT:

Thanks again.

This may confuse matters more, but here goes...

We may be making too much of this, but my question was really prompted by the point you identified in the last sentence of your e-mail -- they take a LOT of credit for highway demos but then they do it on transit.

I was not clear what the intersection between non-FFGA and the three categories of projects (ISTEA, continuation of old appropriated demos, new member adds) was. On highway, are we conceding the continuation of ISTEA and old appropriated demos?

If so, then to be consistent, we would have to do the same on transit and just object to the new member stuff.

If the non-FFGA projects are also the new member adds, then we are consistent and I assume those in the know will know. Is that basically what the objection covers?

It was not clear to me exactly what the non-FFGA group was.

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Timothy J. Brennan (BRENNAN_T) (WHO)

CREATION DATE/TIME:28-AUG-1996 16:34:03.85

SUBJECT: DOT Statement on ISTEA Reauthorization

TO: James A. Brown (BROWN_JA) (OMB)

READ:NOT READ

TEXT:

James,

A fairly quick skim suggests no major complaints, but I'd like to pass along a few suggestions for whatever they are worth.

1) I agree with what I gather are OMB's objections that executive branch agencies should not independently solicit budget increases from Congress. The ability of Agency Y to get a suitable budget should not depend on Agency X's connections or the simple luck of the draw in getting to state its case first before Congress.

2) This testimony could be a good place to begin to take a more analytic look at what makes an issue one for the federal government rather than one that should be left to states. Two main classes of reasons strike me as important:

a) There are "scale economies" in developing programs that warrant action at the Federal level.

b) The actions taken by one state affects the welfare of persons in other states, thus warranting a federal role in coordinating these efforts and, in economic jargon, "internalizing the externalities."

c) The issue in question involves the preservation of a moral or constitutional right persons have, and that may not be preserved if left to state action because the some states lack the finances or, perhaps, the disposition to protect the relevant rights.

d) The policy is a means for promoting income or wealth equity across the various states. This is a particularly problematic rationale, and one that should best be left to explicit tax and welfare policies.

How does ISTEA fare? The interconnectedness of the national network is a definite plus. Safety is important, too, but primarily because of nonresident travel on a state's roads. I'm sure I'm making more of this than needs to be made, but in an area where so much of the funding and responsibility is at the state level, and in an era where "devolution" is so prominent, a clear statement of general justifications for federal involvement could be a step in the right direction.

3) A couple of comments on safety:

a) I wonder if safety is really getting worse, if we factor in changes in aggregate passenger miles and the fraction of the population between 16 and 21 into account in one way or the other. The testimony does not express an assessment of the data in that degree of detail. It is quite possible that current programs are working well, and that changes in outcomes are due to other factors.

b) There's a very well known result in the economics of regulation suggesting that safety policies can and sometimes do have much smaller effects than one might expect. The reason is what is called (I think) "offsetting behavior". The basic intuition is that drivers seek out what we might call a risk comfort

level. If we do things such as require seat belts or improve highway lighting, people will seek out the same level by, oh, driving more quickly or less attentively. The point is not to deny any value to safety initiatives, but to observe that it can be a lot harder to achieve safety gains from policy initiatives than one might think.

As always, I hope these are of some use to whoever sees them. By the way, who *does* ever see them?

Tim Brennan, CEA

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Michael D. Deich (DEICH_M) (OPD)

CREATION DATE/TIME: 3-SEP-1996 16:24:42.86

SUBJECT: mayor lanier; school construction; rebuild america coalition

TO: Gene B. Sperling (SPERLING_G) Autoforward to: Daniel Taberski (TABERSKI_D)
(WHO)

READ: 3-SEP-1996 18:25:29.34

CC: Pauline M. Abernathy (ABERNATHY_P) (OPD)

READ: 3-SEP-1996 17:19:54.86

CC: Paul R. Dimond (DIMOND_P) (OPD)

READ: 4-SEP-1996 08:58:17.58

TEXT:

houston mayor bob lanier, new chair of the rebuild america coalition, will meet in washington dc on sept 9 with the coalition's steering committee to discuss (1) ISTEA reauthorization and (2) school construction. secty pena has been invited to speak about istea (though i don't yet know who from dot actually will appear). the mayor is a strong supporter of the president's school construction initiative and believes it should be a centerpiece of the coalition's agenda. he would like a senior admin official (sperling? munnell? dimond? mike smith?) to stop by for about 30 min to discuss the potus initiative w/the steering committee. i think it would fit nicely with the president's priorities if the coalition followed the mayor's recommendation and argued that schools, like hwys and water treatment, were important infrastructure.

--- would you be willing to speak? if not, is there someone else from the admin that you recommend? pls advise.

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Leanne Johnson (JOHNSON_L) (WHO)

CREATION DATE/TIME: 6-SEP-1996 11:44:42.08

SUBJECT: When it rains ...

TO: Daniel M. Tangherlini (TANGHERLIN_D) Autoforward to: Remote Addressee (Daniel M.
Tangherlini@eop@lngtwy@eopmrx (OMB)
READ:NOT READ

TEXT:

Hi Dan,

One more for ya. I've faxed you this incoming re: funding for any future
legislation related to ISTEAs. Please let me know about language for response.

Thanks.

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Charles E. Kieffer (KIEFFER_C) (OMB)

CREATION DATE/TIME:24-SEP-1996 17:22:35.86

SUBJECT: More Baucus info

TO: Martha Foley (FOLEY_M) (WHO)

READ:24-SEP-1996 17:44:45.49

TEXT:

===== ATTACHMENT 1 =====

ATT CREATION TIME/DATE:24-SEP-1996 13:50:00.00

ATT BODYPART TYPE:E

ATT CREATOR: David E. Tornquist

ATT SUBJECT: Re: how should i respond?

ATT TO: KIEFFER_C (KIEFFER_C@A1@CD)

ATT CC: David J. Worzala (David J. Worzala@EOP@LNGTWY@EOPMRX)

TEXT:

Message Creation Date was at 24-SEP-1996 13:50:00

This started as a technical error (not really mathematical) by Treasury. However, now that the error occurred, correcting it results in a formula fight among the States on highway funding allocations.

Treasury incorrectly recorded \$1.6B in 1994 receipts to the Highway Trust Fund as 1995 receipts. This increased the base upon which ISTEA calculates the 90% of payments provision. That provision creates new CA to ensure that each State receives back in highway funds at least 90% of the receipts it paid into the Trust Fund. Since the Trust Fund balance was artificially high as a result of this Treasury error, another \$1B in CA was created for 1997. This new CA goes to the donor States, since they receive less from the Trust Fund than they pay in.

The real problem is that the federal-aid ob limit is distribute among the States in proportion to their CA. The Treasury error changes the relative distribution of CA among the States, since the new CA went primarily to the donor States. Therefore, the distribution of the ob limit among the States changed. So some States are worse off after the Treasury error and the resulting addition of new CA, since they received none or relatively little of the new CA .

Therefore, Baucus is not blowing smoke if his point is that this started as a technical problem. However, FHWA argues that it has always based its allocations on Treasury's HTF numbers, even when it disagreed with them. They

are simply following this practice now.

===== END ATTACHMENT 1 =====

RECORD TYPE: PRESIDENTIAL (XCHANGE MAIL)

CREATOR: Judi Gold (CN=Judi Gold/OU=DOT/O=GOV [DOT])

CREATION DATE/TIME:30-SEP-1996 18:10:32.00

SUBJECT: Maine, also faxed

TO: Anne McGuire (CN=Anne McGuire/OU=WHO/O=GOV @ WHO [WHO])

READ:UNKNOWN

TO: David Beaubaire (CN=David Beaubaire/OU=WHO/O=GOV @ WHO [WHO])

READ:UNKNOWN

TEXT:

MEMORANDUM TO: Kitty Higgins
Secretary to the Cabinet
The White House

FROM: Katherine Archuleta
Chief of Staff

SUBJECT: Background Information - Maine

DATE: September 30, 1996

The following is information on Maine issues. Please contact me or Judi Gold at 366-9497 if you have any questions.

Portland Bridge: On Friday morning, September 27, a tanker slammed into The Million Dollar Bridge in Portland Harbor. 170,000 gallons of fuel oil were spilled. Portland Harbor remains closed. The bridge is damaged and the commercial fishermen working out of the Harbor cant work. Extent of damage to fishery and in particular lobster in Casco Bay is still unknown.

FHWA FY97 Funds: Just one week before the beginning of FY 1997, the Maine DOT was informed that the States obligation authority for the upcoming fiscal year would be almost 10% less than the Department had anticipated. Information released from FHWA Headquarters indicated that due to the 90% of payments adjustment authorized in ISTEA, some States will receive more formula obligation authority while others will receive less as the relative distribution of apportionments will change among the States. Up until this notification, Maine had been planning on an obligation ceiling of \$92 million for the FY. This ceiling had been supported not only by the States FY 1996 obligation limitation, but also by figures in the proposed USDOT appropriation bills. Given these facts, the new \$84 million projection took the State by surprise. This reduction is especially painful since the State has been trying to develop priorities against its higher apportionment levels (totaling almost \$100 million for the upcoming year). Having to eliminate another \$8 million in identified needs, along with the \$8 million already shelved, increases the backlog of unfunded needs in the State.

Child Care: The first day care program in the country using Federal Highway funds was implemented for the construction of the Portland-South Portland Demonstration Bridge project.

As a result of the day care initiative and other innovative programs to recruit and retain women in highway construction, 55 women have worked or are working as tradeswomen on this project. This represents 9% of the total hours worked on this project. This project has the highest percentage of hours worked by women in the country.

FHWA Major Projects: (all projects costs are total; 80% is federal funded)

Topsham-Brunswick By-Pass - This \$44.6 million by-pass will provide for the 4.6 km by-pass highway between Route I-95 in Topsham and U.S. Route 1 in Brunswick. The by-pass is scheduled to open late 1997.

Waterville-Winslow Bridge - The bridge project and connecting highway projects totaling \$33.4 million will provide for the second bridge over the Kennebec River. Project is scheduled for opening in November 1996. The partnering of all projects has led to the early completion of the opening.

Portland-S. Portland Million Dollar Bridge Replacement - This \$142.5 million dollar bridge replacement project will substantially improve the navigation opening and shipping commerce to mid coast Maine. This project is scheduled for Mid Summer 1997 opening. On September 28, the old bridge was struck by a S. Korean tanker damaging the structure and spilling an estimated 170,000 gallons of oil into Casco Bay. Temporary repair has been completed and cleanup efforts are underway. (See above on oil spill)

Bath-Woolwich Carlton Bridge Replacement - This bridge replacement project will incorporate the innovative Design/Build concept to accelerate the construction of the project to help relieve congestion on coastal RTE 1. This project is scheduled to be awarded in fall of 1997 and completed in the spring of 2000.

