

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	Lynn G. Cutler to Mona G. Mohib at 14:54:19.00. Subject: Riordan briefing on ISTEА. [DOB and SSN] [partial] (1 page)	01/27/1998	b(6)
002. email	Jeffrey A. Forbes to Virginia N. Rustique at 10:36:29.00. Subject: Re: (1 page)	03/02/1998	b(6)

COLLECTION:

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

FOLDER TITLE:

[01/22/1998 - 03/04/1998]

2015-0463-F
ab1509

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]
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- 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 (NOTES MAIL)

CREATOR: Lynn G. Cutler (CN=Lynn G. Cutler/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:22-JAN-1998 11:22:54.00

SUBJECT: ISTEА

TO: Dorothy Robyn (CN=Dorothy Robyn/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

CC: Karen E. Skelton (CN=Karen E. Skelton/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

The California Assoc. of Counties brought in language from OMB that changes the scoring for states and locals for ISTEА allocations. They are very upset about this--what do you know about it? We have all of our locals coming in in the next few weeks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Virginia N. Rustique (CN=Virginia N. Rustique/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:25-JAN-1998 11:58:25.00

SUBJECT: SOTU

TO: Jeffrey A. Forbes (CN=Jeffrey A. Forbes/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

fyi. will raise w/ larry and john.

----- Forwarded by Virginia N. Rustique/WHO/EOP on
01/25/98 11:58 AM -----

Suzanne Dale 01/24/98 11:44:34 AM

Record Type: Record

To: See the distribution list at the bottom of this message

cc:

Subject: SOTU

Mickey asked me to seek your support in getting this to your boss ASAP.

Thanks!

----- Forwarded by Suzanne Dale/WHO/EOP on 01/24/98 11:38
AM -----

Mickey Ibarra

01/24/98 11:39:23 AM

Record Type: Record

To: See the distribution list at the bottom of this message

cc: Lynn G. Cutler/WHO/EOP, Suzanne Dale/WHO/EOP, Jason S. Goldberg/WHO/EOP

Subject: SOTU

The draft SOTU I reviewed last night did not have any mention of our Transportation agenda ---NEXTEA. Given the high level of concern registered on this issue by mayors, governors, and other elected officials, I urge you to support adding appropriate language. Local and state officials have a great deal of anxiety about the current ISTEA extension that expires May 1. Omission of this issue will likely result in a good deal of criticism from friends and foes alike. We need to state the President's support for addressing this important national issue early in the next session of Congress. Late yesterday, Secretary Slater sent you a number of SOTU language options that will work. The environment, urban, or communities sections of the speech provide the best locations in my view and the best language. Thanks for your consideration.

Message Sent

To: _____

Erskine B. Bowles/WHO/EOP

Gene B. Sperling/OPD/EOP

John L. Hilley/WHO/EOP

Franklin D. Raines/OMB/EOP

Paul E. Begala/WHO/EOP

Thurgood Marshall Jr/WHO/EOP

Ann F. Lewis/WHO/EOP

Michael Waldman/WHO/EOP

Message Sent

To: _____

Jason S. Goldberg/WHO/EOP

Peter A. Weissman/OPD/EOP

Russell W. Horwitz/OPD/EOP

Virginia N. Rustique/WHO/EOP

Jill M. Blickstein/OMB/EOP

Eleanor S. Parker/WHO/EOP

Elisabeth Steele/WHO/EOP

Ruby Shamir/WHO/EOP

Paul A. Tuchmann/WHO/EOP

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Angelique Pirozzi (CN=Angelique Pirozzi/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:26-JAN-1998 10:23:04.00

SUBJECT: Re: Los Angeles

TO: Mona G. Mohib (CN=Mona G. Mohib/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

CC: Karen E. Skelton (CN=Karen E. Skelton/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

On Dorothy Robyn: yes on both ISTE A and LA X. ISTE A 3:30 and LA X at 4:30 pm (4:00 Crime bill Meet with Jose Cerda). Can you ask her to do the additonal LA X meeting since you have been in contact with her on ISTE A? Also who does she want from DOT? This guy named Steven Okun is coming from DOT for the LA X meeting.

Withdrawal/Redaction Marker

Clinton Library

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001. email	Lynn G. Cutler to Mona G. Mohib at 14:54:19.00. Subject: Riordan briefing on ISTEА. [DOB and SSN] [partial] (1 page)	01/27/1998	b(6)

COLLECTION:

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

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[01/22/1998 - 03/04/1998]

2015-0463-F
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RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Lynn G. Cutler (CN=Lynn G. Cutler/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 27-JAN-1998 14:54:19.00

SUBJECT: Riordan briefing on ISTE A

TO: Mona G. Mohib (CN=Mona G. Mohib/OU=WHO/O=EOP @ EOP [WHO])

READ: UNKNOWN

TEXT:

when is this meeting?

----- Forwarded by Lynn G. Cutler/WHO/EOP on 01/27/98

02:54 PM -----

Dorothy Robyn

01/27/98 01:15:50 PM

Record Type: Record

To: Mona G. Mohib/WHO/EOP

cc: Lynn G. Cutler/WHO/EOP

Subject: Riordan briefing on ISTE A

John (Janno) Lieber is the right person from DOT, and i've taken the liberty of inviting him, though you may want to touch base w. him as well.

(b)(6)

[601]

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Dorothy Robyn (CN=Dorothy Robyn/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:27-JAN-1998 12:01:25.00

SUBJECT: Re: February 3 Meeting with Mayor Riordan (Los Angeles)

TO: Angelique Pirozzi (CN=Angelique Pirozzi/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

CC: Mona G. Mohib (CN=Mona G. Mohib/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

that's great. I'll give mona (or you?) the name of someone from DOT to invite for the ISTEa briefing.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Lynn G. Cutler (CN=Lynn G. Cutler/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:27-JAN-1998 15:04:52.00

SUBJECT: Re: Riordan briefing on ISTE A

TO: Mona G. Mohib (CN=Mona G. Mohib/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

annd who is supposed to be at these meetings from IGA?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Angelique Pirozzi (CN=Angelique Pirozzi/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:27-JAN-1998 12:04:19.00

SUBJECT: Re: February 3 Meeting with Mayor Riordan (Los Angeles)

TO: Dorothy Robyn (CN=Dorothy Robyn/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

CC: Mona G. Mohib (CN=Mona G. Mohib/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

Thanks. You can give all ISTEА related info to Mona.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Lynn G. Cutler (CN=Lynn G. Cutler/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:30-JAN-1998 17:02:35.00

SUBJECT: Re: NACo

TO: June Shih (CN=June Shih/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

CC: Mickey Ibarra (CN=Mickey Ibarra/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

yes--I actually did some points that I gave to Mona. I think there should be partnership language, much as you had in today's speech. I'd leave out the tobacco stuff and talk about economic development initiatives, and do more on the child care section, which I would leave in in a big way. ISTEA is a very big deal for them. You could also use the community prosecutors with the city-county piece. They also care a lot about education. Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Mona G. Mohib (CN=Mona G. Mohib/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 3-FEB-1998 10:41:06.00

SUBJECT: ISTE A

TO: Karen E. Skelton (CN=Karen E. Skelton/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

DOT is going a general background on ISTE A. Is there anything else Elizabeth at DOT should put together?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Mona G. Mohib (CN=Mona G. Mohib/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 3-FEB-1998 13:33:37.00

SUBJECT: 2 things - LA

TO: Angelique Pirozzi (CN=Angelique Pirozzi/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

Sorry - David Tournquist of OMB will be attending the ISTEA section of the meeting

Also, Dorothy asked Jeff Forbes who is now handling ISTEA to come to the four -- is he also coming to LAX? She said John Lieber would not stay for LAX (I think you know that)

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Karen E. Skelton (CN=Karen E. Skelton/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 3-FEB-1998 10:43:35.00

SUBJECT: Re: ISTE A

TO: Mona G. Mohib (CN=Mona G. Mohib/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

I don't think so. She should be prepared to answer questions.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Karen E. Skelton (CN=Karen E. Skelton/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 4-FEB-1998 10:53:48.00

SUBJECT: Re: Filner fax

TO: Dorothy Robyn (CN=Dorothy Robyn/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

Thanks Dorothy. Thanks also for letting me know what happens when Ryan's arguments are reviewed.

Thank you for taking the time to speak to Mayor Riordan yesterday on ISTEAs. He appreciated the briefings.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Alice E. Shuffield (CN=Alice E. Shuffield/OU=OMB/O=EOP [OMB])

CREATION DATE/TIME:10-FEB-1998 18:11:12.00

SUBJECT: ISTEА letter

TO: Tracey E. Thornton (CN=Tracey E. Thornton/OU=WHO/O=EOP@EOP [WHO])

READ:UNKNOWN

TEXT:

Tracy -- Welcome back!

Chuck Konigsberg said he spoke to you yesterday, and asked that I check in with you regarding a draft Slater ISTEА letter. Transportation sent the letter to us to clear for the Hill, "urging speedy reauthorization of surface transportation programs." We (OMB) put a hold on the letter for two basic reasons: (1) our message/position is already well known on the Hill, and (2) we don't need to be pushing this, given the many policy debates going on now, such as what to do with the surplus.

I want to make sure , however, that you agree with the hold. I'll refax the letter your way in case you have not seen it.

Thanks

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jason S. Goldberg (CN=Jason S. Goldberg/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:11-FEB-1998 18:57:58.00

SUBJECT: Interstate 69

TO: Dario J. Gomez (CN=Dario J. Gomez/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

----- Forwarded by Jason S. Goldberg/WHO/EOP on 02/11/98
06:57 PM -----

From: Jill M. Blickstein on 02/11/98 06:53:15 PM
Record Type: Record

To: Jason S. Goldberg/WHO/EOP @ EOP

cc:

Subject: Interstate 69

----- Forwarded by Jill M. Blickstein/OMB/EOP on 02/11/98
06:52 PM -----

David J. Worzala
02/11/98 06:16:21 PM
Record Type: Record

To: Jill M. Blickstein/OMB/EOP@EOP, Michael Deich/OMB/EOP@EOP

cc: See the distribution list at the bottom of this message

Subject: Interstate 69

The following information on Interstate 69 is provided for the meeting between the COS and Representative Jay Dickey (R-AR). The background information is followed by several talking points.

Background

Representative Dickey is interested in Interstate 69 (I-69) which is part of a planned "NAFTA corridor" that would run from Brownsville Texas to Indianapolis. We not sure of Representative Dickey's specific concerns, although we understand there are funding concerns and issues regarding the exact route of the "NAFTA corridor."

The Intermodal Surface Transportation Efficiency Act (ISTEA), which authorized surface transportation projects from FY92-97, identified United State Interstate 69 in Indiana as a High Priority Corridor and made funding available for feasibility and planning studies. Because

Representative Dickey's project and similar projects in 6 other States (TN, KT, LA, MI, TX and MS) are intended to improve and/or develop major highway connections to I-69, the entire project may be referred to as I-69 or the I8 Corridor because that is the cite in ISTEA. The intent is essentially to connect Indianapolis, IN to Brownsville, TX. Although still in the planning phase, total estimated cost to complete the corridor improvements from Indianapolis, IN to Houston, TX is estimated to be \$5-6 billion.

Rep. Shuster plans to earmark \$9.1 billion in contract authority for high priority highway (i.e., demonstration) projects in BESTEA. However, Shuster has only provided the funding authorization in his bill (H.R. 2400), not the list of projects that he intends to support with the funding. As a result, it is not known whether Rep. Dickey's project is included, although it is highly likely to provide such funding. The \$9.1 billion is exempt from the Federal Highway Administration (FHWA) highway obligation limitation; therefore, it is mandatory spending and subject to PAYGO scoring.

The Senate reauthorization bill does not provide funding for such projects. The Administration's reauthorization proposal, National Economic Crossroads Transportation Efficiency Act (NEXTEA) does not include like funding either.

Talking Points

We understand the value of this project.

Because of our broad policy of discouraging earmarked projects, we cannot explicitly say we support this project as part of NEXTEA.

We have proposed a \$90 million annual Trade Corridor and Border Gateway Pilot Program that your project may be eligible for should the program be authorized. Both the House and Senate have included this program so this is likely.

Message Copied

To:

Patricia E. Romani/OMB/EOP@EOP
Theodore Wartell/OMB/EOP@EOP
Kenneth L. Schwartz/OMB/EOP@EOP
David E. Tornquist/OMB/EOP@EOP
Diane R. Montgomery/OMB/EOP@EOP

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Tracey E. Thornton (CN=Tracey E. Thornton/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:11-FEB-1998 10:29:37.00

SUBJECT: ISTEА letter

TO: Jeffrey A. Forbes (CN=Jeffrey A. Forbes/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

pls see me re:this.

----- Forwarded by Tracey E. Thornton/WHO/EOP on 02/11/98

10:06 AM -----

Alice E. Shuffield

02/10/98 06:10:12 PM

Record Type: Record

To: Tracey E. Thornton/WHO/EOP

cc:

Subject: ISTEА letter

Tracy -- Welcome back!

Chuck Konigsberg said he spoke to you yesterday, and asked that I check in with you regarding a draft Slater ISTEА letter. Transportation sent the letter to us to clear for the Hill, "urging speedy reauthorization of surface transportation programs." We (OMB) put a hold on the letter for two basic reasons: (1) our message/position is already well known on the Hill, and (2) we don't need to be pushing this, given the many policy debates going on now, such as what to do with the surplus.

I want to make sure , however, that you agree with the hold. I'll refax the letter your way in case you have not seen it.