Total cost for this replacement structure have been estimated to be \$75-\$80 million. The 1991 ISTEA included \$10 million for early studies for this project. The remainder of the funds needed will come from funding not utilized on the Portland-South Portland project and other funding sources to be identified.

Bangor-Brewer Old Iron Bridge Replacement - This \$9 million dollar discretionary funded bridge replacement project is scheduled to be completed in the summer of 1997. This replacement will improve access to all legal loads and will alleviate traffic congestion.

Transit Funding: The Federal Transit Administration has provided approximately \$58 million of funding from 1993 to date to support mass transportation in the State of Maine. These funds have been utilized for operating assistance and the rehabilitation of a ferry boat, the purchase of buses, vans, support vehicles, and other capital equipment.

Major projects which have been funded during the past four years include:

ADA modification to the Casco Bay Ferry
The Portland, ME to Boston Rail Restoration Project
Purchase of buses, vans and supervisory vehicles throughout the state.

FAA/AIP Funding: Fiscal Years 1993-1996
(All Totals include Entitlement and Discretionary funds)

FY 93	6,426,892
FY 94	11,705,136
FY 95	9,326,134
FY 96	4,613,518

Airport Name	Work Description	Total
BangorInternational	ImproveTerminalBldg.	*1993813,780
*1993	Expand Apron 1,030,585	
1994	Reconstruct Taxiway * 1,188,012	
*1994	Rehabilitation Apron 844,452	
Removal	Improve Airport Lighting; Acquire Snow Equipment and Passenger Lift Device	
*1995	266,987	
Apron	Reconstruct Taxiway; Install Taxiway and Lighting	
*1995	1,440,000	
II)	Update Master Plan; Reconstruct Taxiway; Install Apron Lighting (Phase 1,270,724	
Equipment	Portland International Expand Snow Removal Bldg	
	514,705	
	Jetport *1993	
*1993	Install Taxiway Signs 281,799	
*1994	Expand and Rehabilitate Apron; Strengthen Taxiways; Rehabilitate Access Road 1,602,979	
*1994	Conduct Master Plan Update 75,300	
*1995	Expand Apron 430,650	

Only)	Construct and Improve Access Roads (Design	
	*1995	159,922
*1995	Remove Obstructions	
	202,500	
	Improve Terminal Bldg.	
*1996	690,244	

RECORD TYPE: PRESIDENTIAL (EXTERNAL MAIL)

CREATOR: Jonathan C. Ball@EOP@LNGTWY@EOPMRX

CREATION DATE/TIME: 2-OCT-1996 15:15:00.00

SUBJECT: Mag Lev and Tri State

TO: JOHNSON_L (JOHNSON_L@A1@CD) (WHO)

READ: 2-OCT-1996 17:44:18.62

TEXT:

Message Creation Date was at 2-OCT-1996 15:15:00

Leanne -

Here's the status of the requests you sent my way:

I have asked DoT for their draft responses to Mag Lev (DoT and FRA received identical letters) to assure that our responses are consistent. Otherwise, I think yours is good as written.

For the Tri-State paragraph on ISTEA reauthorization, you should know the following:

ISTEA currently contains planning provisions that encourage attainment and maintenance of air quality standards by requiring that environmental factors be included in transportation investment planning. ISTEA also contains a Federal Aid Highways set-aside for Congestion Mitigation and Air Quality (CMAQ). Such funds are available to help regions improve air quality through transportation related activities.

We are currently designing the President's ISTEA proposal in conjunction with DoT. In my opinion, it is very likely that environmental concerns will remain a high priority in reauthorization.

Diane Montgomery (our transpo-enviro expert) will take a look at the letter and see if she has additional comments on it. She may also have further clarification or refinement on my comments above!

I'll let you know what I hear from DoT.

RECORD TYPE: PRESIDENTIAL (EXTERNAL MAIL)

CREATOR: David J. Worzala@EOP@LNGTWY@EOPMRX

CREATION DATE/TIME: 4-NOV-1996 08:39:00.00

SUBJECT: Ruane Letter

TO: JOHNSON_L (JOHNSON_L@A1@CD) (WHO)

READ: 4-NOV-1996 09:07:17.07

TEXT:

Message Creation Date was at 4-NOV-1996 08:35:00

We suggest the following.

Thank you for your letter....

Your letter raises important questions about budget and tax policy for transportation related programs. The Administration plans to consider these, and other issues, in the context of the FY 1998 President's Budget and the Administration's Intermodal Surface Transportation Efficiency Act (ISTEA) reauthorization proposal. Deliberations on both of these are ongoing. The President's Budget will be submitted to Congress February 5, 1997. The President's ISTEA proposal will be submitted on or about the same date.

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Leanne I. Johnson (JOHNSON_L) (WHO)

CREATION DATE/TIME: 4-NOV-1996 10:58:33.86

SUBJECT: RE: Ruane Letter

TO: David J. Worzala (David J. Worzala@EOP@LNGTWY@EOPMRX)

READ:NOT READ

TEXT:

Thanks for the language David! Following is a re-draft for your edits/approval.

Thank you for writing to me. I appreciate knowing of your concerns regarding the national transportation system, and I have shared your letter with Department of Education Secretary Pena. Your letter raises important questions about budget and tax policy for transportation related programs. Be assured that my Administration is considering these and other issues in the context of the fiscal 1998 budget proposal and the Intermodal Surface Transportation Efficiency Act reauthorization proposal. As you know, deliberations on both of these are ongoing. My 1998 budget proposal will be submitted to Congress February 5, 1997 and the ISTEA proposal will be submitted on or about the same date.

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Diane Regas (REGAS_D) (OPD)

CREATION DATE/TIME: 7-NOV-1996 10:54:56.30

SUBJECT: ISTE A

TO: Carol H. Rasco (RASCO_C) (WHO)

READ: 7-NOV-1996 16:18:48.35

CC: Jill Pizzuto (PIZZUTO_J) (OPD)

READ: 7-NOV-1996 11:04:13.10

TEXT:

You asked me to pull together a meeting on ISTE A sometime after the election. Over the last couple of months I have been talking to Michael Deich (formerly of NEC, now at OMB) about how we get to an administration position on the issues in ISTE A.

When I got to the office yesterday, Michael let me know that he has a sit-down with Mort Downey on this today at 3:30. I am planning on going. Is this a meeting that you would like to attend? I normally would not expect that you would, but because you expressed an interest in this, I wanted to let you know.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: David J. Worzala (CN=David J. Worzala/OU=OMB/O=EOP [OMB])

CREATION DATE/TIME:26-NOV-1996 09:53:35.00

SUBJECT: Reminder - ISTE A Briefing today

TO: Henry C. Kelly (CN=Henry C. Kelly/OU=OSTP/O=EOP @ EOP [OSTP])
READ:UNKNOWN

TO: MAZUR_M (MAZUR_M @ A1 @ CD @ LNGTWY [EOP]) (WHO)
READ:UNKNOWN

TO: Ananias Blocker III (CN=Ananias Blocker III/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: ROBYN_D (ROBYN_D @ A1 @ CD @ LNGTWY [EOP]) (OPD)
READ:UNKNOWN

TO: REGAS_D (REGAS_D @ A1 @ CD @ LNGTWY [EOP]) (OPD)
READ:UNKNOWN

TO: Linda L. Lance (CN=Linda L. Lance/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

TO: Barbara Chow (CN=Barbara Chow/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

CC: Diane R. Montgomery (CN=Diane R. Montgomery/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

CC: Jonathan C. Ball (CN=Jonathan C. Ball/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

CC: David E. Tornquist (CN=David E. Tornquist/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

TEXT:

This is a reminder that DOT will be presenting an overview of their ISTE A proposal at 2:00 pm today in rm 9104 NEOB. The meeting is scheduled from 2 - 4 pm.

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Cristian J. Santesteban (SANTESTEBA_C) (CEA)

CREATION DATE/TIME:26-NOV-1996 18:00:18.42

SUBJECT: ISTEa Update

TO: Mark J. Mazur (MAZUR_M) (WHO)

READ:26-NOV-1996 18:35:50.12

TEXT:

Mark,

A few things to report regarding the meeting. DOT passed out a couple of documents: 1) a proposal for reauthorization of ISTEa, 2) a supplement to the proposal: Outlining a Federal Credit Program for Surface Transportation. The second one is of interest to the CEA since it contains a few economic initiatives. A few general comments, however, are in order before I outline the initiatives. The document is not close to being in legislative bill form. So, another draft will have to be written in the next few weeks. This would then be turned over to OMB/Transportation who would work on it for about a month. The idea is to try to have something to give to Congress by early to mid-February. A number of people (including Ellen Seidman and someone at EPA) supported placing priority in the environmental aspects of the proposal. Ellen even suggested the strategy of making the environmental provisions a big deal so that if Congress were to mess with them they wouldn't be able to do it quietly. They'd be under the spotlight. Welfare-to-Work aspects of the program also were stressed (again by Ellen); She wanted a more explicit statement of how the proposal would help in WtW.

Now to the second document:

To put things in perspective this second document talks about the Federal Credit Program that is designed to assist "Mega-Projects" (generally greater than \$100 million and of National Significance).

Other financing components are: State Infrastructure Banks (SIBs) and more traditional grants. SIBs are best suited to assist portfolios of smaller, homogeneous credits.

One of the explicit goals of the Federal Credit Program is to "improve resource allocation by correcting market deficiencies."

Objectives:

- 1) Attract private capital to expand infrastructure capital formation
- 2) Fill market gaps to complement and encourage private capital investment
- 3) Charge users to promote social equity and economic efficiency
- 4) Target projects of national significance that lend themselves to credit assistance
- 5) Utilize SIBs to ensure local involvement and "buy-in"

The document then lists a number of market "gaps" and the federal govt.'s role in bridging them.

We then move on to a Project Selection, Risk Evaluation, and Credit Servicing section of the document. Some interesting propositions:

* project receiving federal credit must have at least 50% non-Federal coinvestment that includes significant private investment.

* state-level entity will receive credit and service customers/sponsors --

operating through State will facilitate planning and coordination

* SIB will become a major player in providing loans, developing risk-insurance.

OK, that's just a brief synopsis. I'll hand you a copy of the documents, then we can decide what to do with all this.