Thanks

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Charles Konigsberg (CN=Charles Konigsberg/OU=OMB/O=EOP [OMB])

CREATION DATE/TIME:11-FEB-1998 13:35:15.00

SUBJECT: Highway Letter

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

READ:UNKNOWN

CC: Virginia N. Rustique (CN=Virginia N. Rustique/OU=WHO/O=EOP@EOP [WHO])

READ:UNKNOWN

CC: Alice E. Shuffield (CN=Alice E. Shuffield/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

CC: Charles E. Kieffer (CN=Charles E. Kieffer/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

CC: Jacob J. Lew (CN=Jacob J. Lew/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

CC: Michael Deich (CN=Michael Deich/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

CC: Tracey E. Thornton (CN=Tracey E. Thornton/OU=WHO/O=EOP@EOP [WHO])

READ:UNKNOWN

CC: Lisa M. Kountoupes (CN=Lisa M. Kountoupes/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

CC: Joshua Gotbaum (CN=Joshua Gotbaum/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

CC: Franklin D. Raines (CN=Franklin D. Raines/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

CC: James C. Murr (CN=James C. Murr/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

Charles Konigsberg (CN=Charles Konigsberg/OU=OMB/O=EOP [OMB])

READ:UNKNOWN

TEXT:

Jim -- This is to confirm that WH/LA (Thornton) agrees with our recommendation to keep the Slater ISTEA letter on hold for now. Let me know if you get a lot of resistance from DOT or if you hear that anyone on the Hill has been pushing DOT to send a letter. Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jeffrey A. Forbes (CN=Jeffrey A. Forbes/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:11-FEB-1998 19:46:01.00

SUBJECT: ISTEА

TO: Virginia N. Rustique (CN=Virginia N. Rustique/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

CC: Tracey E. Thornton (CN=Tracey E. Thornton/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

Can you run by Larry:

We are currently in a holding pattern on ISTEА because it is assumed that we want to finalize the Budget Resolution before we move on ISTEА. Chaffee and Domenici staffers agree w/ this approach that seems to be taking shape, however, I have not heard that this is our tactic from anyone except OMB and the Senate R's, is this our approach?

In addition, DOT has sent a letter asking for speedy consideration of NHTSA re-authorization, but, it OMB believes such letter conflicts with our "wait until we have a Budget resolution before taking up ISTEА" approach. In speaking with OMB today, I expressed agreement with their decision to sit on the DOT letter. Since then, I have spoken w/ Dorothy Robyn who believes it is not contradictory to push for NHTSA while saying we are going to sit on ISTEА (apparently POTUS told the Mayors we would push). How should we proceed?

Also, I had a meeting with Steve Harris from Senate Banking and he is very concerned that we are cutting transit at the expense of highways -- he also is concerned that his Boss calls down here, is told what he wants to hear and then sees us try to cut transit. He believes that if we do not become a little more supportive of the transit piece, we will run into trouble on the floor (ginned up by labor, enviros and urban Mayors).

Thanks

Forbes

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jill M. Blickstein (CN=Jill M. Blickstein/OU=OMB/O=EOP [OMB])

CREATION DATE/TIME:11-FEB-1998 18:52:55.00

SUBJECT: Interstate 69

TO: Jason S. Goldberg (CN=Jason S. Goldberg/OU=WHO/O=EOP@EOP [WHO])

READ:UNKNOWN

TEXT:

----- Forwarded by Jill M. Blickstein/OMB/EOP on 02/11/98
06:52 PM -----

David J. Worzala

02/11/98 06:16:21 PM

Record Type: Record

To: Jill M. Blickstein/OMB/EOP@EOP, Michael Deich/OMB/EOP@EOP

cc: See the distribution list at the bottom of this message

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Message Copied

To:

Patricia E. Romani/OMB/EOP@EOP

Theodore Wartell/OMB/EOP@EOP

Kenneth L. Schwartz/OMB/EOP@EOP

David E. Tornquist/OMB/EOP@EOP

Diane R. Montgomery/OMB/EOP@EOP

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Sky Gallegos (CN=Sky Gallegos/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:12-FEB-1998 17:32:08.00

SUBJECT: UT Transportation Question

TO: Dorothy Robyn (CN=Dorothy Robyn/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

CC: Emily Bromberg (CN=Emily Bromberg/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

CC: Mickey Ibarra (CN=Mickey Ibarra/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

Hello Dorothy! I have a quick question for you. The UT House Minority Leader, Dave Jones, asked for some help with his legislature. They are proposing \$2.8 billion for their freeway, \$450 million of which they claim will be federal dollars. This is more than their current ISTEA funding. They believe that UT will receive more federal highway dollars in this time b/c 1)the olympics will merit discretionary funds for infrastructure and 2)NEXTEA will give them more than ISTEA did.

Rep Jones is looking for a reality check for his colleagues. Is the Majority in the UT House realistic in expecting more \$ for those reasons? And whether that answer is yes or no, would we be able to give him an idea of how long it takes once the \$ is authorized for it to be granted to the state?

He also, by the way, asked if I knew when NEXTEA would be voted on ----- I told him no.

Thanks -- I hope I went to the right place with these questions.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jeffrey A. Forbes (CN=Jeffrey A. Forbes/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:12-FEB-1998 09:46:26.00

SUBJECT: DUI

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

TO: Virginia N. Rustique (CN=Virginia N. Rustique/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Tracey E. Thornton (CN=Tracey E. Thornton/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TEXT:

A couple of things we need to consider as well on NHTSA re-authorization:

- 1). We are probably doing a DUI event on Tuesday -- According to DOT "failure to re-authorize NHTSA by May 1st could lead to reduction in safety staff which would jeopardize a number of programs specifically alcohol and drug induced counter-measures" -- I fear we could open ourselves up to criticism if we have this event w/o signaling our intent to re-authorize NHTSA.
- 2). We need to deal w/ the entire ISTEA extension beyond May 1 issue -- if we wait until after the budget, it is likely that we pass the May 1 extension deadline w/o ISTEA and summer construction projects are hampered.
- 3). The President has stated publicly that he would like to see NHTSA re-authorized quickly (speech to U.S. Conf. of Mayors).

let me know how you would like me to proceed

Thanks

Forbes

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Dorothy Robyn (CN=Dorothy Robyn/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:13-FEB-1998 14:52:51.00

SUBJECT: Re: ISTEА (transportation provisions for welfare-to-work) letter to all governors

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

READ:UNKNOWN

TEXT:

pls. check w. cynthia rice; i believe she was involved in getting that person here for SOTU.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Andrea Kane (CN=Andrea Kane/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:13-FEB-1998 15:09:58.00

SUBJECT: Transportation letter

TO: Leanne I. Johnson (CN=Leanne I. Johnson/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

TO: Cynthia A. Rice (CN=Cynthia A. Rice/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TEXT:

Here is revised version incorporating final suggestions from agencies.
Cynthia, note the second and third sentence in ISTEA paragraph. I haven't
put anything at end of letter for Governors re: seeing them at meeting.
Sky, if you think it's worth doing this just for those who will actually
be here, that's fine with me, but I don't think it's terribly necessary.

Leanne will go ahead and get the letter ready to go for Governors, and if
Elena has any changes after reviewing this final draft over the weekend,
we'll incorporate those first thing Tuesday. Sky and Leanne, can you
coordinate on the production of the letters to other electeds? Thanks a
lot.

===== ATTACHMENT 1 =====
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D52]MAIL40952634O.026 to ASCII,
The following is a HEX DUMP:

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

2/13/98

DRAFT LETTER

At my State of the Union speech, I was joined by Elaine Kinslow from Indianapolis, one of the many individual heroes of the welfare revolution. After 13 years on and off welfare, Elaine now works as a transportation dispatcher with a van company. Not only is this job helping Elaine create a better life for her family -- it also helps other welfare recipients get to work. Her company takes patients to doctors' appointments, and also provides rides to former welfare recipients who cannot reach their jobs by public transportation.

There is a critical need for transportation to move people from welfare to work in rural, urban, and suburban areas. As you know, few welfare recipients own cars. Existing mass transit in many areas does not provide adequate links to jobs, either at all or within a reasonable commute time. In addition, many entry level jobs require evening or weekend hours that are poorly served by existing transportation services.

To support innovative efforts such as the one in Indianapolis and others like it around the country, I have proposed a \$100 million a year welfare-to-work transportation plan as part of my ISTEA reauthorization bill. Funds could be used for capital and operating expenses, and would also strongly encourage local collaboration among transportation and human service systems. This competitive grant program will assist states and localities in developing flexible transportation alternatives to help welfare recipients and other low income workers get to where the jobs are. This plan, if enacted, will work hand in hand with the 50,000 new welfare-to-work housing vouchers I've proposed to help welfare recipients move closer to new jobs or secure more stable housing.

Because of the tremendous need for transportation services, I urge you to use existing funds for this purpose wherever possible. Both the Temporary Assistance for Needy Families (TANF) block grant established in the 1996 welfare reform law and the Welfare-to-Work (WtW) grants created by the Balanced Budget Act of 1997 offer considerable flexibility to provide certain transportation services. For example, TANF funds can be used for families eligible for TANF, and WtW funds can be used for a subset of the welfare population, those long term recipients with specific employment barriers. To encourage each state and community to take full advantage of make use of current funds to the extent possible, I have directed the Secretaries of HHS, Labor, and Transportation to provide you with written guidance by early April.

Together, we've helped reduce the welfare rolls by 4.3 million people over the last five years -- by 2.4 million in the new welfare law's first 13 months. I urge each of you to take the savings from these lower caseloads and use them to help even more people move from welfare to work by investing in transportation, child care, and other critically needed services. I look forward to our continued partnership in this area.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:17-FEB-1998 13:51:21.00

SUBJECT: leanne is here

TO: Daniel W. Burkhardt (CN=Daniel W. Burkhardt/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

CC: Woyneab M. Wondwossen (CN=Woyneab M. Wondwossen/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

She was only out for a half-day. She just received Bruce and Elena's clearances on the ISTE A letter, and It will be coming to you soon on one-star. (Already cleared by DPC, OMB, and NEC.) Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Dorothy Robyn (CN=Dorothy Robyn/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:19-FEB-1998 18:01:54.00

SUBJECT: Re: ISTE material for NGA roundtable

TO: Sky Gallegos (CN=Sky Gallegos/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

glad you all are still talkin to me!

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Sky Gallegos (CN=Sky Gallegos/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:19-FEB-1998 17:48:50.00

SUBJECT: Re: ISTE material for NGA roundtable

TO: Jonathan A. Kaplan (CN=Jonathan A. Kaplan/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

CC: Brian A. Barreto (CN=Brian A. Barreto/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

CC: Dorothy Robyn (CN=Dorothy Robyn/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

Emily Bromberg (CN=Emily Bromberg/OU=WHO/O=EOP [WHO])
READ:UNKNOWN

TEXT:
thank you thank you thank you

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Dorothy Robyn (CN=Dorothy Robyn/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:19-FEB-1998 17:41:56.00

SUBJECT: ISTE material for NGA roundtable

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

CC: Brian A. Barreto (CN=Brian A. Barreto/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

CC: Jonathan A. Kaplan (CN=Jonathan A. Kaplan/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TEXT:

OMB has not yet proofed this (although I used their numbers), so there may be minor technical changes; hopefully not.

===== ATTACHMENT 1 =====
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

PRINTER FONT 12_POINT_ROMAN

NGA Roundtable

Surface Transportation Financing

? I said in 1992 that I would emphasize investment in infrastructure in order to "rebuild America," and I have done that, even while balancing the budget:

-

-Annual highway spending [in my FY99 budget] is up 42% over average levels in the previous Administration and up more than 13% over the average for the first 5 years of my Administration.

-

-Transit spending is up 35% over the previous Administration's level.

-

-National Highway Traffic Safety Administration funding is up 21% over FY98.

? By balancing the budget, we have lowered interest rates significantly, making your dollars go farther.

-

-year rates are 5.8%, down from 8.2% (on average) in the last Administration.

-

-Lower interest rates have meant faster business investment growth (11.2% average annual growth during my Administration) and more investment by state and local governments, increasing America's productivity and spurring economic growth.

? To maintain those investments, we need an ISTEA reauthorization bill that protects the priorities we share. Both the Senate and House reauthorization bills reflect the priorities contained in the NEXTEA (National Economic Crossroads Transportation Efficiency Act) bill that I introduced nearly a year ago:

-

-Emphasizing safety

-

-Protecting the environment

-

-Investing to move people from welfare to work

-

-Strengthening urban communities

-

-Encouraging participation by disadvantaged businesses
[Although I am requesting \$600 million for welfare

-to

-work
transportation services, I recently sent governors a letter urging use of existing funds for this purpose wherever possible. Both the TANF block grant and the welfare

-to

-work grants created
by the Balanced Budget Act of 1997 offer flexibility to provide certain transportation services.]

? And we need a reauthorization bill soon -- a multi

-year bill
that conforms to the balanced budget agreement. I have strongly urged the Congress to send me a bill reauthorizing ISTEA before the 6

-month extension expires in May.

-

-If Congress continues to fight about money for ISTEA, key programs will come to a halt, and state and local governments will miss a construction season.

Question: Your FY99 budget proposes funding for surface transportation (highways, highway safety and transit) that is significantly below what many in Congress support. How do you justify such funding levels?

Answer: Although my request (\$27 billion/year) is essential the same as the FY98 enacted level, keep in mind that these are high funding levels by historic standards, and they are significantly higher than those assumed in the Bipartisan Budget Agreement (BBA). Funding for these programs has grown rapidly even as overall discretionary spending has declined.

-

-For surface transportation, my FY99 budget requests \$1.7 billion, or 7%, more than the 1999 level assumed in the BBA. For all transportation programs, my budget request is \$2.4 billion above what is assumed in the BBA.

-

-Highway spending in my FY99 budget is up 42% over what it averaged in the last Administration; for transit, the comparable figure is 35%. If you look at all transportation infrastructure -- airport grants and rail capital, as well as highways and transit -- the level I'm requesting is 42% higher than it was in the Bush Administration.

Question: The 6

-month extension of ISTEA effectively expires on May 1. What is your Administration doing to get a new bill?