See ya,

- Cristian

RECORD TYPE: PRESIDENTIAL (EXTERNAL MAIL)

CREATOR: Charles E. Kieffer@EOP@LNGTWY@EOPMRX

CREATION DATE/TIME: 3-DEC-1996 13:19:00.00

SUBJECT: highway funding - the Treasury/Baucus Issue

TO: Michael Deich (Michael Deich@EOP@LNGTWY@EOPMRX)

READ:NOT READ

CC: FOLEY_M (FOLEY_M@A1@CD) (WHO)

READ: 3-DEC-1996 13:25:02.17

CC: Franklin D. Raines (Franklin D. Raines@EOP@LNGTWY@EOPMRX)

READ:NOT READ

CC: Jacob J. Lew (Jacob J. Lew@EOP@LNGTWY@EOPMRX)

READ:NOT READ

CC: Barbara Chow (Barbara Chow@EOP@LNGTWY@EOPMRX)

READ:NOT READ

TEXT:

Message Creation Date was at 3-DEC-1996 13:14:00

A letter is being prepared for signature (probably to Rubin, but perhaps to the President) by Gephardt, Bonior, Obey, Livingston, Shuster, Delay, Armey, Wolf and others urging that the error in the calculation of the allocation of highway funds not be corrected at this time. Apparently the letter will stress that the Transportation Appropriations conferees specifically chose not to include the Baucus amendment (which would have fixed the error) in the FY 1997 Transportation bill and Treasury should not try to fix it administratively. They will conclude that the issue should be resolved in the context of the ISTEA reauthorization.

I would note that this list is not just a list of bi-partisan leaders, and authorizing and appropriations chairs and ranking, it is also a list of the major state losers if the error is fixed.

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Kristen E. Panerali (PANERALI_K) (WHO)

CREATION DATE/TIME: 5-DEC-1996 10:34:58.17

SUBJECT: DOT- ISTE A

TO: Michael Deich (DEICH_M) Autoforward to: Remote Addressee (Michael
Deich@eop@lngtwy@eopmrx) (OMB)
READ:NOT READ

TO: Dorothy Robyn (ROBYN_D) (OPD)
READ: 5-DEC-1996 10:35:34.76

CC: Patricia E. Romani (ROMANI_P) (OMB)
READ: 5-DEC-1996 11:26:49.52

CC: Gay L. Joshlyn (JOSHLYN_G) (OPD)
READ: 5-DEC-1996 10:36:48.70

TEXT:

Dan will be briefed on ISTE A by DOT folks, on Monday at 2 pm in 231. Attendees include: Mort Downey, Frank Kruesi and John Lieber. Please come if you can. Deich, if you can't make it send someone in your place please.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Leanne I. Johnson (CN=Leanne I. Johnson/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 5-DEC-1996 10:05:49.00

SUBJECT: APRC incoming

TO: Jonathan C. Ball (CN=Jonathan C. Ball/OU=OMB/O=EOP @ EOP [OMB])

READ:UNKNOWN

TEXT:

Hi John,

Could the OMB response (from Michael Deich?) say something like: "Thanks for writing the President about ISTEA. He appreciates your support and has asked me respond on his behalf...."?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Leanne I. Johnson (CN=Leanne I. Johnson/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 9-DEC-1996 10:21:21.00

SUBJECT: Letters for Autopen

TO: John B. Emerson (CN=John B. Emerson/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

Can the following be autopenned?

Lawton Chiles re: the Intermodal Surface Transportation Efficiency Act of
1991

Parris Glendening re: funding for Woodrow Wilson bridge.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: REGAS_D@A1@CD@LNGTWY (REGAS_D@A1@CD@LNGTWY [EOP]) (OPD)

CREATION DATE/TIME: 9-DEC-1996 10:12:19.00

SUBJECT: Meeting with Green Groups on ISTEA

TO: SEIDMAN_E@A1@CD@LNGTWY (SEIDMAN_E@A1@CD@LNGTWY [EOP]) (OPD)
READ:UNKNOWN

TO: REGAS_D@A1@CD@LNGTWY (REGAS_D@A1@CD@LNGTWY [EOP]) (OPD)
READ:UNKNOWN

TO: Michael Deich@eop (Michael Deich@eop [OMB])
READ:UNKNOWN

TO: Linda L. Lance@OVP (Linda L. Lance@OVP [UNKNOWN])
READ:UNKNOWN

TO: Barbara Chow@EOP (Barbara Chow@EOP [WHO])
READ:UNKNOWN

TO: ROBYN_D@A1@CD@LNGTWY (ROBYN_D@A1@CD@LNGTWY [EOP]) (OPD)
READ:UNKNOWN

TO: MAZUR_M@A1@CD@LNGTWY (MAZUR_M@A1@CD@LNGTWY [EOP]) (WHO)
READ:UNKNOWN

TO: Henry C. Kelly@EOP (Henry C. Kelly@EOP [OSTP])
READ:UNKNOWN

TO: Ananias Blocker III@EOP (Ananias Blocker III@EOP [WHO])
READ:UNKNOWN

TO: David J. Worzala@EOP (David J. Worzala@EOP [OMB])
READ:UNKNOWN

TEXT:

Key environmental groups involved with ISTEA are coming in to discuss their ideas for changes in environmental provisions in ISTEA. I also expect that they will present some of their ideas for tying ISTEA to welfare-to-work programs. I hope that you can join us. The meeting is on December 16 at 2:00-3:30 in OEOP Room 213.

Outside folks I expect to attend:

Roy Kienitz from the Surface Transportation Policy Project
Greg Wetstone and Kaid Benfield from the Natural Resources Defense Council

Bill Roberts from the Environmental Defense Fund
and possibly representatives from NWF and Friends of the Earth.

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Diane Regas (REGAS_D) (OPD)

CREATION DATE/TIME: 9-DEC-1996 10:08:31.94

SUBJECT: Meeting with Green Groups on ISTEA

TO: David J. Worzala (David J. Worzala@EOP@LNGTWY@EOPMRX)
READ:NOT READ

TO: MAZUR_M (MAZUR_M@A1@CD) (WHO)
READ:NOT READ

TO: REGAS_D (REGAS_D@A1@CD) (OPD)
READ:NOT READ

TO: ROBYN_D (ROBYN_D@A1@CD) (OPD)
READ:NOT READ

TO: Barbara Chow (Barbara Chow@EOP@LNGTWY@EOPMRX)
READ:NOT READ

TO: Ananias Blocker III (Ananias Blocker III@EOP@LNGTWY@EOPMRX)
READ:NOT READ

TO: Linda L. Lance (Linda L. Lance@OVP@LNGTWY@EOPMRX)
READ:NOT READ

TO: Henry C. Kelly (Henry C. Kelly@EOP@LNGTWY@EOPMRX)
READ:NOT READ

TO: Ellen S. Seidman (SEIDMAN_E) (OPD)
READ:10-DEC-1996 08:06:40.63

TO: Michael Deich (DEICH_M) Autoforward to: Remote Addressee (Michael
Deich@eop@lngtwy@eopmr) (OMB)
READ:NOT READ

TEXT:

Key environmental groups involved with ISTEA are coming in to discuss their ideas for changes in environmental provisions in ISTEA. I also expect that they will present some of their ideas for tying ISTEA to welfare-to-work programs. I hope that you can join us. The meeting is on December 16 at 2:00-3:30 in OEOB Room 213.

Outside folks I expect to attend:

Roy Kienitz from the Surface Transportation Policy Project

Greg Wetstone and Kaid Benfield from the Natural Resources Defense Council

Bill Roberts from the Environmental Defense Fund

and possibly representatives from NWF and Friends of the Earth.

RECORD TYPE: PRESIDENTIAL (EXTERNAL MAIL)

CREATOR: Diane R. Montgomery@EOP@LNGTWY@EOPMRX

CREATION DATE/TIME: 9-DEC-1996 18:53:00.00

SUBJECT: ISTEPA Passback

TO: MAZUR_M (MAZUR_M@A1@CD) (WHO)

READ: 9-DEC-1996 18:57:06.49

TO: REGAS_D (REGAS_D@A1@CD) (OPD)

READ: 10-DEC-1996 09:20:59.69

TO: ROBYN_D (ROBYN_D@A1@CD) (OPD)

READ: 9-DEC-1996 18:56:56.64

TO: SEIDMAN_E (SEIDMAN_E@A1@CD) (OPD)

READ: 10-DEC-1996 08:28:13.31

TO: WARREN_W (WARREN_W@A1@CD) (CEQ)

READ: 10-DEC-1996 08:56:18.43

TO: Ananias Blocker III (Ananias Blocker III@EOP@LNGTWY@EOPMRX)

READ: NOT READ

TO: Barbara Chow (Barbara Chow@EOP@LNGTWY@EOPMRX)

READ: NOT READ

TO: Henry C. Kelly (Henry C. Kelly@EOP@LNGTWY@EOPMRX)

READ: NOT READ

TO: Linda L. Lance (Linda L. Lance@OVP@LNGTWY@EOPMRX)

READ: NOT READ

CC: Michael Deich (Michael Deich@EOP@LNGTWY@EOPMRX)

READ: NOT READ

CC: Kenneth L. Schwartz (Kenneth L. Schwartz@EOP@LNGTWY@EOPMRX)

READ: NOT READ

CC: David E. Tornquist (David E. Tornquist@EOP@LNGTWY@EOPMRX)

READ: NOT READ

CC: David J. Worzala (David J. Worzala@EOP@LNGTWY@EOPMRX)

READ: NOT READ

CC: Jonathan C. Ball (Jonathan C. Ball@EOP@LNGTWY@EOPMRX)

READ: NOT READ

TEXT:

Message Creation Date was at 9-DEC-1996 15:31:00

Michael asked that we keep you informed regarding the programmatic changes OMB included in ISTE. Attached for your perusal is a copy the relevant issues in OMB's passback to DOT. Please note that we are not asking for comments on funding levels at this time.

If you have concerns regarding any issues, please e-mail them to myself or David Tornquist by COB, Friday, December 13th.

Thanks,
Diane

===== ATTACHMENT 1 =====

ATT CREATION TIME/DATE: 9-DEC-1996 18:54:00.00

ATT BODYPART TYPE:D

TEXT:

The following attachments were included with this message:

TYPE : FILE

NAME : exoppsbk.drm

===== END ATTACHMENT 1 =====

===== ATTACHMENT 2 =====

ATT CREATION TIME/DATE: 9-DEC-1996 18:54:00.00

ATT BODYPART TYPE:p

ATT SUBJECT: exoppsbk

TEXT:

Unable to convert OA\$SHARA2013:ZWPNR0S3L.WPC to ASCII,
The following is a HEX DUMP:

===== END ATTACHMENT 2 =====

SUMMARY OF MAJOR INTERMODAL SURFACE TRANSPORTATION EFFICIENCY ACT (ISTEA) REAUTHORIZATION POLICY ASSUMPTIONS

Overall ISTEA Program Funding/Eligibility

The Passback fully-funds the estimated Federal share of the system maintenance requirements of the Interstates, National Highway System (NHS) and transit systems, provides modest funding for capacity enhancement, and provides a proportionately larger increase in funding for the Surface Transportation Program (STP). The STP funding will encourage intermodal decision making and will permit States to meet high priority needs for either highways or transit. The Passback emphasizes the Federal role in transportation safety by providing an increase for safety programs above 1997 enacted levels.

The Passback expands eligibility of the State-managed ISTEA funds and the innovative financing programs to include the National Railroad Passenger Corporation. The Department's request to expand eligibility further, in particular to private transportation companies, is not approved.

ISTEA-related issues not specifically addressed in the Passback will be determined through the inter-agency legislative clearance process. OMB's goal is to have all issues decided in time so the Administration's ISTEA reauthorization bill can be transmitted to Congress along with the President's 1998 Budget.

Federal Highway Administration

Federal-aid Highways -- The Passback provides a total mandatory and discretionary funding level for the Federal Highway Administration of \$18.3 billion. This includes a total obligation limitation of \$17.8 billion, \$250 million for innovative financing programs, \$100 million for Motor Carriers grants, and \$100 million in mandatory funding for Emergency relief programs (described below). The Department's request to eliminate the equity programs is approved. Should the Department reconsider its proposal, any new equity program would be funded within the totals provided.

STP Set-asides -- The Department's request to fund the STP Safety set-aside and Enhancements program as separate programs is approved. The STP safety set-aside is proposed to be funded at a level equal to 10 percent of the STP program, as currently authorized. This reflects the important Federal role in safety programs. The Enhancements program is funded at the request level of \$500 million. In light of the recent U.S. Court of Appeals decision in the Preseault case, Enhancement funds will be eligible to be used to reimburse reversionary property rights owners along rail banked corridors. The Department is requested to develop for the ISTEA reauthorization an arbitration process for reimbursement claims that will speed resolution of claims while minimizing frivolous claims. This might include the principle of "loser pays" for both applications for reimbursements and challenges to those applications. OMB notes that State-managed ISTEA funds are currently used to pay railroads for easements actually owned by reversionary property rights owners. The Department is asked to consider how these funds could be targeted to compensating the owners of these easements. Such a system, if accepted by all

parties, would greatly reduce the expense and animosity related to the current process and allow trails to be created with the support of, rather than over the opposition of, the community.

Highway Demonstration Projects -- The Passback does not limit highway demonstration projects spending through a 50 percent obligation limitation applicable to both appropriated and authorized demonstration projects. Such a proposal would push outlays into the outyears, particularly into 2002.

Bridge Programs -- The Passback includes \$2.2 billion to fund the consolidated bridge program requested by the department. The Passback reflects the Department's proposal to tighten restrictions on the transferability of bridge funds to other programs. In addition, the ISTEA reauthorization will permit highway bridges that are hazards to navigation to be funded out of the bridge program.

Emergency Relief (ER) Program -- The Passback assumes \$100 million in annual funding for the ER program. Tentatively, the Administration plans to propose legislation to consolidate all Federal disaster programs into a government-wide disaster assistance and contingent disaster reserve fund. Any additional ER funds would come from this central fund. The Passback assumes that the ISTEA reauthorization will reflect programmatic changes to tighten ER eligibility and make it more consistent with other Federal disaster assistance programs. These changes include: 1) reducing the eligibility period for 100 percent Federal funding from 180 days to 30 days, 2) reducing the match rate to a flat 75 percent and 3) increasing the minimum threshold for eligibility from \$3,000 to \$6,000.

National Recreational Trails Program -- Consistent with the policy in the 1997 President's Budget, no funding is provided within the Department of Transportation's budget for the Recreational Trails program. The Department is encouraged to find a more appropriate agency to manage and fund this program, if the Department believes the program should be continued. If another home is found, funding for the program can continue to be derived from the Highway Trust Fund.

Federal Lands Highways -- The Federal Lands Highway program is funded at \$381 million as a separate contract authority-funded program starting in 1998. Starting with the 1999 OMB Budget Submission, the Department is requested to provide a list of the individual projects it proposes to fund through this program, the cost of each project, the need for the project, and how each project contributes to the goals set out for the Department in its strategic plan. The Department is asked to coordinate this information request with the land management agencies for which the Department funds and constructs these roads.

State Infrastructure Banks (SIBs)/ Federal Credit Program (FCP)-- The Passback assumes that States will continue to be allowed to use up to 10 percent annually of their obligation limitation to capitalize SIBs. Also, consistent with the 1997 enacted levels, an additional \$150 million from the Highway Trust Fund is provided to further capitalize SIBs. To leverage additional infrastructure investment, the Passback funds the Department's proposed National Federal Credit Program at \$100 million. This new program will address large infrastructure programs of

national significance similar to the Alameda project. OMB looks forward to working with the Department to develop further the authorization for this program. OMB suggests the new credit program be complementary to the SIB program by targeting projects too large to be funded by any one SIB. As previously stated, the eligibility for the SIB and new credit program will reflect current eligibility for SIB funding plus the National Railroad Passenger Corporation.

General Operating Expenses (GOE) -- The Passback provides an GOE level of \$364 million. Downsizing is assumed to continue at half the rate of attrition. The Passback assumes that the LGOE account will become a separate account with its own contract authority and an allocation of the obligation limitation. This account will consist of Administrative Expenses and Miscellaneous Programs. It is assumed that this account will include discretionary funds to meet unanticipated needs. Research, including ITS, will be combined with the existing FHWA research program. The Office of Motor Carriers is funded at \$49 million.

The purpose of separating administrative and research funding from infrastructure funding is to highlight Administrative efforts to restrain overhead costs which permit greater spending on infrastructure. Currently the FHWA receives no credit for these efficiencies as they are lost in the Federal-aid totals. This change also will permit more informed decisions to be made among different proposed uses of the Federal-aid obligation limitation. Under this proposal, FHWA would continue to submit, and OMB would review, a detailed justification for a fixed spending level for the LGOE account. The spending level resulting from this review would become the President's request level.

Research/Intelligent Transportation Systems (ITS) -- The Passback provides \$337 million in contract authority for FHWA Research, including ITS. ITS is funded at \$199 million, which includes \$139 million for Research, Development, and Technical Assistance activities, \$50 million for a new Deployment Incentives Program, and \$10 million for the "Next Generation Internet" initiative. This will allow high priority research to continue and permit the near-term benefits of ITS to be demonstrated. Non-priority areas, including simulator research, transportation centers, and technical assistance were reduced. OMB supports the Department's proposal to expand the eligibility of the State-managed ISTEA programs to more broadly include ITS, so long as controls are provided on the funding of operating expenses. OMB looks forward to working with the Department on this issue. OMB believes that most of the ITS deployment nationwide will be funded through this expanded eligibility, and that the deployment program need only be temporary. The Congressional justification and other materials presented to Congress for the ITS program should be streamlined to articulate a clear program focus. Finally, the total amount available in 1998 to the Department from all sources to be spent on the National Advanced Driving Simulator is \$10 million.

Motor Carrier Safety Grants -- The Passback provides \$100 million for Motor Carrier Safety Grants, an increase of \$22 million over 1997 enacted. The Department's proposal to reauthorize the program on a performance basis similar to NHTSA's section 402 program is approved.

Treasury Accounting Error -- The amounts provided in Passback include an additional \$298 million in 1998 to be distributed to the States who received lower 1997 Federal-aid allocations as a result of Treasury's decision to correct a 1994 accounting error.

Other Programs -- The Department's requested funding levels for the Gateway Border Crossing Pilot Program, Appalachian Highways, Congestion Pricing, and Tax Evasion enforcement are approved. The costs associated with the planning, preliminary engineering and design of the Woodrow Wilson Bridge replacement are funded at the 1997 level in a separate account. The Passback assumes the Federal share of construction costs for the replacement bridge will not exceed the existing bridge's replacement costs, less Federal contributions made to date. This funding level should be reflected in the Congressionally requested financial plan. In addition, the Passback provides \$24 million for the Bureau of Transportation Statistics, including the Office of Airline Information (OAI), to be derived from the Highway Trust Fund. This includes \$270,000 to develop GPRA measures as part of a government-wide effort to develop consistent performance measures for statistical programs. Further details of the GPRA initiative will be discussed at the December 11, 1996, meeting of the ICSP. No funding is provided for the RSPA R&D initiative. The CMAQ program is funded at \$900 million, a modest increase over 1997 enacted levels.

Highway Trust Fund -- Consistent with the request, the Passback proposes to reimburse the General Fund of the U.S. Treasury from the Highway Trust Fund for spending by agencies other than DOT for highway-related purposes. The exact amount of the reimbursement is dependent upon the Passback for all Agencies and, therefore, will be determined after appeals are settled. The Department is asked to provide, along with the appeals letter, the previously requested detailed breakout of the \$500 million included for these programs in the Department's request. In addition, Amtrak is assumed to be funded from the Highway Trust Fund.

Federal Transit Administration

A total of \$4,256 million is provided for the Federal Transit Administration. The Passback level will protect the Federal interest in maintaining system condition and providing low-cost access to mobility, and provide for modest capacity increases, as well as increase program flexibility. All FTA programs would be funded from the Transit Account of the Highway Trust Fund beginning in 1998.

Formula Grants -- The Passback provides \$3,289 million in transit capital and operating funds. The Department's proposal to consolidate discretionary bus, fixed guideway modernization, and formula capital grants is approved. This will allow State, regional, and local decision makers increased flexibility to more efficiently invest transit funding based on local needs. Using similar logic, the Passback provides funding for capital in place of the limited operating assistance currently allocated to large and medium urbanized areas. In small urbanized areas, access to low-cost mobility is protected by removing restrictions on operating expenditures for those areas with populations below 200,000, as is currently the case in rural regions. In addition to providing greater flexibility to transit properties, this approach has the potential to increase the enacted

levels of total transit funding given Congress' history of reducing Transit Operating more than Transit Capital accounts.

Full Funding Grant Agreements (FFGAs) -- The Passback includes \$3.8 billion in FY 1998-2003 funds for transit new start projects, including \$634 million in FY 1998. This includes funding for the following existing FFGAs: Atlanta-North Springs, South Boston Piers Phase I, Denver-Southwest LRT, Houston Regional Bus, Los Angeles-MOS-3, Maryland MARC, New Jersey-Hudson Bergen, New Jersey-Secaucus, Portland-Westside to Hillsboro, St. Louis-St. Clair Extension, Salt Lake City-South LRT, San Juan Tren Urbano, and San Jose-Tasman. The Passback also provides funds for the following new FFGAs: San Francisco-BART Airport Extension and Sacramento LRT extension. Project management oversight funding is included in these amounts. This overall funding level is maintained in each of the outyears. Actual outyear funding requests will be determined during the annual process of formulating the President's Budget. Should the Department wish to issue FFGAs for projects not included in this Passback, an analysis of the benefits and costs of each such project is requested as part of the Department's appeal.