Answer: I introduced my Administration's ISTEA reauthorization bill last March -- nearly a year ago. I have strongly urged Congress to send me a bill reauthorizing ISTEA by May 1. Because a lapse of authorization could have profoundly adverse impacts on transportation safety, construction and other programs, I will continue to push for rapid action?

Question: What are your views on proposals to ensure that each

state receives a guaranteed amount of transit funding ("minimum allocation") based on its payments into the Mass Transit Account of the Highway Trust Fund.

Answer: I strongly oppose any minimum allocation. The current formulas are based on transit needs, rather than on contributions to the Highway Trust Fund, so as to

maximize the overall benefits to the Nation. Adoption of a minimum allocation approach would seriously harm many transit systems, especially those in the most transit

-dependent areas.

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

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Tracey E. Thornton (CN=Tracey E. Thornton/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:23-FEB-1998 18:34:55.00

SUBJECT: Stein/ISTEA mtg. TOMORROW, 12pm

TO: Janelle E. Erickson (CN=Janelle E. Erickson/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

----- Forwarded by Tracey E. Thornton/WHO/EOP on 02/23/98
06:12 PM -----

VIRGINIA N. RUSTIQUE

02/23/98 06:19:34 PM

Record Type: Record

To: Dorothy Robyn/OPD/EOP, Kay Casstevens/OVP @ OVP, Michael
Deich/OMB/EOP, Linda Lance/CEQ/EOP

cc: Patricia E. Romani/OMB/EOP, Jeffrey A. Forbes/WHO/EOP, Tracey E.
Thornton/WHO/EOP

Subject: Stein/ISTEA mtg. TOMORROW, 12pm

Larry Stein will chair an ISTEa meeting tomorrow, Tue., 2/24, 12pm, in his
ofc. (2nd. fl, WW). Please let me know if you are unable to attend.

Attending:

Tracey Thornton
Jeff Forbes

Michael Deich, OMB
Kay Casstevens, VP
Dorothy Robyn, OPD
Linda Lance, CEQ

Steve Palmer, DOT

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jake Siewert (CN=Jake Siewert/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:23-FEB-1998 13:43:44.00

SUBJECT: Revised ISTE A

TO: Darby E. Stott (CN=Darby E. Stott/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Barry J. Toiv (CN=Barry J. Toiv/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TEXT:
Note at bottom annswers BT's question.===== ATTACHMENT 1 =====
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:
Unable to convert ARMS_EXT:[ATTACH.D22]MAIL46024145O.026 to ASCII,
The following is a HEX DUMP:

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

Highway Trust Fund -- Governors' Complaints

February 23, 1998

Q: Under the President's budget, the cash balance in the Highway Trust Fund will go from \$22 billion to about \$80 billion in 2003. Many of the governors believe the federal government should be investing the Trust Fund revenues in transportation rather than using them to balance the budget. What is your response?

A: First of all, it is important to note that a balanced federal budget contributes directly to the same ends that justify higher transportation investment -- namely, productivity and economic growth. By balancing the budget, we have lowered interest rates significantly, making the Governors' investment dollars go farther.

--30-year interest rates are now 5.8%, down from 8.2% (on average) in the last Administration.

--Lower interest rates have meant faster business investment growth (11.2% average annual growth during my Administration) and more investment by state and local governments, increasing America's productivity and spurring economic growth.

Second, although the President's request (\$27 billion/year) is essential the same as the FY98 enacted level, keep in mind that these are high funding levels by historic standards, and they are significantly higher than those assumed in the Bipartisan Budget Agreement (BBA).

Funding for these programs has grown rapidly even as overall discretionary spending has declined.

--Highway spending in our FY99 budget is up 42% over what it averaged in the last Administration; for transit, the comparable figure is 35%. If you look at all transportation infrastructure -- airport grants and rail capital, as well as highways and transit -- the level the President is requesting is 42% higher than it was in the Bush Administration.

--For surface transportation, the President's FY99 budget requests \$1.7 billion, or 7%, more than the 1999 level assumed in the BBA. For *all* transportation programs, our budget request is \$2.4 billion above what is assumed in the BBA.

[Background: The NGA proposes that all HTF cash balances (\$22 billion at the end of FY97) plus new HTF revenues be obligated and spent for surface transportation (highways, highway safety and transit). This would require an increase of approximately \$18 billion -- or 68% -- annually above the FY98 enacted level of \$27 billion for surface transportation.]

[Note: We are spending more than the BBA originally allotted by reprioritizing among various discretionary spending items, i.e. made cuts elsewhere, and made some pay-as-you-go increases.]

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Marjorie Tarmey (CN=Marjorie Tarmey/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:24-FEB-1998 08:37:14.00

SUBJECT: Sr Staff Notes

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

TO: Miriam H. Vogel (CN=Miriam H. Vogel/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Maureen T. Shea (CN=Maureen T. Shea/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Christine A. Stanek (CN=Christine A. Stanek/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Sondra L. Seba (CN=Sondra L. Seba/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

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

TO: Peter O'Keefe (CN=Peter O'Keefe/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Cheryl M. Carter (CN=Cheryl M. Carter/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Robert B. Johnson (CN=Robert B. Johnson/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

TO: Tania I. Lopez (CN=Tania I. Lopez/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: robert.jones (robert.jones @ mail.va.gov @ inet [UNKNOWN])
READ:UNKNOWN

TO: Jena V. Roscoe (CN=Jena V. Roscoe/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Audrey T. Haynes (CN=Audrey T. Haynes/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Ilia V. Velez (CN=Ilia V. Velez/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Deborah B. Mohile (CN=Deborah B. Mohile/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

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

TO: Richard L. Hayes (CN=Richard L. Hayes/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Doris O. Matsui (CN=Doris O. Matsui/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: William H. White Jr. (CN=William H. White Jr./OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

TEXT:

Schedule: Mtgs with EB and Berger- address National Council of Jewish Women - Photo op with African American Staff

NSC: May need more phone calls today - We got a god agreement but it's not over - Mondale as envoy re Asia

NEC: Raines, Sumners, Apfel testify re Social Security, with Apfel testifying on Thurs re retirement age - Will have a policy meeting on internet issues - Lott suggests NEXTEA may be next issue after campaign finance reform

OMB: there's suggestion that they may try to combine Clovedale and NEXTEA also working on supplemental bill

DPC: speech before NCJW re very poor performance of American children - third to last of 21 countries.

Congress: looks like Dems will back Snowe amendment

Cabinet Affairs: Florida very bad, looks like President is going tomorrow, provided we don't interfere

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Kevin S. Moran (CN=Kevin S. Moran/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:24-FEB-1998 17:41:01.00

SUBJECT: Heads Up: DUI Event, Take II

TO: Stacie Spector (CN=Stacie Spector/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Jennifer M. Palmieri (CN=Jennifer M. Palmieri/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Ann F. Lewis (CN=Ann F. Lewis/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

CC: Mary Morrison (CN=Mary Morrison/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

CC: Ruby Shamir (CN=Ruby Shamir/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

Jeff Forbes called to inform us that ISTE A may come to the floor for a vote as early as the end of this week. As a result, the push for a DUI event is back on -- Jeff says most desirable would be an event early next week.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Richard L. Hayes (CN=Richard L. Hayes/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:24-FEB-1998 13:52:37.00

SUBJECT: Re: Agenda

TO: Peter Rundlet (CN=Peter Rundlet/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

Peter, just a few additions:

1. Under type of roll-out, also add "venue"
2. Under the NEXTEA point, the action will be in the Senate. Also, add the Bill Lee hearing on February 25th as part of your timing note .
3. Add strategy for Congressional notification of FAR and SBA rules.
4. Under HUBZone, add (do we include in the overall announcement).

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Peter Rundlet (CN=Peter Rundlet/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:25-FEB-1998 09:43:35.00

SUBJECT: Benchmarks status

TO: Richard L. Hayes (CN=Richard L. Hayes/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

CC: Edward W. Correia (CN=Edward W. Correia/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

Richard,

As you know I missed half of the meeting yesterday, and so I'm not especially clear where we came out. Did I understand correctly that you and Tracy were going to get some intelligence about when NEXTEA/ISTEA was going to move (and depending on that we would then decide tonight or tomorrow how to proceed with the benchmarks)? Eddie is going to be on the Hill today for Bill Lee's hearing and he said he would try to get some intel, too.

Please let us know how we're going to proceed. Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Tracey E. Thornton (CN=Tracey E. Thornton/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:25-FEB-1998 13:32:41.00

SUBJECT: Re: Benchmarking and ISTE A

TO: Edward W. Correia (CN=Edward W. Correia/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

Sorry, I can't make this meeting. You should check in with Janet; she may be able to come. You are also welcomed to join us on the hill tomorrow in the Senate for a similar discussion which will be quite general...Don't know the room # but it's at 2pm.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Edward W. Correia (CN=Edward W. Correia/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:25-FEB-1998 14:00:10.00

SUBJECT: Benchmarking and ISTEa

TO: Janet Murguia (CN=Janet Murguia/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

Would you like to join us at 4:15 in Rob's office to compare notes on

NEXTEa and benchmarking?

----- Forwarded by Edward W. Correia/WHO/EOP on 02/25/98

02:00 PM -----

Edward W. Correia

02/25/98 10:18:32 AM

Record Type: Record

To: Richard L. Hayes/WHO/EOP, Tracey E. Thornton/WHO/EOP, Peter Rundlet/WHO/EOP, Robert N. Weiner/WHO/EOP

cc:

Subject: Benchmarking and ISTEa

Can we meet later today at 4:15 in Rob's office to compare notes on the legislative situation on ISTEa and the implications for benchmarking?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Christa Robinson (CN=Christa Robinson/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:25-FEB-1998 17:27:03.00

SUBJECT: DUI

TO: Jennifer M. Palmieri (CN=Jennifer M. Palmieri/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

CC: Leanne A. Shimabukuro (CN=Leanne A. Shimabukuro/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

CC: Ann F. Lewis (CN=Ann F. Lewis/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

CC: Jeffrey A. Forbes (CN=Jeffrey A. Forbes/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

Forbes and I have spoken to Lautenberg's office. They feel the DUI event must be Tuesday b/c ISTEIA is coming out of Committee that day. Lautenberg will be in the mark up in the morning, but can come to an event scheduled at 1:00pm on Tuesday. So that's the preferred time! What do you think?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Virginia N. Rustique (CN=Virginia N. Rustique/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:26-FEB-1998 08:26:02.00

SUBJECT: Stein wants to set up DBE/ISTEA mtg. this morning; call va/va

TO: JEFF (Pager) #FORBES (JEFF (Pager) #FORBES [UNKNOWN])

READ:UNKNOWN

TO: TRACEY E. (Pager) #THORNTON (TRACEY E. (Pager) #THORNTON [UNKNOWN])

READ:UNKNOWN

TEXT:

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Dawn M. Chirwa (CN=Dawn M. Chirwa/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:26-FEB-1998 12:28:47.00

SUBJECT: Re: Larry Stein chairing 10am DBE/ISTEA mtg. Can you attend?/ virginia x62230

TO: Virginia N. Rustique (CN=Virginia N. Rustique/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

Sorry. I was out of the office until now, so I could not attend. Let me know if there are any follow-up meetings and I will try to attend.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Dorothy Robyn (CN=Dorothy Robyn/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:26-FEB-1998 12:54:24.00

SUBJECT: Roy Kienitz, STPP

TO: Jeffrey A. Forbes (CN=Jeffrey A. Forbes/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

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

READ:UNKNOWN

CC: Linda Lance (CN=Linda Lance/OU=CEQ/O=EOP @ EOP [CEQ])

READ:UNKNOWN

TEXT:

Roy called abt. 2 things:

1) He's hearing the first thing up on the floor will be an Inhofe amendment (S. 1084) to emasculate the new EPA clean air rules.

2) The enviros are concerned that Lott et al may cut a deal in the next few days on funding that badly shortchanges transit, since so few R's care abt. that issue. If that happened, the enviro community wld have to oppose it.

(Roy, if you don't know him, was the Moynihan staffer who masterminded much of the ISTEA revolution in 1991; he now runs the Surface Trans. Policy Project, which speaks for the enviro. and sustainable devel. community and has been very active and effective on ISTEA reauthorization.)

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Sondra L. Seba (CN=Sondra L. Seba/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:26-FEB-1998 19:05:37.00

SUBJECT: Weekly

TO: Marjorie Tarmey (CN=Marjorie Tarmey/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

CC: Robin Leeds (CN=Robin Leeds/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

CC: Tania I. Lopez (CN=Tania I. Lopez/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

CC: Audrey T. Haynes (CN=Audrey T. Haynes/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

National Association of Commissions for Women Briefing -- The Women's Office hosted an issues briefing for 75 representatives of the National Association of Commissions for Women and the Council of Presidents of all the major women's organizations in the United States. The issues of main concern to this group include: violence against women funding and domestic violence relative to welfare reform; women's access to health care, including preventive health care; pay equity; affirmative action and race/gender discrimination; and telecommunications technology issues. These issues were addressed by: Bonnie Campbell, Sandy Thurman, Judy Winston, and Larry Irving. Nancy McFadden, Department of Transportation's General Counsel and Sec. Slater's lead person on developing DoT's position on the Disadvantaged Business Enterprise Program, was added at the last minute due to the new information that ISTEA was going to the Senate floor today, and in anticipation that Sen. McConnell will advance his amendment that is intended to eliminate the DBE program. The group was totally supportive of the ISTEA and will make their voices heard on the Hill between now and Tuesday.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Peter Rundlet (CN=Peter Rundlet/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:27-FEB-1998 14:18:39.00

SUBJECT: Message for the boss

TO: Demond T. Martin (CN=Demond T. Martin/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

Hey Demond,

Could you tell Sylvia that we met with the groups this morning, and with Tracey, and everyone agrees that we should hold off on our planned March 9 rollout date for the SBA regs until the Senate votes on ISTEAs. This means that we will probably postpone until mid- to late March.