Administrative Expenses -- The Passback provides \$46.7 million for program administration. Funding is not provided for currently vacant positions or information technology other than EGM&M and electronic commerce. Downsizing is assumed to continue at half the rate of attrition. For the 1999 OMB submission, FTA is requested to base its request for administrative and R&D accounts on merit and marginal cost rather than a fixed percentage of the overall program. The request to create a GOE account similar to that in FHWA is not approved.

Other Programs -- Transit Planning & Research is funded at \$80.3 million, with the reduction of \$5.2 million coming from National Planning and Research's New Bus Vehicles and Infrastructure, Transit Service and Management, and New Rail Vehicles and Infrastructure. FTA is requested to consolidate commuter rail safety program with the Federal Railroad Administration's proposed program. University Transportation Centers are funded at the Department's request level of \$6 million and the Washington Metropolitan Transit Authority is funded at the request level of \$200 million. The request to create a new Transit Emergency Relief program is not approved. Such funding will come from the new consolidated disaster assistance account as needed.

National Highway Traffic Safety Administration (NHTSA)

The Passback provides a funding level of \$333 million in budget resources for highway traffic safety programs, an increase of \$32 million, or almost 10%, above FY 1997 enacted. \$133 million is provided for Operations and Research, the FY 1997 enacted level. The Department's proposal to fund Operations and Research entirely from the Highway Trust Fund is approved. \$200 million is provided to fund Section 402, Section 410, and a small occupant protection incentive grant.

Federal Railroad Administration

Grants to the National Railroad Passenger Corporation -- The Passback provides \$740 million for Amtrak. Operations is funded at the 1997 enacted level less one-time costs to encourage further operating efficiencies. Capital is funded at \$223.5 million, including \$24 million for Penn Station, and NECIP at \$175 million. The proposal to combine capital and NECIP funding into one account is not approved.

As previously stated, Amtrak is proposed to become an eligible expense for the State managed ISTEA programs. This will result in intercity passenger rail requirements being included in overall state and regional surface transportation planning and investment decision making. All direct Amtrak grants, including operating assistance and NECIP, are proposed to be funded from the Highway Trust Fund beginning in 1998.

OMB looks forward to continued work with the department and Amtrak to develop a meaningful long-term financial plan.

Safety -- The Passback provides \$56.6 million for safety, including three new safety positions. No additional funds are included for information technology enhancement. The acquisition of a new automated track inspection vehicle is funded at \$3 million. OMB would like to see the reduced operating and maintenance costs resulting from the Automated Track Inspection Program (ATIP) reflected in future FRA budget requests. The Department's request to reestablish the rail safety user fee is approved and expanded to include costs associated with hazardous materials and hours of operation inspection.

Research and Development -- The Passback provides \$17.8 million for R&D. While OMB supports FRA's rail research and development efforts, significant amounts of R&D are already undertaken by the freight railroads, Europeans, and Asian nations. OMB encourages FRA to work with its contractor to develop a joint investment strategy for improvements to the Transportation Technology Center. FRA also is encouraged to consolidate its commuter rail safety initiatives with programs requested by the Federal Transit Administration. The R&D share of the FRA-wide technology initiative, if undertaken, should be funded from within base resources.

Next Generation High Speed Rail -- Next generation high speed rail is funded at \$16.9 million. This reflects savings associated with one-time 1997 costs, offset by new initiatives included in FRA's initial request. The proposed increase from current services for planning technology is not funded in 1998. FRA's high-speed rail cost benefit analysis demonstrated that few HSR projects provide benefits to the public in excess of the public's costs. Therefore, no funding is provided for HSR development. Passback assumes that the Administration will not propose reauthorization of the Swift High Speed Rail Development Act and that needed research authorizations, if any, will be included in the ISTEA reauthorization bill.

Other Programs -- The Passback provides \$19.5 million for the Office of the Administrator, including funding for one safety-related position. New or expanded information technology

programs were not funded. Where necessary, these activities should be funded from the base levels. Downsizing of the non-safety workforce is assumed to continue at half the rate of attrition. Rhode Island Rail Development is funded at the requested level of \$10 million.

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	Diane Regas to Carol H. Rasco at 10:19:33.64. Subject: Thanks and ISTEА. [partial] (1 page)	12/11/1996	b(6)

COLLECTION:

Clinton Presidential Records
Automated Records Management System [Email]
WHO ([NEXTEA or ISTEА])
OA/Box Number: 500000

FOLDER TITLE:

[11/02/1995 - 01/09/1995]

2015-0463-F
ab1507

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Diane Regas (REGAS_D) (OPD)

CREATION DATE/TIME:11-DEC-1996 10:19:33.64

SUBJECT: Thanks and ISTE A

TO: Carol H. Rasco (RASCO_C) (WHO)

READ:11-DEC-1996 11:29:39.53

TEXT:

(b)(6)

[001]

Do you want a briefing sooner or later on ISTE A?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Leanne I. Johnson (CN=Leanne I. Johnson/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:12-DEC-1996 12:09:21.00

SUBJECT: Lawton Chiles incoming and response

TO: David J. Worzala (CN=David J. Worzala/OU=OMB/O=EOP @ EOP [OMB])

READ:UNKNOWN

TEXT:

Hi David,

Following is a draft response, approved by John Byerly (Dep. Asst. for Gov. Affairs at DoT) for your edits/approval. Is there anyone else I should run this by for clearance? Thanks!

(Chiles is concerned that the existing federal surface transportation program funding is inequitable and inflexible., He notes that proposals such as Trunback and STEP 21 represent effective ways to reform current law. Please let me know if you'd like me to fax you the incoming.)

Thank you for writing to me. I appreciate your taking the time to outline your views on the reauthorization of the Intermodal Surface Transportation Efficiency Act of 1991, and I share your view that this reauthorization offers "a unique opportunity to chart a new course for our nation's highways and transit systems as we enter the twenty-first century."

As you may know, during 1996, the Department of Transportation initiated a broad outreach program to help shape our ISTEA reauthorization proposal. This outreach program found that with ISTEA's emphasis on safety, intermodalism, new technology, flexibility for state and local decision-makers, and strong, community participation, this legislation is working and should not be discarded but improved upon.

There continues to be a great deal of discussion about the appropriate federal role, flexibility, and equity -- issues at the heart of the proposals you mentioned. These issues along with transportation's role in strengthening our economy and global environment, in ensuring the safety and well-being of the American people, and in protecting the quality of our air and overall environment, will continue to be debated within my Administration, by Congress, and other interested parties. I am convinced that ISTEA has helped bring about major progress in each of these areas, and that their importance will be recognized as Congress shapes reauthorization legislation.

ISTEA is very much a program for the 1990s and beyond, and my Administration is eager to build upon the positive features of that landmark legislation. I look forward to working with you in

this important effort.

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Mark J. Mazur (MAZUR_M) (WHO)

CREATION DATE/TIME:16-DEC-1996 09:39:22.21

SUBJECT: RE: FY 98 Budget/Empowerment Zones mtg.

TO: Steven W. Craft (Steven W. Craft@OVP@EOP@LNGTWY@EOPMRX)
READ:NOT READ

TEXT:

Steve,

I will try to attend, but the 2 pm time conflicts with another meeting I am supposed to be at (on the environmental aspects of ISTEa).

Mark

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: REGAS_D@A1@CD@LNGTWY (REGAS_D@A1@CD@LNGTWY [EOP]) (OPD)

CREATION DATE/TIME:16-DEC-1996 11:02:13.00

SUBJECT: Today's meeting

TO: ROMANI_P@A1@CD@LNGTWY (ROMANI_P@A1@CD@LNGTWY [EOP]) (OMB)
READ:UNKNOWN

TO: SEIDMAN_E@A1@CD@LNGTWY (SEIDMAN_E@A1@CD@LNGTWY [EOP]) (OPD)
READ:UNKNOWN

TO: REGAS_D@A1@CD@LNGTWY (REGAS_D@A1@CD@LNGTWY [EOP]) (OPD)
READ:UNKNOWN

TO: Michael Deich@eop (Michael Deich@eop [OMB])
READ:UNKNOWN

TO: Linda L. Lance@OVP (Linda L. Lance@OVP [UNKNOWN])
READ:UNKNOWN

TO: Barbara Chow@EOP (Barbara Chow@EOP [WHO])
READ:UNKNOWN

TO: HOLSTEIN_E@A1@CD@LNGTWY (HOLSTEIN_E@A1@CD@LNGTWY [EOP]) (OPD)
READ:UNKNOWN

TO: ROBYN_D@A1@CD@LNGTWY (ROBYN_D@A1@CD@LNGTWY [EOP]) (OPD)
READ:UNKNOWN

TO: MAZUR_M@A1@CD@LNGTWY (MAZUR_M@A1@CD@LNGTWY [EOP]) (WHO)
READ:UNKNOWN

TO: Henry C. Kelly@EOP (Henry C. Kelly@EOP [OSTP])
READ:UNKNOWN

TO: Ananias Blocker III@EOP (Ananias Blocker III@EOP [WHO])
READ:UNKNOWN

TO: David J. Worzala@EOP (David J. Worzala@EOP [OMB])
READ:UNKNOWN

CC: WARREN_W@A1@CD@LNGTWY (WARREN_W@A1@CD@LNGTWY [EOP]) (CEQ)
READ:UNKNOWN

TEXT:

We are meeting from 2-3:30 in Room 213 with the following "green" types
interested in ISTEAs:

Roy Kienitz and Hank Dittmar from STPP
Kaid Benfield and Greg Wetstone from NRDC

Michael Replogle from EDF
Ann Mesnikoff from Sierra Club
John Echeverria from Audobon
Gawain Kripke from Friends of the Earth
Mary Marra from National Wildlife Federation

I hope you will join us.

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Cristian J. Santesteban (SANTESTEBA_C) (CEA)

CREATION DATE/TIME:16-DEC-1996 18:01:06.37

SUBJECT: ISTEA meeting

TO: Mark J. Mazur (MAZUR_M) (WHO)

READ:16-DEC-1996 18:06:55.57

TEXT:

The environmental lobby basically stressed the importance of ISTEA and the reauthorization effort. The lobby was represented by STTP (Surface Transportation Policy Project) headed by Hank Dittman.

Here's an outline of what they proposed:

PROTECTING ISTEA

(This is what they like)

- 1) Flexibility - almost half of highway funds was used for air quality, transit, and other environmentally friendly alternatives.
- 2) Fair Decision Making - Requirements for spending flexible funds: PLANNING REQUIREMENTS, PUBLIC INVOLVEMENT, FISCALLY CONSTRAINED PLANNING, CLEAN AIR ACT CONFORMITY.
- 3) New Funding Programs - CMAQ, Enhancements, Targeted Funds for Metropolitan Areas.
- 4) Guaranteed Money for Maintenance

BUILDING ON ISTEA

(This is what they'd like to see more of)

- 1) More Emphasis on the Environment (mitigation of wetland impacts, make buying alternative fuel buses the same price as conventional ones, alternatives to sprawl)
- 2) Jobs, Welfare Reform and Transportation (bringing jobs to people by fixing up roads in inner cities, for example)
- 3) Performance Incentives (for condition of the Interstate System, Transportation Safety, Environmental Performance)

THREATS TO ISTEA

(This is what they are afraid of)

- 1) Highways only - afraid highway lobby will curtail Flexibility, CMAQ, Transit
- 2) Block Grants - afraid of just giving money to states with no strings attached (like targeting certain activities)
- 3) Bad Budget Numbers - afraid of huge build-ups in the trust fund because it could lead to a partial repeal of gas taxes.

Finally groups at the meeting:

DPC, NEC, CEA, OMB, DoT and STPP, Friends of the Earth, Env. Def. Fund, Natl Audubon Society, Sierra Club, NATl Resources Defense Council

Let's talk if you want.

-- Cristian

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Leanne I. Johnson (JOHNSON_L) (WHO)

CREATION DATE/TIME:18-DEC-1996 15:00:19.00

SUBJECT: TRANSPORTATION OFFICIALS MARK FIFTH ANNIVERSARY OF ISTEA

TO: Leanne I. Johnson (JOHNSON_L) Autoforward to: Remote Addressee (Leanne I.
Johnson@EOP@LNGTWY@EOPMRX) (WHO)
READ:NOT READ

TEXT:

Date: 12/18/96 Time: 14:43

TTTransportation officials mark fifth anniversary of ISTEA

WASHINGTON (AP) Transportation Secretary Federico Pena helped mark the fifth anniversary of the signing of a major funding bill Wednesday by calling on Congress to reauthorize it.

"The milestone that brings us today to this place is really worth celebrating," Pena said of the 1991 Intermodal Surface Transportation Efficiency Act, also known as ISTEA. "Let us keep ISTEA."

The bill earmarked \$150 billion for transportation spending over the six-year life of the bill, which shifted the focus from only highway projects to spending on other forms of transport besides the automobile.

It will expire in September unless Congress reauthorizes it.

"Five years ago, ISTEA set a new course and revolutionized the way we think about transportation," said Rep. Thomas Petri, R-Wis., chairman of the House Surface Transportation Subcommittee.

"Our challenge next year is to build on ISTEA's success and continue to improve the program to meet the transportation needs of today and into the future."

Gearing up for the reauthorization battle, the Surface Transportation Policy Project, a co-sponsor of the event at Washington's Union Station, released highlights of more than 100 projects in 37 states it says were possible because of ISTEA funding.

APNP-12-18-96 1446EST

RECORD TYPE: PRESIDENTIAL (XCHANGE MAIL)

CREATOR: Cynthia Coogan (CN=Cynthia Coogan/OU=DOT/O=GOV [UNKNOWN])

CREATION DATE/TIME:18-DEC-1996 17:34:52.00

SUBJECT: White House Weekly Report for the Weeks of December 23 & 30, 1996

TO: Stefanie Sanford (CN=Stefanie Sanford/OU=WHO/O=EOP [Cabinet Affairs])
READ:UNKNOWN

TO: Carl E. Snoddy (CN=Carl E. Snoddy/OU=OA/O=EOP [Cabinet Affairs])
READ:UNKNOWN

TO: Ronda H. Jackson (CN=Ronda H. Jackson/OU=WHO/O=EOP [Cabinet Affairs])
READ:UNKNOWN

TO: Elizabeth M. Toohey (CN=Elizabeth M. Toohey/OU=WHO/O=EOP [Cabinet Affairs])
READ:UNKNOWN

TO: David S. Beaubaire (CN=David S. Beaubaire/OU=WHO/O=EOP [WHO])
READ:UNKNOWN

TO: Rosemary B. O'Shea (CN=Rosemary B. O'Shea/OU=WHO/O=EOP [WHO])
READ:UNKNOWN

TO: Anne E. McGuire (CN=Anne E. McGuire/OU=WHO/O=EOP [WHO])
READ:UNKNOWN

TO: Kris M Balderston (CN=Kris M Balderston/OU=WHO/O=EOP [WHO])
READ:UNKNOWN

TO: Deborah J. Behr (CN=Deborah J. Behr/OU=WHO/O=GOV [OA])
READ:UNKNOWN

TO: Stephen B. Silverman (CN=Stephen B. Silverman/OU=WHO/O=EOP [WHO])
READ:UNKNOWN

TEXT:
MEMORANDUM FOR LEON PANETTA, THE WHITE HOUSE DECEMBER 18, 1996

FROM: Secretary Peña

SUBJECT: DOT Weekly Report -- Weeks of December 23 and 30,
1996

The following is the Department of Transportation Weekly Report:

Key Department News

Secretary's Meeting With Los Angeles Transit Officials: On December 16,
Secretary Peña, Deputy Secretary Downey, and FTA Administrator Linton met

with several Los Angeles County Metropolitan Transportation Authority board members in Washington, to discuss the Secretary's concern regarding management, oversight, scheduling, and financing issues concerning the Red Line subway. Mayor Riordan joined the meeting by phone. The meeting received extensive media coverage both before and after it occurred. Next steps include development of a code of conduct for Board members, recovery plans and a 20 year financial plan.

National 3D Prevention Month: On December 19, at DOT, Secretaries Peña, Shalala, Riley and Director McCaffrey will release the annual "Monitoring the Future" survey of drug, alcohol and tobacco use by high school students. They will lead a satellite forum, linking communities around the country and reminding the public not to drink and drive during the holiday season. This is also a part of the annual National Drunk and Drugged Driving (3D) Prevention Month.

Secretary attends ISTEA Event: On December 18, Secretary Peña addressed the 5th Anniversary Celebration of ISTEA Enactment. This event kicked-off the ISTEA reauthorization by the Alliance for ISTEA Renewal. The Secretary announced the preliminary printing of a DOT report on its national outreach ISTEA reauthorization, How to Keep America Moving, ISTEA, Transportation for the 21st Century, the final version to be ready to distribute in January.

Secretary attends meeting with U.S. Mayors: On December 18, Secretary Peña joined you, the Vice President and other Cabinet Officials in a meeting with U.S. Mayors to discuss possible urban initiatives over the next 4 years.

Congressional Air Bag Hearing: On December 19, House Transportation Appropriations Subcommittee Chairman Wolf will hold a hearing to discuss issues regarding air bags. Chairman Wolf is interested in the status of rulemaking, history of the air bag, and other related issues. NHTSA Administrator Ricardo Martinez will testify for the Department. Others expected to testify are NTSB, the American Automobile Manufacturers Association, and representatives from the insurance industry, the medical community, and safety advocates. Heavy media coverage is expected.

Secretary to announce MSP awards: On December 20, Secretary Peña will hold a press conference to announce Maritime Security program awards. DOT has entered into agreements with ten shipping lines to subsidize \$2.1 million per ship for a combined annual award of \$100 million. On December 13, MARAD extended offers to eligible companies that had submitted MSP applications. Written notifications of acceptances were due at close of business on December 16, and contract signings are scheduled for December 20.

FAA Passenger Safety Campaign: On December 18, at National Airport, the FAA kicked off its nationwide safety campaign to promote the use of seat belts and child restraint systems on commercial airliners. The efforts include print and video PSA's reminding travelers of the potential dangers of turbulence and the importance of remaining buckled up while in flight.

Freighter Rams Wharf Area in New Orleans: On December 14, the 735 ft

Liberian Freighter BRIGHT FIELD lost power and struck the populated waterfront shopping area, Riverwalk, in New Orleans, LA. A system of traffic lights operated by the Coast Guard in that section of the river was in operation and may have minimized the accident by preventing other vessels from heading up the river at that time. The collision and panic caused injuries to 116 people, but there have been no reported fatalities or pollution. The Coast Guard was the lead agency for the recovery effort and used infrared equipment to search for survivors. Drug and alcohol tests were performed on the crewmembers and pilot. The case has received national media attention. The Coast Guard convened a Marine Board of Investigation on December 17. House and Senate member staffs were briefed.

Report of the Baseline Working Group to the Aviation Security Advisory Committee: On December 12, the Aviation Security Advisory Committee received the Baseline Working Groups recommendations. 18 of 21 recommendations were accepted unanimously. There were dissenting views on 3 recommendations: (1) the Association of Flight Attendants and Families of Pan Am 103, Lockerbie, strongly insisted that Positive Passenger Bag Match (PPBM) should be implemented, regardless of the outcome of the PPBM pilot test directed by the White House Commission; (2) the Department of Justice opposed authorizing airports to use National Crime Information Center checks to supplement employment histories; and (3) the Office of Management and Budget opposed Federal funding of the costs of strengthening security. All other U.S. Government representatives abstained from voting on this Federal funding recommendation. The ASACs recommendations will now be presented to the FAA Administrator.

Boeing 747 Actions: On December 13, the NTSB issued 4 safety recommendations to the FAA which addressed the issues of the flammability of fuel-air mixtures in fuel tanks and methods to monitor and detect temperature rises. The recommendations come from the Board's investigation of TWA Flight 800, but were described as issues that have been developed rather than related to any causal factors. Unrelated to these recommendations, FAA is drafting an Immediate Adopted Rule Airworthiness Directive to require inspections of certain Boeing Model 747 main fuel tank boost pump wiring for evidence of chafing or electrical arcing. This Airworthiness Directive is not tied to any current NTSB recommendation but is a precautionary action towards eliminating a potential ignition source.

Adarand Constructors, Inc. v. Peña, (D. Colo., No. 90-K-1413: On December 20, the United States will argue a motion for summary judgment in the Adarand case, which is before the federal district court in Colorado on remand from the Supreme Court. The Supreme Courts decision announced that all federal programs using racial classifications must be reviewed under a new standard of strict scrutiny. Adarand has challenged the Subcontracting Compensation Clause (SCC), which issued by the FHWA to encourage participation of minority and women-owned subcontractors in federal highway construction. The governments motion argues that Congress had a compelling interest in remedying discrimination in highway construction and governmental contracting, and that the SCC is a merely-tailored program that furthers this interest. As the lead case challenging the constitutionality of DOTs minority preference program, the

ultimate decision in this case will likely have a profound effect, and doubtless will be the subject of further appeal.