Also, Richard Hayes is cool for another couple of weeks.

Thanks,

Peter

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: David E. Tornquist (CN=David E. Tornquist/OU=OMB/O=EOP [OMB])

CREATION DATE/TIME:27-FEB-1998 18:50:52.00

SUBJECT: Senate EPW ISTEA Markup of Funding Levels

TO: Dorothy Robyn (CN=Dorothy Robyn/OU=OPD/O=EOP@EOP [OPD])

READ:UNKNOWN

TO: Jeffrey A. Forbes (CN=Jeffrey A. Forbes/OU=WHO/O=EOP@EOP [WHO])

READ:UNKNOWN

TEXT:

Jeff: Thanks for the heads up. Is this what you are hearing?

----- Forwarded by David E. Tornquist/OMB/EOP on 02/27/98

06:41 PM -----

David E. Tornquist

02/27/98 06:41:27 PM

Record Type: Record

To: Michael Deich/OMB/EOP@EOP, Charles E. Kieffer/OMB/EOP@EOP

cc: See the distribution list at the bottom of this message

Subject: Senate EPW ISTEA Markup of Funding Levels

The Senate EPW Committee is scheduled to markup the ISTEA funding levels next Tuesday at 9:30. At this point no agreement has been reached on overall funding between Domenici/Chafee and Byrd/Gramm. There is a Members meeting Monday at 1:30 to try to reach an agreement. However, reportedly, Domenici is not inclined to go above his last offer of \$23B above the levels in Chafee's bill. Byrd/Gramm want \$31B.

Domenici's offer would spend all the CBO estimated receipts into the Highway Trust Fund over 5 years, including the one-year bump up in 1999 due to the timing shift in deposits included in the Taxpayer Relief Act. In terms of outlays, the Budget Committee is committed to using the VA tobacco change (which provides \$10B in OL over 5 years) and to "find" the remaining \$7B needed. My impression was that much of the remaining outlays may be provided through difficult to enact offsets.

Byrd also is upset about the funding levels for ADHS. He is holding out for \$3B over 5 years. Reportedly, Chafee offered him the \$2.2B in the President's NEXTEA proposal.

As of now, none of these additional funds are directed towards transit programs. Domenici offered D'Amato additional General Fund authorizations, but D'Amato is now seeking CA instead. However, this has been a very low key effort. Staff think the highway problem will be

solved first and then transit will be addressed separately. (In the Senate, transit and highways are authorized by different committees. The Banking Committee plans to move its transit bill later in the session.)

Message Copied

To:

Charles Konigsberg/OMB/EOP@EOP

Kenneth L. Schwartz/OMB/EOP@EOP

Mark J. Schwartz/OMB/EOP@EOP

David J. Worzala/OMB/EOP@EOP

Diane R. Montgomery/OMB/EOP@EOP

Kim C. Nakahara/OMB/EOP@EOP

David E. Tornquist/OMB/EOP@EOP

James J. Jukes/OMB/EOP@EOP

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jeffrey A. Forbes (CN=Jeffrey A. Forbes/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:27-FEB-1998 12:23:18.00

SUBJECT: Misc. and Mtg

TO: Dorothy Robyn (CN=Dorothy Robyn/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

hey -- call me when you get a chance -- we should do a big ol meeting about ISTEA (Inhofe is planning on doing PM Ozone at some point, McConnell, Davis Bacon etc.), we should pull all of the relevant agencies in for the mtg. -- I think it makes sense for you to call the meeting since you have been doing it -- just let me know -- I want to talk to you about a bunch of other things as well -- 6-1783

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jeffrey A. Forbes (CN=Jeffrey A. Forbes/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:27-FEB-1998 20:01:16.00

SUBJECT: Senate EPW ISTEA Markup of Funding Levels

TO: Virginia N. Rustique (CN=Virginia N. Rustique/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

pls get to Larry

----- Forwarded by Jeffrey A. Forbes/WHO/EOP on 02/27/98

07:56 AM -----

David E. Tornquist

02/27/98 06:43:26 PM

Record Type: Record

To: Jeffrey A. Forbes/WHO/EOP, Dorothy Robyn/OPD/EOP

cc:

Subject: Senate EPW ISTEA Markup of Funding Levels

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----- Forwarded by David E. Tornquist/OMB/EOP on 02/27/98

06:41 PM -----

David E. Tornquist

02/27/98 06:41:27 PM

Record Type: Record

To: Michael Deich/OMB/EOP@EOP, Charles E. Kieffer/OMB/EOP@EOP

cc: See the distribution list at the bottom of this message

Subject: Senate EPW ISTEA Markup of Funding Levels

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Message Copied

To:

Charles Konigsberg/OMB/EOP@EOP
Kenneth L. Schwartz/OMB/EOP@EOP
Mark J. Schwartz/OMB/EOP@EOP
David J. Worzala/OMB/EOP@EOP
Diane R. Montgomery/OMB/EOP@EOP
Kim C. Nakahara/OMB/EOP@EOP
David E. Tornquist/OMB/EOP@EOP
James J. Jukes/OMB/EOP@EOP

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Kara Gerhardt (CN=Kara Gerhardt/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:27-FEB-1998 16:58:46.00

SUBJECT: Re: DUI Event, yet again

TO: Nanda Chitre (CN=Nanda Chitre/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

It's the Transportation Reauthorization Bill. The first one was called
ISTEA - Intermodal Surface Transportation Efficiency Act. And NEXTEA
stands for National Economic Crossroads Transportation Efficiency Act.

So many "cutesy" acronyms.....

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Russell W. Horwitz (CN=Russell W. Horwitz/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 2-MAR-1998 18:00:36.00

SUBJECT: istea

TO: Jason S. Goldberg (CN=Jason S. Goldberg/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

more than you wanted, but just take the first page or two if that's all

you need. ===== ATTACHMENT 1 =====

ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D10]MAIL458157062.026 to ASCII,

The following is a HEX DUMP:

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

NEXTEA

*THE NATIONAL ECONOMIC
CROSSROADS TRANSPORTATION
EFFICIENCY ACT*

*SHAPING AMERICA'S SURFACE
TRANSPORTATION SYSTEM FOR THE
21ST CENTURY*

MARCH 12, 1997

THE NATIONAL ECONOMIC CROSSROADS

TRANSPORTATION EFFICIENCY ACT

Today, President Clinton will announce the National Economic Crossroads Transportation Efficiency Act (NEXTEA), a six-year, \$175 billion investment program to improve America's highways, bridges, transit systems, and railroads; lower the toll in lives and health care costs from motor vehicle crashes; enhance America's environment; and support mobility and economic prosperity. NEXTEA increases surface transportation funding by *\$17 billion, or 11 percent, over the \$157 billion authorized by ISTEA.*

■ **“REBUILDING AMERICA” -- \$175 BILLION INVESTMENT WHILE BALANCING THE BUDGET**

- Increases funding for core highway programs by 30 percent over ISTEA levels.
- Provides greater flexibility for states and localities to target funds that best meet community needs.
- Expands programs for innovative financing to leverage federal dollars.
- Provides \$600 million to deploy intelligent transportation technology to cut travel time and enhance safety.

■ **PUTTING A STRONGER EMPHASIS ON SAFETY**

- Increases funding for the National Highway Transportation Safety Administration by 25 percent to \$395 million.
- Increases highway and truck safety funding by \$2 billion.
- Increases funding for drunk driving prevention by 60 percent.
- Creates and expands programs to increase the proper use of safety belts and child restraints, reduce drunk and drugged driving, and continue research into building safer roads and vehicles.

■ **PROTECTING THE ENVIRONMENT**

- Increases funding for the Congestion Mitigation and Air Quality Improvement Program (CMAQ) by 30 percent, to \$1.3 billion annually.
- Increases Transportation Enhancements funding by more than 25 percent to support bike paths, pedestrian walkways and other community-oriented projects.
- Expands CMAQ eligibility to include regions that fail to meet any new air quality standard.
- Provides greater flexibility for state and local investment in non-polluting modes of transportation.

■ **INVESTING \$600 MILLION TO MOVE PEOPLE FROM WELFARE TO WORK**

- Supports flexible, innovative transportation alternatives, such as vanpools, to get people to where the jobs are.
- Increases incentives for states and localities to provide job training for federally-funded technology and construction projects.

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<i>Improving Access to Jobs and Training</i>	Page 9
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<i>Strengthening Urban Communities</i>	Page 12
<i>Serving Rural America</i>	Page 13

REBUILDING AMERICA

America's prosperity and quality of life are linked to our transportation system's efficiency, which keeps production costs low and maintains our international competitiveness. When President Clinton promised to "rebuild America" five years ago, this system suffered from inadequate capacity, deteriorating infrastructure, and poor connections among different forms of transportation. The President has worked with Congress to make good on his promise, taking advantage of ISTEA to raise infrastructure investment to record levels.

ISTEA SUCCESSES

- Under President Clinton, federal transportation infrastructure investment increased 21 percent, to an average of \$25.5 billion annually.
- Many indicators of highway conditions and performance have stabilized or improved. The condition of bridges and highway pavement, which had been deteriorating, has stabilized. We have kept pace with our transportation system's maintenance requirements and stopped its deterioration.
- Transit investment has increased, including over \$3 billion transferred using ISTEA's flexible funding provisions. Nearly 26,000 new buses and nearly 600 new rail cars have been bought for state and local transit agencies, and more than 100 miles of new transit lines serving more than 100 new stations are under construction. Transit speeds have improved by an average of about 10 percent.

KEY NEXTEA PROVISIONS

- NEXTEA builds on ISTEA's successes while helping us to move towards a balanced budget. It would authorize about \$175 billion for surface transportation programs from 1998 through 2003, an 11 percent increase over ISTEA. The proposed authorization levels would sustain or expand core programs such as the National Highway System, maintenance of the Interstate Highways, bridge reconstruction, and mass transit.
- NEXTEA gives state and local officials greater flexibility to target funds towards projects that best meet community needs, including Amtrak and intercity rail passenger facilities. It also increases the tools available to them by making intelligent transportation systems eligible under all major program categories and by expanding innovative finance strategies to cut red tape and to leverage private and nonfederal public resources.

A

COMMITMENT TO SAFETY

More than 40,000 Americans die and three million are injured in motor vehicle crashes each year, inflicting a tragic toll on millions of families. In addition, these crashes cost our economy \$150 billion annually, including \$14 billion paid directly by taxpayers for expenses such as health care and emergency services. Improved safety can help to control these costs.

ISTEA SUCCESSES

- Under ISTEA, with its enhanced commitment to safety, highway fatalities have been lower than in decades, averaging about 41,000 annually. Safety belt use has grown from 11 percent of motorists in 1982 to 68 percent last year. Alcohol-related fatalities have decreased from 57 percent of crashes in 1982 to 41 percent in 1995.

KEY NEXTEA PROVISIONS

Our challenge is to continue the progress on safety even as traffic increases. Recently, we have seen warning signs that we may be approaching the limits of progress under ISTEA: the fatality rate has stagnated, increases in safety belt use have leveled off, and the number of alcohol-related deaths has increased. NEXTEA would attack these problems by focusing on three key areas: driver behavior, road design, and vehicle standards.

Safer Drivers

- NEXTEA would increase NHTSA safety funding by 25 percent to \$395 million, and fund incentive programs to reduce drugged and drunken driving, to increase safety belt use, and to collect improved data on highway safety to better identify and solve safety problems.
- \$9 million annually in financial incentives would be provided for states to increase proper use of safety belts and child restraints.
- NEXTEA would increase funding for drunk driving prevention by 60 percent to \$40 million in 1998, and reward states for aggressively reducing drunk driving through administrative driver's license suspensions and revocations, programs to prevent minors from drinking, and effective sanctions for repeat offenders.
- NEXTEA would provide \$5 million annually beginning in 1999 in grants to states to

prevent drugged driving. A state would be eligible for these grants if it adopted five of nine countermeasures, including zero tolerance laws, administrative license suspension for those driving under the influence, and pre-license drug testing.

Safer Roads

- Under ISTEA, funding was set aside to eliminate road hazards and to make highway-rail grade crossings safer. Grade crossing deaths alone have dropped by 31 percent. NEXTEA would build on this progress by replacing this set-aside with a flexible, six-year, \$3.2 billion Infrastructure Safety Program. States would now have the ability to transfer funds to enforcement and behavioral programs if they would have a greater impact on safety.

Safer Vehicles

- States would have increased flexibility for tougher enforcement, such as targeting shippers who encourage truckers to violate rules and increasing penalties for violators. States also would be reimbursed for border enforcement and other high-priority activities that improve trucking safety.
- Under NEXTEA, the freeze on the size and weight of larger combination trucks on Interstate Highways and other routes would continue. We are doing a comprehensive study of this and related issues, and may soon propose additional steps in future safety legislation.
- Much progress on safety has been the result of vehicle design aimed at protecting motorists in crashes. NEXTEA would build on the progress to date with a \$45 million annual research program targeted at improving crash avoidance and crash worthiness. In addition, more than a third of intelligent transportation systems research would be focused on collision avoidance systems and other “smart vehicle” technologies that prevent crashes.
- A new focus on performance in safety programs would measure effectiveness by looking at quantifiable results, not at how much money or effort is put into solutions.

INCREASING INVESTMENT THROUGH INNOVATIVE FINANCING

In spite of ISTEA's record investment, the federal government alone cannot meet all of our infrastructure needs. President Clinton recognized this in his January 1994 Executive Order on infrastructure, in which he directed us to cut red tape to speed construction and supplement federal funds by leveraging private and nonfederal public investment.