Federal Highway Trust Fund: The Secretaries of Transportation and Treasury and senior officials in each agency and the Office of Management and Budget met last week with the White House Chief of Staff to discuss the opposition of certain members of Congress to Treasury's legal opinion that it should (1) correct a \$1.59 billion over-reporting error in the Highway Trust Fund (HTF) in FY 1995 by crediting that amount to the HTF in FY 1994 and (2) revise its income statements accordingly. Several alternative courses of action have been identified. Transportation must make apportionments of Federal-aid highway funds based on income statements provided by Treasury or by the end of the calendar year, affected States may raise impoundment concerns. A briefing paper from the Secretaries of Transportation and Treasury was presented to the White House Chief of Staff concerning these issues.

Los Angeles Airport Revenue Diversion: With the Secretary's approval, the FAA issued a Notice of Investigation into the September transfer of \$31.1 million from the airport account of the City of Los Angeles to the City general account. The Notice, which implemented FAA's new and expedited procedures for resolving federal grant compliance issues, gave the City 30 days to respond as to why all or part of that transfer does not constitute unlawful airport revenue diversion under federal grant assurances, and to make good faith efforts to resolve the matter informally. The Secretary spoke with Mayor Riordan and has sent explanatory letters to Senator McCain and to Congressman Wolf, who have expressed concern about this and other revenue diversions by the City of Los Angeles. On December 16, Senators Boxer and Feinstein, House members representing the Los Angeles area, and other key House and Senate aviation staff were provided copies of the FAA Notice of Investigation and other information regarding the revenue diversion by the city of Los Angeles at Los Angeles International Airport.

Major Airlines Third Quarter Financial Results: Major U.S. passenger and cargo airlines, reported strong operating and net profits for the third quarter 1996. Operating revenues advanced 6.6 percent while operating expenses grew slightly faster, up 7.4 percent, causing operating profit to dip \$2.8 million to \$2.42 billion. The passenger majors reported an operating profit of \$2.27 billion and the all-cargo majors had an operating profit of \$149 million. Net income improved \$59.5 million to \$1.23 billion, an all-time third quarter high. For the 12-months ended September 1996, operating profit increased \$1.24 billion to \$6.24 billion. Net income jumped \$1.79 billion to \$2.91 billion, a new all-time high for the group.

U.S.--France Aviation Talks: On December 16, aviation negotiations with France began in Paris. The U.S. objective is to negotiate a transition to an open-skies aviation agreement. The French will be seeking to obtain sufficient rights to implement Air France's separate transatlantic alliance agreements with Continental and Delta. Reportedly, the agreements provide for codesharing on each other's flights, combining frequent-flier programs and joint marketing of their transatlantic services. Air France says that the two agreements could provide \$100

million a year in operating profits.

Miami International Airport Rates Proceeding: The Department has agreed to the request of Dade County (owner and operator of Miami International Airport (MIA)) to institute a proceeding to determine whether MIA's landing fees and terminal rents are reasonable. Dade County claimed it increased these fees to pay for its planned renovation and expansion of a \$975 million concourse to be used by American Airlines as its hub operation. Dade County also plans to spend \$1.8 billion on reconstruction of the a large part of the rest of the airport's terminal, for the operations of other carriers. Six airlines--Air Canada, Delta, Lufthansa, TWA, United and USAir--opposed the request as unfair because MIA plans to include the cost of American's new (and allegedly better) facilities in the costs used in calculating the terminal and landing fees paid by all airlines using MIA. The Department will issue a final decision by March 19, 1997.

Western Pacific Airlines Unauthorized and Deceptive Advertising: The Department has settled an enforcement case involving Western Pacific Airlines (WestPac) and its affiliate, Mountain Air Express (MAX). WestPac advertised MAX service before the latter airline was licensed and authorized to do so. The consent order reflecting the settlement assesses a \$340,000 civil penalty; however, up to \$290,000 of that amount may be offset by the carriers by providing passengers substitute air transportation on other carriers or discount coupons for future WestPac/MAX flights. Consumers will also be provided refunds if they request.

Cubans Turn Over Cocaine, Assist U.S. In Drug Case: Cuba turned over 6.6 tons of cocaine to U.S. authorities which they located on the vessel LIMERICK. The LIMERICK was originally boarded by a U.S. Coast Guard boarding team in October but the vessels crew scuttled the ship, (unsuccessfully), and the Cubans later salvaged it. The crew of the LIMERICK will be tried in Miami. The Government of Cuba has also turned over an evidence package to support the U.S. prosecution, and agreed to provide witnesses if needed. The case received significant regional media interest.

Secretary

December 18

Secretary Peña will address the ISTEA Fifth Anniversary Luncheon in Washington, D.C.

December 19

Secretary Peña and NHTSA Administrator Martinez will hold a news conference to announce Drunk and Drugged Driving Prevention (3D) Month.

Deputy Secretary

January 10

Deputy Secretary Downey will speak at WMATAs Regional Mobility Investment Conference.

January 15

Deputy Secretary Downey will chair a panel at the Transportation Research Board (TRY) Annual Meeting on Transportation Security.

February 4-5

Deputy Secretary Downey will participate in AMTRAK meetings in Philadelphia, PA.

Modal Administrators/Assistant Secretaries

December 17

Admiral Kramek held an editorial board with the Wall Street Journal focusing on the Presidents National Drug Control Strategy and United States Interdiction Coordinator issues.

Marad Administrator Herberger was a panelist on televised broadcast for World Business Review in Washington, D.C.

December 18

Admiral Kramek will attend the monthly ONDCP Law Enforcement Breakfast with General McCaffrey.

December 18-19

Assistant Secretary Kruesi, as a member of the U.S. delegation headed by the Department of State, will participate in broad-gauged discussions with government officials in Moscow concerning international use of GPS and related augmentation systems.

December 19

National Highway Traffic Safety Administrator Ricardo Martinez will speak at the Annual 3-D Drunk Driving Prevention Month Press Event in Washington, D.C.

On December 19 the Maritime Administrator will participate in a briefing for the Joint Chiefs of Staff at the U.S. Transportation Command at Scott AFB, IL.

December 20

Admiral Kramek will attend the Change of Command ceremony for the Commander in Chief, U.S. Atlantic Fleet in Norfolk, VA.

BTS Director T.R. Lakshmanan will meet with Lillian Borrone, of the Port Authority of New York and New Jersey and Chair of BTSS Advisory Council on Transportation Statistics regarding ISTEA/BTS reauthorization.

January 6-9

The Administrator for the Saint Lawrence Seaway Development Corporation (SLSDC) will meet with SLSDC employees in Massena, New York to continue labor negotiations and to consider operations for reorganizing operations.

January 8

The Maritime Administrator will speak at the International Cargo Handling Coordination Association in New York, NY.

January 9

Admiral Kramek will visit the Royal Navy First Sea Lord, Admiral Sir Jock Slater.

January 10

Assistant Secretary Charles A. Hunnicutt will join high-level exploratory aviation discussions scheduled to take place in Tokyo to discuss proposed services of Federal Express (FedEx), and a framework for possible future talks aimed at negotiating expanding opportunities for combination services.

January 15-17

The SLSDC Administrator will participate in a meeting of the Oberstar Task Force and attend the bi-annual meeting of the International Association of Great Lakes Ports; and will represent the Seaway at the 58th Annual Marine Club dinner in Toronto, Ontario.

January 17-19

Admiral Kramek will visit Coast Guard units and participate in events in Elizabeth City, NC.

January 22

National Highway Safety Traffic Administrator Ricardo Martinez will participate in the Ride Like a Pro Bicycle Event in conjunction with the Super Bowl in New Orleans, LA.

January 24

National Highway Safety Traffic Administrator Ricardo Martinez will speak at the Products Liability Seminar in San Diego, CA.

January 27

Admiral Kramek will visit Textron Marine and Systems in New Orleans, LA, for the roll-out of the first production 47 ft. Motor Lifeboat.

January 29-30

Admiral Kramek will attend the CINCs Conference at the Pentagon.

January 29

The SLSDC Administrator will be a keynote speaker at the U.S. Coast Guards (Ninth District) Annual Marine Community Day luncheon in Cleveland, OH; and meet with local port officials.

February 1

The SLSDC Administrator will be the banquet speaker at the Save The River groups annual Winter Environmental Weekend in Alexandria Bay, NY.

February 9-11

The SLSDC Administrator will attend the joint Lake Carriers Association & Canadian Shipowners Associations 60th International Joint Conference in Phoenix, AZ.

February 26

Admiral Kramek will speak at the National Defense University.

PRESS/MEDIA INQUIRIES

Air Bag Issue: Interest by all media and the public remains high on the question of air bag safety for children and shorter stature people. The Office of Public and Consumer Affairs has answered dozens of inquiries from all parts of the country concerning the issue. Stories have appeared in all major papers and news programs, and reporters ask for the latest updates on possible action.

Wall Street Journal. On December 16, the Wall Street Journal asked for information on the number of lives saved by air bags. He has requested an interview with Dr. Martinez on the number of lives saved on the passenger side versus the number of lives lost.

Los Angeles Times called several times on December 13, for information on the Secretary's December 16 meeting with Los Angeles County Metropolitan Transportation Authority (LACMTA) board members on the Red Line subway and other projects.

Los Angeles Daily News, ABC News and Associated Press called on December 13, for information on the Secretary's meeting with LACMTA officials.

Capital News Service called for information on federal safety requirements for transit and on the status of the Washington Area Metropolitan Transportation Authority (WMATA) proposed platform edge detection device. December 12-13.

Traffic World Interview: On December 16, FRA Administrator Jolene M. Molitoris was interviewed by a reporter from Traffic World. The Administrator discussed 1996 accomplishments as well as goals for 1997.

Railway Age Interview: On December 17, FRA Administrator Jolene M. Molitoris was interviewed by a reporter from Railway Age. The Administrator discussed 1996 accomplishments as well as goals for 1997.

U.S. Coast Guard Commandant Admiral Kramek will have an editorial board meeting with the Wall Street Journal, December 17, regarding drug interdiction issues.

CNN, December 12, requested information for a story on the 40th anniversary of the interstate and reauthorization.

USA Today has been given extensive background material for an article on the age 60 rule. Publication date not known.

CBS Weekend News will feature a segment on medical emergencies aboard aircraft. The piece should air before Christmas.

NBC Dateline is preparing a piece on the role of flight data recorders in accident investigations, and will examine the call by NTSB for more parameters and FAA's response. Air date not known.

Gannett is preparing a comprehensive story on rail grade crossing safety. Gannett expects to prepare a graphic on the ten worst grade crossing sites in the U.S. The article, which is expected to include negative commentary from tort attorneys, will focus on progress made since the 1994 DOT action plan. The reporter has spoken to a representative of the FHWA Office of Highway Safety, FRA's National Highway Grade Crossing Manager and Associate Deputy Secretary Michael Huerta.