ISTEA SUCCESSES

- President Clinton's Partnership for Transportation Investment accelerated 74 projects worth \$4.5 billion, including \$1.2 billion in investment beyond that available through conventional financing. Projects are advancing an average of two years ahead of schedule, saving interest and inflation costs.
- Some innovative finance initiatives also advance other national priorities, such as in Missouri and Arizona, where entrepreneurs were given permission to install fiber optic cable within highway rights-of-way in return for reserving part of the cable as the backbone of statewide intelligent transportation systems.
- The new State Infrastructure Bank program uses federal seed money to leverage private and nonfederal public funds in 10 pilot states. Among the proposed uses of these funds are: a loan to start construction on a highway interchange without waiting for the full federal funding to be accumulated; a loan to finance a toll road's interest costs while it is being built, before revenues can begin to pay off the construction debt; and a loan to buy new light rail vehicles.
- We provided a direct loan to California's Alameda Corridor, which will speed shipping from Los Angeles' port by creating a dedicated freight rail corridor. We also provided standby lines of credit to secure private financing for California toll roads; at a cost of just \$18 million, we supported \$2.5 billion in construction financing

KEY NEXTEA PROVISIONS

- NEXTEA would open the State Infrastructure Bank program to all states, increase the federal seed money dedicated to these banks, and allow states to use up to 10 percent of their regular federal-aid highway funds to capitalize their banks.
- \$100 million annually would be dedicated to help leverage nonfederal public resources for projects of national significance, such as interstate trade corridors.

ENSURING GLOBAL COMPETITIVENESS

Under President Clinton, America is once again the most economically-competitive nation in the world and its leading exporter, and this is due in great measure to the reliability and low costs of our transportation system. In an increasingly-global economy, keeping transportation efficient is crucial to our continued competitiveness and to taking advantage of the markets opened by NAFTA and GATT.

ISTEA SUCCESSES

- Seamless connections among different forms of transportation, such as between trucks, railroads, and seaports, are important for efficiency, and ISTEA-funded projects are making possible these connections. These projects include truck-rail freight transfer facilities in Stark County, Ohio, and Auburn, Maine, and projects in Portland, Oregon and Seattle designed to improve rail and truck access to seaports.
- Projects such as the Red Hook barge transfer, which daily takes hundreds of trucks off New York's crowded streets, often have important social and environmental benefits, and ISTEA made them eligible for funding through such flexible initiatives as the Congestion Mitigation and Air Quality Improvement Program and our innovative finance programs.

KEY NEXTEA PROVISIONS

- NEXTEA would facilitate trade by creating new programs to improve border crossings and develop major trade corridors within the U.S., cutting congestion and eliminating bottlenecks.
- NEXTEA would support projects of national significance, such as those focused on trade corridors, through dedicated funds and by expanding the State Infrastructure Bank program.
- The proposal would expand funding eligibility to include access to intermodal terminals and water ports. This is a vital change since much international trade -- 98 percent by weight, 50 percent by value -- is shipped through ports. These programs also would make eligible for funding Amtrak and intercity rail passenger and public freight facilities and intelligent transportation systems projects, which can improve the logistics crucial to "just-in-time" deliveries.

IMPROVING ACCESS TO JOBS AND TRAINING

One of the biggest barriers faced by those moving from welfare rolls to payrolls is finding transportation to jobs, training, and support services such as day care. Poverty and welfare eligibility rules mean that few welfare recipients own cars, and public transit often provides inadequate connections to job and training centers. This problem is becoming more serious, since two-thirds of new jobs are in suburbs. To support his comprehensive welfare reform initiative, President Clinton proposes to build on existing transit programs that work with innovative approaches to helping people make the transition to the working world.

ISTEA SUCCESSES

- Our Livable Communities program integrates transit with jobs, schools, and housing. In Corpus Christi, local residents worked with local officials on developing three bus transfer centers and improving pedestrian access to local amenities, and a Los Angeles neighborhood initiative generated a hundred new jobs and helped to cut crime by 19 percent.
- The Joblinks program provides transportation and training in both urban and rural areas. Oregon's Glendale-Azalea School District used Joblinks funds to transport 400 unemployed and undereducated residents to training and to jobs in the first year alone. The success of initiatives such as Joblinks and Livable Communities provides a model for new efforts to improve community access to jobs and other necessities.

KEY NEXTEA PROVISIONS

- NEXTEA includes a six-year, \$600 million grant program to support flexible, innovative transportation alternatives, such as vanpools, to get people to where the jobs are. Funding would also provide access to training centers and to support services such as day care at transit links. This program would be closely coordinated with other human services assistance that would be provided to states and localities working to meet the special needs of the welfare population.
- Since transportation and construction jobs are among America's best-paying, we want to open opportunities in these fields for welfare recipients and other disadvantaged people. NEXTEA would increase incentives for states and localities to provide job training in conjunction with federally-funded technology and construction projects, and to enable them to offer hiring preferences to welfare recipients and residents of Empowerment Zones and Enterprise Communities.

PROTECTING THE ENVIRONMENT

Scientific research demonstrates the effects of pollution on our health and on the ecological systems which sustain human life. President Clinton has taken advantage of ISTEA's landmark environmental provisions to reduce air and water pollution, to preserve wetlands and open space, and to make transportation facilities more compatible with the environment.

ISTEA SUCCESSES

- The largest ISTEA environmental initiative is the Congestion Mitigation and Air Quality Improvement Program (CMAQ), which authorized \$1 billion annually under ISTEA to help communities meet national standards for healthy air. CMAQ has funded such innovative projects as cleaner natural gas buses in Cleveland and Boise, a child care center to promote ridership at a San Jose transit facility, and an inspection and maintenance program in Indiana, which ensures that auto emissions systems continue to cut pollution.
- ISTEA supported important travel alternatives, such as bikeways and pedestrian paths, and preserved scenic and historic roadside vistas, supporting tourism and strengthening local economies.

KEY NEXTEA PROVISIONS

- NEXTEA would increase CMAQ funding by 30 percent, to \$1.3 billion annually, and expand funding eligibility to include scrappage of higher-polluting pre-1980 vehicles. It also would act on new research on the dangers of particulate matter by allowing areas that do not meet health standards for this pollutant to receive CMAQ funds. NEXTEA also would ensure that no state loses CMAQ funds as a result of the Environmental Protection Agency's proposed changes in air quality standards.
- NEXTEA would increase Transportation Enhancements funding by more than 25 percent, supporting projects designed to strengthen the cultural, aesthetic, and environmental aspects of our transportation system.
- The National Scenic Byways program, which designates roads of aesthetic or historic value and funds improvements to them, would be continued, and the list of eligible activities would be expanded to include scenic byway marketing programs. Funding for recreational trails, bicycle transportation and pedestrian walkways, landscaping, and wildflower plantings also would be continued, as would ISTEA's commitment to inclusive transportation planning which reflects such community values as environmental preservation.

IMPROVING TRANSPORTATION THROUGH TECHNOLOGY

Technology can improve the performance of roads and transit systems and effectively increase their capacity, especially in urban areas where new construction is too expensive or environmentally unsound. Technology also can make travel safe: most automobile crashes involve human error, and advanced collision avoidance systems and highway-rail grade crossing warnings can save hundreds of lives annually. Finally, technology can provide the logistical support needed for such innovations as “just-in-time” deliveries, which are cutting costs and improving productivity at nearly a third of U.S. companies.

ISTEA SUCCESSES

- ISTEA established a major federal commitment to intelligent transportation systems (ITS), the application of advanced information and communications technologies to travel. The federal role includes providing seed money for development and deployment, assistance in the creation of technology standards to promote system integration, and the coordination of public and private research efforts.
- The first generation of ITS is already being deployed: in Denver, synchronized traffic signals reduced travel times by over 15 to 20 percent, and in Seattle, ramp metering has cut accident rates by more than 60 percent. *Operation TimeSaver*, an initiative to reduce travel times in 75 cities by 15 percent over the next decade, was launched last year. Under this initiative, states may use their federal transportation funds to deploy ITS systems.
- Overall federal transportation research and technology investment increased to record levels, \$930 million in 1997 alone. Initiatives resulting from this investment include high-performance materials, such as Superpave asphalt, which cost less and last longer, and the application of global positioning satellite systems to aviation and maritime navigation.

KEY NEXTEA PROVISIONS

- NEXTEA would provide states and localities with ITS training and technical assistance, and fund a \$600 million incentive program to help cities integrate their ITS programs and to help rural areas deploy ITS to improve safety, mobility, and commercial vehicle operations. It also would expand the eligibility of all major program categories to include ITS, so technology will always be considered as a strategy for meeting travel demand.
- NEXTEA would increase overall federal investment in technology research for initiatives including advanced composites for stronger, safer roads and bridges and second-generation ITS technologies such as collision avoidance systems.

STRENGTHENING URBAN COMMUNITIES

Sound transportation is crucial for sustaining economic prosperity and a high quality of life in our cities. Targeted infrastructure investment can reduce congestion and improve connections so businesses can take advantage of the city's proximity to suppliers, support services, markets, and amenities. Such investment also can generate jobs for city residents, directly through construction, and indirectly by attracting new businesses.

ISTEA SUCCESSES

- ISTEA strengthened the role of cities in the transportation planning process, giving cities greater control over a substantial portion of federal funds and enabling them to choose projects which best met urban needs.
- Together with the increased flexibility of many programs, this enabled funding to be transferred to such urban needs as transit. Over \$3 billion traditionally earmarked for highways was used for high-priority transit projects, most in cities, and overall transit funding increased under ISTEA, reaching a record \$6 billion in 1995 alone.

KEY NEXTEA PROVISIONS

- NEXTEA sustains investment in mass transportation by increasing direct federal transit funding to \$5 billion a year, by increasing the flexible Surface Transportation Program, and by making Amtrak and intercity rail terminals eligible for funding. Transit programs would be streamlined to make it easier for local officials to select the options that make the most sense for their communities
- NEXTEA includes a six-year, \$600 million program to support flexible, innovative transportation alternatives, such as vanpools, to get people to where the jobs are and to provide access to training and such support services as child care.
- Technology can provide needed additional urban travel capacity with less disruption to established communities and at less cost than new construction. NEXTEA proposes to make intelligent transportation systems eligible under all major programs, and to create an incentive program to ensure that these technologies are fully integrated.
- NEXTEA would further strengthen the role of central cities in regional planning and simplify federal planning requirements.

SERVING RURAL AMERICA

Transportation is as vital to rural areas as it is to cities. Sound transport is vital for shipping raw materials and agricultural products. Tourism, generated by the four in five Americans who drive for pleasure in rural areas, sustains many local economies. And many rural residents rely on transit to reach schools, health care, and other necessary services.

ISTEA SUCCESSES

- ISTE A provided over \$1 billion for special projects in rural America, such as protecting scenic roadside vistas, preserving historic transportation facilities, and beautifying communities with bicycle and pedestrian facilities.
- ISTE A benefitted rural areas with provisions like special transit programs for small communities, transportation enhancements, scenic byways, and set-asides for off-system bridges.

KEY NEXTEA PROVISIONS

- NEXTEA would strengthen rural communities' involvement in transportation planning by requiring coordination with local rural officials when statewide transportation plans are developed.
- NEXTEA would increase investment in core programs affecting rural areas, such as the National Highway System, Transportation Enhancements, and Rural Transit Assistance, and expand funding eligibility to include Amtrak and intercity rail and bus, two key lifelines for rural America.
- NEXTEA would raise authorizations for the Federal Lands Highways Program to \$525 million, funding improvements on roads in national parks and forests, Indian reservations, and other public lands.

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002. email	Jeffrey A. Forbes to Virginia N. Rustique at 10:36:29.00. Subject: Re: (1 page)	03/02/1998	b(6)

COLLECTION:

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

FOLDER TITLE:

[01/22/1998 - 03/04/1998]

2015-0463-F
ab1509

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.

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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 (NOTES MAIL)

CREATOR: Dorothy Robyn (CN=Dorothy Robyn/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 2-MAR-1998 10:59:37.00

SUBJECT: ISTE A Q&A

TO: Peter A. Weissman (CN=Peter A. Weissman/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Jonathan A. Kaplan (CN=Jonathan A. Kaplan/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Russell W. Horwitz (CN=Russell W. Horwitz/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

CC: Jeffrey A. Forbes (CN=Jeffrey A. Forbes/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

TEXT:

Attached is Q&A Gene wanted for 1 pm press conference. I'll also forward last week's POTUS Q&A, prepared for NGA mtg., which list our accomplishments in terms of highway spending.

===== ATTACHMENT 1 =====
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

PRINTER FONT 12_POINT_ROMAN
ISTEA Q & A
March 2, 1998

Q: As you know, the Senate EPW Committee will mark up a bill on ISTE A funding levels tomorrow, and Members are trying to work out a deal in advance of markup. Will you support higher spending on highways than what is in the President's budget?

A: The President told Governors last week that he would support higher spending on transportation -- highways, highway safety and transit -- than what is in the Administration's budget if (and only if) it could be done within the budget caps. We have not seen any concrete proposals yet to do that.

Q: Sen. Domenici and others want to use the veterans

-tobacco
offset for ISTE A. Would the Administration be willing to go

along with that?

A: We would have to see the specifics before I could give you an answer. As I said, we have not yet seen any concrete proposals.

Q: Members will reportedly offer several hundred possible amendments to the Senate ISTEA bill. What is the Administration's priority in Senate floor action?

A: Our highest priority will be to protect ISTEA's environmental and affirmative action programs from attacks. Safety, labor standards, and balanced investment in highways and mass transit are also critical issues.

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

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Janelle E. Erickson (CN=Janelle E. Erickson/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 2-MAR-1998 15:34:09.00

SUBJECT: ISTEА Amendments

TO: Jeffrey A. Forbes (CN=Jeffrey A. Forbes/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

Could I get a list of the ISTEА Amendments ? Tracey wants it distributed among staff so we can help monitor.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: David E. Tornquist (CN=David E. Tornquist/OU=OMB/O=EOP [OMB])

CREATION DATE/TIME: 2-MAR-1998 10:47:08.00

SUBJECT: Re: ISTE A Q&A

TO: Dorothy Robyn (CN=Dorothy Robyn/OU=OPD/O=EOP@EOP [OPD])

READ:UNKNOWN

CC: jeffrey a. forbes (CN=jeffrey a. forbes/OU=who/O=eop@eop [WHO])

READ:UNKNOWN

CC: michael deich (CN=michael deich/OU=omb/O=eop@eop [OMB])

READ:UNKNOWN

TEXT:

Two thoughts on the last question on Administration priorities (altho I defer to Jeff and Michael):

-- the Slater letter also lists safety, labor standards and balanced investment in highways and mass transit as priorities. Are you making a specific decision not to include all or some of these?

-- based on last week's discussion, should the DBEs issue be described as affirmative action or economic development?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Dorothy Robyn (CN=Dorothy Robyn/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 2-MAR-1998 19:59:34.00

SUBJECT: Re: Titanium

TO: Karen Tramontano (CN=Karen Tramontano/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

yes, unfortunately. it's ISTEAs time. you're probably aware that there may be an amendment tomorrow to gut Davis-Bacon, but the labor folks, and Leg. Affairs, seem to think it's under control (not so for the DBE--disadvantaged bus. enterprise--amendment).

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Lynn G. Cutler (CN=Lynn G. Cutler/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 3-MAR-1998 18:27:34.00

SUBJECT: Re: ISTEA Renewal

TO: Jonathan Weiss (CN=Jonathan Weiss/O=OVP @ OVP [UNKNOWN])

READ:UNKNOWN

TEXT:

are you on the daily conference call being started tomorrow at ten? if
not, get the stuff from Mona in the morning.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jeffrey A. Forbes (CN=Jeffrey A. Forbes/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 3-MAR-1998 12:36:52.00

SUBJECT: ISTE A - Senate Markup

TO: Virginia N. Rustique (CN=Virginia N. Rustique/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Tracey E. Thornton (CN=Tracey E. Thornton/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

FYI

----- Forwarded by Jeffrey A. Forbes/WHO/EOP on 03/03/98
12:32 AM -----

David J. Worzala

03/03/98 12:33:15 PM

Record Type: Record

To: Michael Deich/OMB/EOP

cc: See the distribution list at the bottom of this message

Subject: ISTE A - Senate Markup

The Senate Environment and Public Works Committee met this morning to vote on an amendment to increase the levels of contract authority for highways included in S. 1173, the original Committee Bill to reauthorize ISTE A. This amendment reflects the agreement reached by the Senate Leadership on highway spending. It passed unanimously and the Senate intends to bring this amendment to the floor this afternoon at 2:30 pm.

The amendment increases the contract authority for highway programs by \$26 billion in contract authority to bring the total to \$173 billion over 6 years (1998-2003). The increase is above the original Senate bill and that bill's program structure and formulas remain the same. The additional funding was distributed as follows (\$ in billions):

\$18.9	Formula grants to all states in the same formula as the original bill
\$ 1.9	A bonus program to ensure each State receives 91% of their highway trust fund deposits
\$ 1.8	Equity program for "high-density population" states
\$ 2.0	Appalachian Development Highway System
\$.5	Grants for border areas
\$.9	Funding for roads on Public Lands (Indian Reservation Roads, Public Lands Highways, Parkways and Park Roads Wildlife Refuge Roads)

This level of funding is approximately \$36 billion more than the \$137 billion for these programs provided in the President's Budget. However, the Senate agreement does not yet indicate the amount of outlays that will be provided for these programs, and therefore the obligation levels are unclear. The Budget Resolution will identify the outlays associated with these programs, and presumably the offsets necessary to maintain a balanced budget.

The only controversial comments at the mark-up were; 1) Senator Boxer urged proportional increases for Transit programs; 2) Senator Sessions indicated that he still planned to introduce an amendment to the Disadvantage Business Enterprise (DBE) program.

Message Copied

To:

Jacob J. Lew/OMB/EOP

Janet Himler/OMB/EOP

Jill M. Blickstein/OMB/EOP

Charles E. Kieffer/OMB/EOP

Dorothy Robyn/OPD/EOP

James J. Jukes/OMB/EOP

James A. Brown/OMB/EOP

Jeffrey A. Forbes/WHO/EOP

Kim C. Nakahara/OMB/EOP

Diane R. Montgomery/OMB/EOP

Mark J. Schwartz/OMB/EOP

David E. Tornquist/OMB/EOP

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Elisabeth Steele (CN=Elisabeth Steele/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 3-MAR-1998 16:07:52.00

SUBJECT: Re: Daily Conference Call on ISTE A

TO: Thurgood Marshall Jr (CN=Thurgood Marshall Jr/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

Who from our office is on the call?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jake Siewert (CN=Jake Siewert/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 3-MAR-1998 12:01:10.00

SUBJECT: ISTE A

TO: Darby E. Stott (CN=Darby E. Stott/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

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

ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D90]MAIL40971516O.026 to ASCII,
The following is a HEX DUMP:

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

ISTEA
March 3, 1998

Overall Bill

Q: *What is the Administration's reaction to the agreement reportedly reached in the Senate to spend \$173 billion on highways over the next 6 years?*

A: As the President told the Governors last week, he would support spending on surface transportation -- highways, highway safety, and transit -- above that in the President's Budget if and only if it could be done within the budget caps. At the same time, this increased spending can not come at the expense of the President's other priorities -- education, environment, and crime.

We are pleased that this agreement appears to stay within the budget caps. We will discuss further with Congress how the increased transportation spending will be offset to ensure the President's priorities are preserved.

The President is disappointed that this entire increase is earmarked for highway programs, with no additional funding for transit programs. Transit reduces congestion, improves the environment, and provides mobility for millions of Americans. Transit should receive an equitable share of any increase in transportation spending.

Background:

The Senate agreement on highway spending of \$173 billion over 6 years is \$36 billion more than the President's Budget request and \$26 billion more than originally included in S. 1173, Senator Chafee's ISTEA reauthorization proposal.

This funding level will permit the spending of all the revenues coming into the highway portion of the Highway Trust Fund over 6 years. The agreement ensures that States receive a minimum of 91 cents for every dollar they contribute in motor fuel taxes. Some States, particularly in the South, currently receive less than 70 cents back on the dollar.

Negotiations on offsets and the level of outlays to be allocated to highway spending are ongoing. These negotiations will determine the extent to which this increased spending affects other Presidential spending priorities.

Disadvantaged Businesses

Q: Will the President veto the ISTEA bill if it doesn't continue the Disadvantaged Business Enterprise (DBE) program?

A: Although it is still fairly early in the legislative process, I can assure you that there is no issue in the ISTEA debate about which the President feels more strongly. The Department of Transportation's DBE program provides expanded economic opportunity for people who have been effectively shut out of the construction contracting process until recently. It is a good and necessary program, and the President wants to see it continued.

The Administration believes that the current program is constitutional. However, in response to the Supreme Court's decision in *Adarand* and the President's "mend it, don't end it" directive, we have already proposed administrative revisions to the program to make sure that it is fair, flexible and effective.

[Background: The DBE program does not impose quotas or set-asides of any kind, nor does it allow any unqualified firms to receive contracts. It simply sets a flexible, national goal: that 10% of highway and transit funds be used for services provided by women and minority owned firms.

The program was enacted in 1983 under President Reagan, in response to extremely low participation by minorities in federally assisted highway construction contracting; women were added also under Reagan in 1987. The Justice Department has made clear that the program is constitutional. And the Administration strongly believes that it is still necessary. Data from states shows that when individual state DBE programs are ended,

participation by women and minorities plummets, as many prime contractors return to their earlier exclusionary practices.]

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Leanne A. Shimabukuro (CN=Leanne A. Shimabukuro/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 3-MAR-1998 11:08:47.00

SUBJECT: DUI

TO: Nanda Chitre (CN=Nanda Chitre/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

FYI: Yesterday, I spoke with Dorothy Robyn at NEC about some background Q&A on ISTE reauthorization for you all. She said she would provide something through Jake Siewart. I thought that maybe this could come up -- you should check with Jake if you think you are going to need something.

Thanks,
Leanne

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Darby E. Stott (CN=Darby E. Stott/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 3-MAR-1998 12:02:11.00

SUBJECT: Asia and Revised ISTE A Guidance

TO: Barry J. Toiv (CN=Barry J. Toiv/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

Maybe this will work. Revised ISTE A is coming.

----- Forwarded by Darby E. Stott/WHO/EOP on 03/03/98

12:01 PM -----

Jake Siewert

03/03/98 11:31:31 AM

Record Type: Record

To: Barry J. Toiv/WHO/EOP, Darby E. Stott/WHO/EOP

cc: Russell W. Horwitz/OPD/EOP, Jonathan A. Kaplan/OPD/EOP

Subject: Asia and Revised ISTE A Guidance

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

ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D13]MAIL466815163.026 to ASCII,

The following is a HEX DUMP:

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

ASIA FINANCE

March 3, 1998

Indonesia

Q: What message did Mondale deliver to Soeharto from President Clinton?

A: The President asked former Vice President Walter Mondale to travel to Jakarta as his personal representative to follow up on discussions between President Clinton and President Soeharto on the situation facing that country.

Former Vice President Mondale met with President Soeharto earlier today. He underscored our that strong, demonstrable commitment to full and sustained implementation of the economic reforms agreed to with the International Monetary Fund offers the best prospects for restoring financial stability and economic growth in Indonesia.

The success of this effort will depend on President Soeharto placing the full authority of his office behind the economic reforms and exerting the political will necessary to ensure sustained implementation of these measures.

Q: Did Mondale urge Soeharto to undertake democratic reforms?

A: The President asked the former Vice President to discuss both the economic and political situation in Indonesia with President Soeharto, but I am not going to characterize their discussion beyond that.

Q: What is your reaction to Indonesian President's Soeharto's call for an "IMF Plus" program?

A: We continue to believe that forceful implementation of Indonesia's existing IMF program, in both letter and spirit, is essential to the restoration of financial stability in Indonesia.

In particular, Indonesia needs to take firm measures to control the expansion of domestic liquidity and credit to create support for the rupiah.

Strong political support for the spirit of the structural reforms and appropriate macroeconomic measures is also important.

[**Background:** On Sunday, March 1, in a speech to "The People's Consultative

Assembly,” which will elect Indonesia’s President and Vice President on March 11, President Soeharto stated that he has fully implemented the agreed program with the IMF to date. He claimed, however, that the program had been a total failure and that Indonesia now needed an “IMF Plus” program. Although it is not clear what Soeharto meant by an “IMF Plus” program, he is most likely referring to a currency board, which he mentioned in his speech. Evidence is accumulating that Indonesia is off track on important aspects of its program, most particularly its base money targets.]

Q: With Soeharto’s call for an IMF-Plus plan, he seems to have resurrected the idea of creating a currency board. Are you still concerned by Indonesia’s plans to institute a currency board?

A: The best route to restoring confidence in the rupiah is for Indonesia to rigorously implement its IMF reform program, both in letter and in spirit.

As Secretary Rubin has said, once confidence is restored, then it would be possible to judge whether or not a currency board makes sense. But Indonesia must first address the problems that give rise to economic instability and work to re-establish confidence in its financial markets. Then Indonesia would be in a position to face the issue of whether a currency board makes sense.

[**Background:** Implementation of a currency board is premature given the current economic situation in Indonesia. The IMF is pressing Indonesia to state clearly that it has postponed introduction of currency board and would not consider implementing one until the necessary preconditions are in place, and then only in full consultation with the Fund.]

Q: Will the United States back up the IMF’s threat to withdraw support from Indonesia if President Soeharto goes forward with the currency board?

A: I think Secretary Rubin has already spoken to that, and we think that message has been heard. We believe that the key to restoring confidence in Indonesia is vigorous and sustained implementation of the reforms they agreed to in the context of their IMF program. That is the message former Vice President Mondale is carrying to Indonesia.

Q: Is the U.S. concerned about the stability of the Soeharto government? Do you believe Soeharto should step down?

A: Vigorous and sustained implementation of the reforms agreed by Indonesia in conjunction with their IMF program offers the best prospects for restoring confidence.

A presidential selection by the People’s Consultative Assembly is scheduled for March. The question of whether or not President Soeharto should seek re-election is a matter for him to decide, and the choice of Indonesia’s leadership is a matter for Indonesians to decide. What’s important now is that President Soeharto continues to move forward on implementation of the reforms embedded in the IMF plan.

Q: Has the President discussed the issue of a political successor to Soeharto?

A: The President and Soeharto have discussed a number of the challenges facing Indonesia. I do not want to characterize the specifics of those discussions.

Q: Can Indonesia make progress while Soeharto is still in power?

A: President Soeharto has stated that he is committed to the IMF program. We believe that the IMF has put together a strong program for Indonesia. In order for Indonesia to make progress toward economic stability, it is most important that they adhere to the program and continue to implement it on a sustained basis.

Q: What is your reaction to President Soeharto's decision to fire one of his top reformers, Bank of Indonesia Governor Sudradjad Djiwandono?

A: The President has made it quite clear that vigorous and sustained implementation of the reforms in conjunction with their IMF program lends the best prospect of restoring confidence in the Indonesian economy and increasing regional economic stability.

We don't comment specifically on the way in which other governments populate their senior ranks, but I want to reiterate that the President underscored the importance of sticking with the IMF reforms that Indonesia has agreed to in his conversations with President Soeharto recently.

Q: What U.S. interests are at stake in Indonesia?

A: The U.S. has significant economic and security interests at risk in Indonesia and the region. Asia's financial turmoil has direct effects on U.S. exports, economic growth and the prosperity of American workers. Helping restore economic stability and confidence in Indonesia will help secure political stability and peace in the region. A sound economy is also critical to advancing Indonesia's efforts to improve environmental and human rights conditions.

Indonesia's location spanning important sea lanes, its population of 200 million (fourth-largest in the world), and natural resources (notably oil and gas) give it broad strategic value. Indonesia has been a key supporter of a more open regional economy in APEC, and has played a constructive role in the United Nations and the non-aligned movement.