National Public Radio, December 10, called FHWA for background information about ISTEA reauthorization for preparation for year-long coverage.

Congressional Quarterly, December 11, called FHWA concerning the formula for apportionments. An article is expected next week.

The Wall Street Journal is working on a story about speed limits. NHTSA is sending the reporter a publicly-available CD-ROM containing fatal crash data, and the National Center for Statistics and Analysis will help interpret the data on background.

The New York Times has obtained the enforcement agreement the FAA entered into with US Air. Reporter is looking for any background materials that describe the violations. Publication date not known.

The Houston Chronicle is expected to run an article in December on pipeline operators. RSPA has provided background information.

The Washington Post magazine is researching a piece on air bags and small drivers.

Prime Time Live was provided FAA information about a May 11, 1990 incident of wing failure on an Iranian Air Force 747-131, a "sister ship" to the TWA 800 aircraft. Air date January.

Conde Nast Traveler interviewed the FAA Air Certification Services Director regarding update on what is being done with 737's and rudders. Article expected to appear in January.

20th Century, has completed report focusing on unsolved aircraft accidents, including US Air 427. Awaiting air date on Arts & Entertainment Network.

Good Housekeeping is conducting research on air tours, regulations on life preservers and floatation devices. Scheduled for publication in February.

Point of Contact: For the weekends of December 21-22 and December 28-29, Katherine Archuleta will be the contact. She can be reached at (703)751-0773 (home) or through the FAA Operations Center at (202) 267-3333.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Reuben L. Musgrave Jr. (CN=Reuben L. Musgrave Jr./OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 3-JAN-1997 08:46:54.00

SUBJECT: Green Dots

TO: Reuben L. Musgrave Jr. (CN=Reuben L. Musgrave Jr./OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

12/18 12/31 Bob Lanier, Rebuild
America ISTEAN Leanne TDS

RECORD TYPE: PRESIDENTIAL (EXTERNAL MAIL)

CREATOR: David E. Tornquist@EOP@LNGTWY@EOPMRX

CREATION DATE/TIME: 8-JAN-1997 16:19:00.00

SUBJECT: RE: Meeting on ISTEAFunding Allocations - CORRECTION

TO: ROBYN_D (ROBYN_D@A1@CD) (OPD)

READ: 8-JAN-1997 16:57:30.40

CC: regas_d (regas_d@a1@cd) (OPD)

READ: 9-JAN-1997 11:51:11.81

CC: seidman_e (seidman_e@a1@cd) (OPD)

READ: 8-JAN-1997 16:57:49.44

CC: holstein_e (holstein_e@a1@cd) (OPD)

READ: 9-JAN-1997 09:31:45.37

CC: mazur_m (mazur_m@a1@cd) (WHO)

READ: 8-JAN-1997 16:21:57.65

CC: Henry C. Kelly (Henry C. Kelly@EOP@LNGTWY@EOPMRX)

READ:NOT READ

CC: Kenneth L. Schwartz (Kenneth L. Schwartz@EOP@LNGTWY@EOPMRX)

READ:NOT READ

CC: Jonathan C. Ball (Jonathan C. Ball@EOP@LNGTWY@EOPMRX)

READ:NOT READ

CC: David J. Worzala (David J. Worzala@EOP@LNGTWY@EOPMRX)

READ:NOT READ

CC: Diane R. Montgomery (Diane R. Montgomery@EOP@LNGTWY@EOPMRX)

READ:NOT READ

TEXT:

Message Creation Date was at 8-JAN-1997 16:11:00

Let me clarify my earlier e-mail. The ISTEAFunding meeting is on Thursday at 11:00, not Friday. To make it more convenient to WH staff, it will be in Room 231 in the OEOB (thanks Dorothy).

RECORD TYPE: PRESIDENTIAL (EXTERNAL MAIL)

CREATOR: David E. Tornquist@EOP@LNGTWY@EOPMRX

CREATION DATE/TIME: 8-JAN-1997 15:35:00.00

SUBJECT: Meeting on ISTE A Funding Allocations

TO: ROBYN_D (ROBYN_D@A1@CD) (OPD)

READ: 8-JAN-1997 15:36:29.39

TO: REGAS_D (REGAS_D@A1@CD) (OPD)

READ: 9-JAN-1997 11:47:10.92

TO: SEIDMAN_E (SEIDMAN_E@A1@CD) (OPD)

READ: 8-JAN-1997 16:17:50.87

TO: HOLSTEIN_E (HOLSTEIN_E@A1@CD) (OPD)

READ: 8-JAN-1997 19:37:10.94

TO: MAZUR_M (MAZUR_M@A1@CD) (WHO)

READ: 8-JAN-1997 15:42:59.44

TO: Henry C. Kelly (Henry C. Kelly@EOP@LNGTWY@EOPMRX)

READ:NOT READ

CC: Kenneth L. Schwartz (Kenneth L. Schwartz@EOP@LNGTWY@EOPMRX)

READ:NOT READ

CC: Jonathan C. Ball (Jonathan C. Ball@EOP@LNGTWY@EOPMRX)

READ:NOT READ

CC: David J. Worzala (David J. Worzala@EOP@LNGTWY@EOPMRX)

READ:NOT READ

CC: Diane R. Montgomery (Diane R. Montgomery@EOP@LNGTWY@EOPMRX)

READ:NOT READ

TEXT:

Message Creation Date was at 8-JAN-1997 15:27:00

This e-mail follows up on my earlier phone messages to you. OMB would like to convene a meeting tomorrow, January 10th, at 11:00 in 9104 in the NEOB to discuss the allocation of ISTE A funds. The issue at hand is now that we have a bottom line total for highways etc, how should the pie be divided between CMAQ, NHS, research, ITS etc. Jack Basso will be attending from DOT. I apologize for the short notice, however, we need to finalize this allocation very quickly to meet the President' Budget production schedule. We will shortly send you a table showing DOT's proposed allocation.

Please call me on 53257 with questions or scheduling problems.

RECORD TYPE: PRESIDENTIAL (EXTERNAL MAIL)

CREATOR: David E. Tornquist@EOP@LNGTWY@EOPMRX

CREATION DATE/TIME: 9-JAN-1997 09:38:00.00

SUBJECT: ISTE A Funding Meeting

TO: ROBYN_D (ROBYN_D@A1@CD) (OPD)

READ: 9-JAN-1997 09:42:08.47

TO: SEIDMAN_E (SEIDMAN_E@A1@CD) (OPD)

READ: 9-JAN-1997 13:03:38.85

TO: MAZUR_M (MAZUR_M@A1@CD) (WHO)

READ: 9-JAN-1997 09:45:59.61

TO: HOLSTEIN_E (HOLSTEIN_E@A1@CD) (OPD)

READ: 9-JAN-1997 09:41:07.11

TO: REGAS_D (REGAS_D@A1@CD) (OPD)

READ: 9-JAN-1997 11:52:52.33

TO: Linda Lance (Linda Lance@EOP@LNGTWY@EOPMRX)

READ:NOT READ

TO: Ananias Blocker III (Ananias Blocker III@EOP@LNGTWY@EOPMRX)

READ:NOT READ

TO: Henry C. Kelly (Henry C. Kelly@EOP@LNGTWY@EOPMRX)

READ:NOT READ

CC: Kenneth L. Schwartz (Kenneth L. Schwartz@EOP@LNGTWY@EOPMRX)

READ:NOT READ

CC: David J. Worzala (David J. Worzala@EOP@LNGTWY@EOPMRX)

READ:NOT READ

CC: Diane R. Montgomery (Diane R. Montgomery@EOP@LNGTWY@EOPMRX)

READ:NOT READ

CC: Jonathan C. Ball (Jonathan C. Ball@EOP@LNGTWY@EOPMRX)

READ:NOT READ

TEXT:

Message Creation Date was at 9-JAN-1997 09:30:00

The meeting to discuss the allocation of 1998 ISTE A funding is today at 11:00 in Room 231 in the OE OB (the NEC Conference Room). Attending from DOT will be Jack Basso, Deputy Asst. Secretary for Budget and Programs, Janno Lieber, Deputy Asst. Secretary for Policy, and Bev Pheto, Budget Officer. If I have overlooked any EXOP staff with an interest in ISTE A, please forward them this message.

You should each have received a faxed table showing DOT and OMB's proposed allocation of the FHWA obligation limitation. If not, please e-mail or call me (53257). This is meant as a starting point for discussions and does not represent final decisions on OMB's part. Keep in mind that this is a zero sum game, any proposals to increase funds in one area must be offset elsewhere.

I apologize for the rushed nature of this meeting. However, the POTUS made a decision on ISTEA late in the process and DOT was only able to translate this into its proposed suballocations on Tuesday. Nevertheless, the production schedule for the budget requires final decisions preferably today, but no later than early tomorrow.

Below are some issues to consider for the meeting.

Obligations vs. Contract Authority (CA). There are two relevant measures of budgetary resources for FHWA, obligations and contract authority. The ISTEA authorization provides CA to the various FHWA programs for the 6 year term of the bill. The appropriators limit the obligations that can occur under the CA in each year's appropriations bill through an obligation limitation. Therefore, CA exceeds obligations. Generally, States are allocated CA by formula and receive an amount of obligation limitation in proportion to their share of CA. Within broad constraints, the States decide how to apply the obligation limitation against the CA for various programs in each year. That is, a State may choose to use its NHS CA this year but to direct more obligation limitation to STP next year. Finally, the so-called equity programs receive their own CA but the actual spending occurs primarily in the STP program. Therefore, for comparison purposes, they should be added together.

Obligations are more relevant to the annual budget discussion and more closely reflect actual spending. CA is more relevant to the reauthorization bill, which we hope to release shortly after the budget. Both the CA and the obligations are effectively estimates of how states will allocate their spending. The table faxed last night is obligations. A table similar to this will print in the 1998 Budget.

STP vs. NHS and Interstate Maintenance. There are valid arguments in favor of both programs. The NHS and IM programs focus on major roads important to interstate commerce. The DOT ISTEA proposal would include some new flexibility to transfer NHS and IM funds to other programs if certain criteria are met. The STP program is a flexible block grant that allows States flexibility to make transportation decisions among various alternatives, including transit or highway construction.

ITS. DOT proposes a new \$175M grant program to States to get them to deploy ITS technologies in an integrated fashion as well as a healthy increase in the ITS research program. The deployment program is in addition to making ITS eligible to be funded from other ISTEA funds the State receives such as STP.

RSPA Research This new program is intended to coordinate transportation research both within DOT and with other agencies and provide funds with which RSPA would entice other parts of DOT to improve and better coordinate their research. It is the functional equivalent to the Bureau of Transportation Statistics (BTS) created in ISTEA. BTS was funded at \$5M in its first year

and ramped up over the life of ISTEA.