IMF Funding and Congress

Q: Senator McConnell said today that he would separate the New Arrangement to Borrow and the increase in the IMF quota. Can the administration accept that?

A: We believe that Congress should approve both the NAB and the quota increase. We are encouraged that the House Banking Committee has scheduled for this Thursday mark-up

on a bill that funds both, and we hope the bill attracts bipartisan support.

These countries in Asia are our customers. If they sink into recession, they won't be able to buy the goods we'd like to sell them. Second, they're also our competitors. So if their currencies lose their value and go down, then the price of their goods will drop, flooding our market and others with much cheaper goods, which makes it a lot tougher for our people to compete. And, finally, they are our strategic partners. Their stability bolsters our security.

It is important that the IMF have the resources it needs to help countries that are ready to take action to put their economies on a sounder financial footing. Restoring confidence and stability in Asia is very much in America's economic and security interests, and the IMF plays a critical role in the effort to restore confidence.

Our policy is clear: No nation can recover if it does not reform itself. But when nations are willing to undertake serious economic reform, we should help them do it. So the President wants Congress to renew our commitment to the IMF. Ultimately, we think Congress will do what's right. We are pleased that the Congressional leadership has been working closely with us on IMF, and we hope can count on their support.

IMF or Fast Track?

Q: Is the push for IMF funding a higher priority than renewing fast track authority?

A: As the President made clear in the State of the Union this year, it is critical that we both renew fast track authority and that we give international financial institutions the resources they need to restore financial stability to global financial markets.

We are moving ahead with the effort to renew IMF funding now, because America needs to lead the world at this critical juncture. As a practical matter, we are looking at new borrowing authority for the IMF as a first order of priority given the importance the IMF is doing in the region now.

Over the year, we will continue to work with Congress to forge a coalition that can renew fast track trading authority.

Leach Bill

Q: Will you support the Leach bill? Are you willing to push the IMF on reforms (less secrecy, better governance) in order to secure IMF funding?

A: We believe that it is critical that the IMF have the resources it needs to help countries that are ready to take action to put their economies on a sounder financial footing. Restoring confidence and stability in Asia is very much in America's economic and

security interests, and the IMF plays a critical role in the effort to restore confidence. We know that Chairman Leach supports our concerns about Asia and that he, Rep. LaFalce, and their co-sponsors have put forward legislation that supports much-needed funding of the IMF. That bill will come to a vote later this week, and we hope it draws bipartisan support.

Gingrich Proposal on IMF Hearings

Q: Speaker Gingrich has proposed a series of hearings on the IMF this spring to determine whether that institution has outlived its usefulness. Do you think that's a good idea?

A: We believe it is critical to ensure that the IMF has adequate resources to respond effectively if the current problems should spread and intensify -- an outcome we are working vigorously to avoid-- and to deal with future financial crises that may occur,

We are working on a number of issues concerning the operation of the IMF -- including ways to ensure that creditors bear the consequences of their lending decisions, transparency, other crisis prevention measures. Progress on these issues is central to making the international financial framework adequate to the world of 21st century finance, and we are working closely with the Speaker and other congressional leaders on how best to do that. **These are very complicated issues, and we cannot wait to resolve them before we approve the resources the IMF needs.**

Q: What about making the IMF's books more open?

A: We certainly support transparency at the IMF. Secretary Rubin has said that one possibility would be for the IMF to open their books to the General Accounting Office.

Labor and Environment

Q: Why doesn't the administration push to attach labor and environmental conditions to the IMF packages for countries?

A: We have sought to strengthen labor and environmental protections in both the IMF and the World Bank programs, and we will continue to do pursue those important goals. IMF-led programs commit governments to increase transparency and good governance.

We are consulting with Congress about their concerns on this issue. At the same time, we do not want to include anything in this legislation that is counter-productive or unrealistic. We are one of 180 countries that participate in the IMF, and we cannot

include in this legislation things that would affect the sovereignty of individual countries.

Bail Outs

Q: Aren't your critics in Congress at least partially right when they allege that these IMF programs are bailing out investors and corrupt governments?

A: It is important to recognize that many investors have lost a lot of money in these countries:

- Three major U.S. banks -- J.P. Morgan, Chase, and Citibank -- have reported that developments in Asia have had a substantial impact on their profits.
- Between currency volatility and market declines, some have estimated that foreign stock investors have lost nearly three-quarters of the value of their holdings.
- Standard and Poor has forecast that European banks alone could face losses of \$20 billion on their lending to Asia. Already, the largest bank in Germany has set aside \$750 million to cover potential losses on loans to the region.

If these efforts were directed at bailing out investors, we would not spend a penny on them. The central aim of these programs is to help these economies restore growth and market confidence as quickly as possible, not to bail them or foreign investors out.

Our immediate priority must be the stability of the international financial system. But as we look to the future, we need to put in place mechanisms that prevent future financial crises by continuing our work to modernize the international financial institutions.

Japan and Asia

Q: What is your reaction to the "stimulus package" announced by the Japanese government last week?

A: We have been saying for some time now that it is critical for Japan to take additional policy steps to strengthen domestic demands, and that remains our position today.

Achieving solid, domestic demand-led growth in Japan would be an important contribution towards the economic recovery of other Asian nations.

We are evaluating the proposals on deregulation, financial stabilization, and other measures that were announced in the package.

Q: Do you support the Japanese proposals for measures to support the Asian economies?

A: As we have said consistently, the key to restoring financial stability and economic growth in the affected economies lies in the adoption and maintenance of sound economic policies by those countries themselves. In this regard, adherence to IMF adjustment programs is critical.

We have been discussing with Japan and other G-7 countries proposals to ensure that affected Asian countries can obtain trade financing for imports from our countries. Secretary Rubin will be discussing these ideas, as well as the overall situation in Asia, with his counterparts in London this weekend.

Q: Has Japan done enough to restore stability in Asia ?

A: The most important contribution that Japan can make to restore stability and growth in Asia is to take the steps necessary to strengthen domestic demand, deregulate its economy, and open it up to imports. The Japanese government itself has acknowledged that it has not met its own objective of stimulating growth led by domestic demand.

Economic Impact

Q: How much of an impact will the Asia crisis have on America's economy?

A: The American economy remains sound and strong, and the President wants to keep it that way. Growth is strong, wages are rising, private investment is booming, inflation is low, the deficit is on track to be eliminated, and unemployment last year hit its lowest level in 24 years.

But because the turmoil in Asia will have an impact on all the world's economies, including ours, making that negative impact as small as possible is the right thing to do for America -- and the right thing to do for a safer world.

That is why the United States has been at the center of the international effort to reestablish stability and confidence in the region as soon as possible.

Moral Hazard

Q: But, aren't you concerned that bailing out investors now will create a moral hazard problem that will encourage people to make bad investments knowing that the government will come to their rescue no matter what happens?

A: It is important to recognize that many investors have lost a lot of money in these countries. Between currency volatility and stock market declines, some have estimated

that foreign stock investors have lost nearly three-quarters of the value of their holdings. And this week, Standard and Poor forecast that European banks alone could face losses of \$20 billion on their lending to Asia. (Source: Speech by Stanley Fischer, Deputy Managing Director, IMF and Larry Summers Testimony)

Our immediate priority must be to ensure the stability of the international financial system. But as we look to the future, we need to put in place mechanisms that prevent future financial crises by discouraging risky investment behavior. For that reason, we will continue working with other major countries to make sure that architecture of the international financial institutions evolve to make it as modern as the marketplace itself.

Regional Collapse

Q: What is your assessment of the financial situation in Asia? Are you still concerned it might spiral out of control?

A: Several economies in the region are experiencing serious financial and economic difficulties. The Asia-Pacific region is important to us; we have substantial economic and security interests in seeing a return of confidence and stability as soon as possible.

Asian countries are our customers, our competitors and our security partners. First, they make better customers when the region is stable and growing. Second, American workers and companies have a strong stake in making sure that our competitors do not need to cut their export prices in order to climb out of this depression. And third, after fighting three wars in the region in this century, America has a strong interest in seeing these countries remain stable and reliable security partners.

For all these reasons, we must encourage these countries to take action to put their economies on a sounder financial footing. Our efforts are based on two common-sense principles:

- 1.) We stand ready to help those who help themselves. The centerpiece of any stabilization effort must revolve around efforts these countries undertake themselves to fight corruption, clean up their banking systems and open up their economies.
- 2.) For those countries who are moving aggressively to address their problems, we will work with the international community to extend loans that give them breathing space while they get back on their feet.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Sylvia M. Mathews (CN=Sylvia M. Mathews/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 3-MAR-1998 19:33:02.00

SUBJECT: Daily Conference Call on ISTE A

TO: Demond T. Martin (CN=Demond T. Martin/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

Please put on my schedule as an FYi. thanks.

----- Forwarded by Sylvia M. Mathews/WHO/EOP on 03/03/98

05:49 PM -----

Gay L. Joshlyn

03/03/98 04:00:41 PM

Record Type: Record

To: See the distribution list at the bottom of this message

cc: See the distribution list at the bottom of this message

Subject: Daily Conference Call on ISTE A

The ISTE A bill will be on the Senate floor for much of the next several weeks. To better share information and help coordinate the Administration's actions during this time, Dorothy Robyn of the NEC will hold a daily conference call at 10 a.m., beginning tomorrow, Wednesday, March 4. The number for the call is (202) 757-2104 and the code is 3939. Please designate someone from your office to participate in the call who can provide the latest and best information about amendments, vote counts, actions your principal is taking, etc.

If you have any questions, please call me at 456-2801.

Message Sent

To:

Jon P. Jennings/WHO/EOP

Jeffrey A. Frankel/CEA/EOP

Shelley N. Fidler/CEQ/EOP

Linda Lance/CEQ/EOP

Sylvia M. Mathews/WHO/EOP

Cynthia A. Rice/OPD/EOP

Lynn G. Cutler/WHO/EOP

Jeffrey A. Forbes/WHO/EOP

Tracey E. Thornton/WHO/EOP

Michael Deich/OMB/EOP

David E. Tornquist/OMB/EOP

Ron Klain/OVP @ OVP
David R Thomas/OVP @ OVP
Jonathan Weiss/OVP @ OVP
Morley A. Winograd/OVP @ OVP
Richard L. Hayes/WHO/EOP
Ann F. Lewis/WHO/EOP
Thurgood Marshall Jr/WHO/EOP

Message Copied

To:

Lisa D. Branch/CEA/EOP
CONNELL_B @ AI @ CD @ VAXGTWY
Demond T. Martin/WHO/EOP
Mona G. Mohib/WHO/EOP
Suzanne Dale/WHO/EOP
Patricia E. Romani/OMB/EOP
Jennifer R. Muller/OVP @ OVP
Ruby Shamir/WHO/EOP

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Barry J. Toiv (CN=Barry J. Toiv/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 3-MAR-1998 12:17:34.00

SUBJECT: Re: Asia and Revised ISTE A Guidance

TO: Darby E. Stott (CN=Darby E. Stott/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

Didn't work for me.

Darby E. Stott 03/03/98 12:02:04 PM

Record Type: Record

To: Barry J. Toiv/WHO/EOP

cc:

Subject: Asia and Revised ISTE A Guidance

Maybe this will work. Revised ISTE A is coming.

----- Forwarded by Darby E. Stott/WHO/EOP on 03/03/98
12:01 PM -----

Jake Siewert

03/03/98 11:31:31 AM

Record Type: Record

To: Barry J. Toiv/WHO/EOP, Darby E. Stott/WHO/EOP

cc: Russell W. Horwitz/OPD/EOP, Jonathan A. Kaplan/OPD/EOP

Subject: Asia and Revised ISTE A Guidance

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

ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D5]MAIL49023516P.026 to ASCII,

The following is a HEX DUMP:

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

ASIA FINANCE

March 3, 1998

Indonesia

Q: What message did Mondale deliver to Soeharto from President Clinton?

A: The President asked former Vice President Walter Mondale to travel to Jakarta as his personal representative to follow up on discussions between President Clinton and President Soeharto on the situation facing that country.

Former Vice President Mondale met with President Soeharto earlier today. He underscored our that strong, demonstrable commitment to full and sustained implementation of the economic reforms agreed to with the International Monetary Fund offers the best prospects for restoring financial stability and economic growth in Indonesia.

The success of this effort will depend on President Soeharto placing the full authority of his office behind the economic reforms and exerting the political will necessary to ensure sustained implementation of these measures.

Q: Did Mondale urge Soeharto to undertake democratic reforms?

A: The President asked the former Vice President to discuss both the economic and political situation in Indonesia with President Soeharto, but I am not going to characterize their discussion beyond that.

Q: What is your reaction to Indonesian President's Soeharto's call for an "IMF Plus" program?

A: We continue to believe that forceful implementation of Indonesia's existing IMF program, in both letter and spirit, is essential to the restoration of financial stability in Indonesia.

In particular, Indonesia needs to take firm measures to control the expansion of domestic liquidity and credit to create support for the rupiah.

Strong political support for the spirit of the structural reforms and appropriate macroeconomic measures is also important.

[**Background:** On Sunday, March 1, in a speech to "The People's Consultative

Assembly,” which will elect Indonesia’s President and Vice President on March 11, President Soeharto stated that he has fully implemented the agreed program with the IMF to date. He claimed, however, that the program had been a total failure and that Indonesia now needed an “IMF Plus” program. Although it is not clear what Soeharto meant by an “IMF Plus” program, he is most likely referring to a currency board, which he mentioned in his speech. Evidence is accumulating that Indonesia is off track on important aspects of its program, most particularly its base money targets.]

Q: With Soeharto’s call for an IMF-Plus plan, he seems to have resurrected the idea of creating a currency board. Are you still concerned by Indonesia’s plans to institute a currency board?

A: The best route to restoring confidence in the rupiah is for Indonesia to rigorously implement its IMF reform program, both in letter and in spirit.

As Secretary Rubin has said, once confidence is restored, then it would be possible to judge whether or not a currency board makes sense. But Indonesia must first address the problems that give rise to economic instability and work to re-establish confidence in its financial markets. Then Indonesia would be in a position to face the issue of whether a currency board makes sense.

[**Background:** Implementation of a currency board is premature given the current economic situation in Indonesia. The IMF is pressing Indonesia to state clearly that it has postponed introduction of currency board and would not consider implementing one until the necessary preconditions are in place, and then only in full consultation with the Fund.]

Q: Will the United States back up the IMF’s threat to withdraw support from Indonesia if President Soeharto goes forward with the currency board?

A: I think Secretary Rubin has already spoken to that, and we think that message has been heard. We believe that the key to restoring confidence in Indonesia is vigorous and sustained implementation of the reforms they agreed to in the context of their IMF program. That is the message former Vice President Mondale is carrying to Indonesia.

Q: Is the U.S. concerned about the stability of the Soeharto government? Do you believe Soeharto should step down?

A: Vigorous and sustained implementation of the reforms agreed by Indonesia in conjunction with their IMF program offers the best prospects for restoring confidence.

A presidential selection by the People’s Consultative Assembly is scheduled for March. The question of whether or not President Soeharto should seek re-election is a matter for him to decide, and the choice of Indonesia’s leadership is a matter for Indonesians to decide. What’s important now is that President Soeharto continues to move forward on implementation of the reforms embedded in the IMF plan.

Q: Has the President discussed the issue of a political successor to Soeharto?

A: The President and Soeharto have discussed a number of the challenges facing Indonesia. I do not want to characterize the specifics of those discussions.

Q: Can Indonesia make progress while Soeharto is still in power?

A: President Soeharto has stated that he is committed to the IMF program. We believe that the IMF has put together a strong program for Indonesia. In order for Indonesia to make progress toward economic stability, it is most important that they adhere to the program and continue to implement it on a sustained basis.

Q: What is your reaction to President Soeharto's decision to fire one of his top reformers, Bank of Indonesia Governor Sudradjad Djiwandono?

A: The President has made it quite clear that vigorous and sustained implementation of the reforms in conjunction with their IMF program lends the best prospect of restoring confidence in the Indonesian economy and increasing regional economic stability.

We don't comment specifically on the way in which other governments populate their senior ranks, but I want to reiterate that the President underscored the importance of sticking with the IMF reforms that Indonesia has agreed to in his conversations with President Soeharto recently.

Q: What U.S. interests are at stake in Indonesia?

A: The U.S. has significant economic and security interests at risk in Indonesia and the region. Asia's financial turmoil has direct effects on U.S. exports, economic growth and the prosperity of American workers. Helping restore economic stability and confidence in Indonesia will help secure political stability and peace in the region. A sound economy is also critical to advancing Indonesia's efforts to improve environmental and human rights conditions.

Indonesia's location spanning important sea lanes, its population of 200 million (fourth-largest in the world), and natural resources (notably oil and gas) give it broad strategic value. Indonesia has been a key supporter of a more open regional economy in APEC, and has played a constructive role in the United Nations and the non-aligned movement.

IMF Funding and Congress

Q: Senator McConnell said today that he would separate the New Arrangement to Borrow and the increase in the IMF quota. Can the administration accept that?

A: We believe that Congress should approve both the NAB and the quota increase. We are encouraged that the House Banking Committee has scheduled for this Thursday mark-up

on a bill that funds both, and we hope the bill attracts bipartisan support.

These countries in Asia are our customers. If they sink into recession, they won't be able to buy the goods we'd like to sell them. Second, they're also our competitors. So if their currencies lose their value and go down, then the price of their goods will drop, flooding our market and others with much cheaper goods, which makes it a lot tougher for our people to compete. And, finally, they are our strategic partners. Their stability bolsters our security.

It is important that the IMF have the resources it needs to help countries that are ready to take action to put their economies on a sounder financial footing. Restoring confidence and stability in Asia is very much in America's economic and security interests, and the IMF plays a critical role in the effort to restore confidence.

Our policy is clear: No nation can recover if it does not reform itself. But when nations are willing to undertake serious economic reform, we should help them do it. So the President wants Congress to renew our commitment to the IMF. Ultimately, we think Congress will do what's right. We are pleased that the Congressional leadership has been working closely with us on IMF, and we hope can count on their support.

IMF or Fast Track?

Q: Is the push for IMF funding a higher priority than renewing fast track authority?

A: As the President made clear in the State of the Union this year, it is critical that we both renew fast track authority and that we give international financial institutions the resources they need to restore financial stability to global financial markets.

We are moving ahead with the effort to renew IMF funding now, because America needs to lead the world at this critical juncture. As a practical matter, we are looking at new borrowing authority for the IMF as a first order of priority given the importance the IMF is doing in the region now.

Over the year, we will continue to work with Congress to forge a coalition that can renew fast track trading authority.

Leach Bill

Q: Will you support the Leach bill? Are you willing to push the IMF on reforms (less secrecy, better governance) in order to secure IMF funding?

A: We believe that it is critical that the IMF have the resources it needs to help countries that are ready to take action to put their economies on a sounder financial footing. Restoring confidence and stability in Asia is very much in America's economic and

security interests, and the IMF plays a critical role in the effort to restore confidence. We know that Chairman Leach supports our concerns about Asia and that he, Rep. LaFalce, and their co-sponsors have put forward legislation that supports much-needed funding of the IMF. That bill will come to a vote later this week, and we hope it draws bipartisan support.

Gingrich Proposal on IMF Hearings

Q: Speaker Gingrich has proposed a series of hearings on the IMF this spring to determine whether that institution has outlived its usefulness. Do you think that's a good idea?

A: We believe it is critical to ensure that the IMF has adequate resources to respond effectively if the current problems should spread and intensify -- an outcome we are working vigorously to avoid-- and to deal with future financial crises that may occur,

We are working on a number of issues concerning the operation of the IMF -- including ways to ensure that creditors bear the consequences of their lending decisions, transparency, other crisis prevention measures. Progress on these issues is central to making the international financial framework adequate to the world of 21st century finance, and we are working closely with the Speaker and other congressional leaders on how best to do that. **These are very complicated issues, and we cannot wait to resolve them before we approve the resources the IMF needs.**

Q: What about making the IMF's books more open?

A: We certainly support transparency at the IMF. Secretary Rubin has said that one possibility would be for the IMF to open their books to the General Accounting Office.

Labor and Environment

Q: Why doesn't the administration push to attach labor and environmental conditions to the IMF packages for countries?

A: We have sought to strengthen labor and environmental protections in both the IMF and the World Bank programs, and we will continue to do pursue those important goals. IMF-led programs commit governments to increase transparency and good governance.

We are consulting with Congress about their concerns on this issue. At the same time, we do not want to include anything in this legislation that is counter-productive or unrealistic. We are one of 180 countries that participate in the IMF, and we cannot

include in this legislation things that would affect the sovereignty of individual countries.

Bail Outs

Q: Aren't your critics in Congress at least partially right when they allege that these IMF programs are bailing out investors and corrupt governments?

A: It is important to recognize that many investors have lost a lot of money in these countries:

- Three major U.S. banks -- J.P. Morgan, Chase, and Citibank -- have reported that developments in Asia have had a substantial impact on their profits.
- Between currency volatility and market declines, some have estimated that foreign stock investors have lost nearly three-quarters of the value of their holdings.
- Standard and Poor has forecast that European banks alone could face losses of \$20 billion on their lending to Asia. Already, the largest bank in Germany has set aside \$750 million to cover potential losses on loans to the region.

If these efforts were directed at bailing out investors, we would not spend a penny on them. The central aim of these programs is to help these economies restore growth and market confidence as quickly as possible, not to bail them or foreign investors out.

Our immediate priority must be the stability of the international financial system. But as we look to the future, we need to put in place mechanisms that prevent future financial crises by continuing our work to modernize the international financial institutions.

Japan and Asia

Q: What is your reaction to the "stimulus package" announced by the Japanese government last week?

A: We have been saying for some time now that it is critical for Japan to take additional policy steps to strengthen domestic demands, and that remains our position today.

Achieving solid, domestic demand-led growth in Japan would be an important contribution towards the economic recovery of other Asian nations.

We are evaluating the proposals on deregulation, financial stabilization, and other measures that were announced in the package.

Q: Do you support the Japanese proposals for measures to support the Asian economies?

A: As we have said consistently, the key to restoring financial stability and economic growth in the affected economies lies in the adoption and maintenance of sound economic policies by those countries themselves. In this regard, adherence to IMF adjustment programs is critical.

We have been discussing with Japan and other G-7 countries proposals to ensure that affected Asian countries can obtain trade financing for imports from our countries. Secretary Rubin will be discussing these ideas, as well as the overall situation in Asia, with his counterparts in London this weekend.

Q: Has Japan done enough to restore stability in Asia ?

A: The most important contribution that Japan can make to restore stability and growth in Asia is to take the steps necessary to strengthen domestic demand, deregulate its economy, and open it up to imports. The Japanese government itself has acknowledged that it has not met its own objective of stimulating growth led by domestic demand.

Economic Impact

Q: How much of an impact will the Asia crisis have on America's economy?

A: The American economy remains sound and strong, and the President wants to keep it that way. Growth is strong, wages are rising, private investment is booming, inflation is low, the deficit is on track to be eliminated, and unemployment last year hit its lowest level in 24 years.

But because the turmoil in Asia will have an impact on all the world's economies, including ours, making that negative impact as small as possible is the right thing to do for America -- and the right thing to do for a safer world.

That is why the United States has been at the center of the international effort to reestablish stability and confidence in the region as soon as possible.

Moral Hazard

Q: But, aren't you concerned that bailing out investors now will create a moral hazard problem that will encourage people to make bad investments knowing that the government will come to their rescue no matter what happens?

A: It is important to recognize that many investors have lost a lot of money in these countries. Between currency volatility and stock market declines, some have estimated

that foreign stock investors have lost nearly three-quarters of the value of their holdings. And this week, Standard and Poor forecast that European banks alone could face losses of \$20 billion on their lending to Asia. (Source: Speech by Stanley Fischer, Deputy Managing Director, IMF and Larry Summers Testimony)

Our immediate priority must be to ensure the stability of the international financial system. But as we look to the future, we need to put in place mechanisms that prevent future financial crises by discouraging risky investment behavior. For that reason, we will continue working with other major countries to make sure that architecture of the international financial institutions evolve to make it as modern as the marketplace itself.

Regional Collapse

Q: What is your assessment of the financial situation in Asia? Are you still concerned it might spiral out of control?

A: Several economies in the region are experiencing serious financial and economic difficulties. The Asia-Pacific region is important to us; we have substantial economic and security interests in seeing a return of confidence and stability as soon as possible.

Asian countries are our customers, our competitors and our security partners. First, they make better customers when the region is stable and growing. Second, American workers and companies have a strong stake in making sure that our competitors do not need to cut their export prices in order to climb out of this depression. And third, after fighting three wars in the region in this century, America has a strong interest in seeing these countries remain stable and reliable security partners.

For all these reasons, we must encourage these countries to take action to put their economies on a sounder financial footing. Our efforts are based on two common-sense principles:

- 1.) We stand ready to help those who help themselves. The centerpiece of any stabilization effort must revolve around efforts these countries undertake themselves to fight corruption, clean up their banking systems and open up their economies.
- 2.) For those countries who are moving aggressively to address their problems, we will work with the international community to extend loans that give them breathing space while they get back on their feet.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Nanda Chitre (CN=Nanda Chitre/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 3-MAR-1998 12:00:30.00

SUBJECT: DUI

TO: Darby E. Stott (CN=Darby E. Stott/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

Did you get this?

----- Forwarded by Nanda Chitre/WHO/EOP on 03/03/98 12:00
PM -----

Leanne A. Shimabukuro

03/03/98 11:08:42 AM

Record Type: Record

To: Nanda Chitre/WHO/EOP

cc:

Subject: DUI

FYI: Yesterday, I spoke with Dorothy Robyn at NEC about some background Q&A on ISTEA reauthorization for you all. She said she would provide something through Jake Siewart. I thought that maybe this could come up -- you should check with Jake if you think you are going to need something.

Thanks,
Leanne

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Dorothy Robyn (CN=Dorothy Robyn/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 3-MAR-1998 18:47:39.00

SUBJECT: Re: ISTEА/DBE

TO: Peter Rundlet (CN=Peter Rundlet/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

sure; i sent memo to sylvia abt. call; that's best way for you to stay on top w/out spending a lot of time running around. leg. affairs has the lead, so i'm always playing catch up myself.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jake Siewert (CN=Jake Siewert/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 3-MAR-1998 10:45:48.00

SUBJECT: ISTEa Guidance

TO: Barry J. Toiv (CN=Barry J. Toiv/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Darby E. Stott (CN=Darby E. Stott/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TEXT:

===== ATTACHMENT 1 =====
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D26]MAIL400054166.026 to ASCII,
The following is a HEX DUMP:

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

ISTEA
March 3, 1998

Overall Bill

Q: What is the Administration's reaction to the agreement reportedly reached in the Senate to spend \$173 billion on highways over the next 6 years?

A: As the President told the Governors last week, he would support spending on highways, highway safety, and transit above that in his own budget if and only if it could be done within the budget caps. At the same time, this increased spending cannot come at the expense of the President's other priorities.

We are pleased that this agreement appears to stay within the budget caps. We will continue to consult with Congress to ensure that the increased transportation spending will be offset without undermining the President's other priorities.

The President is disappointed that the entire increase is earmarked for highway programs, with no additional funding for mass transit. Transit reduces congestion, improves the environment, and provides mobility for millions of Americans. We believe it should receive an equitable share of any increase in overall transportation funding.

Disadvantaged Businesses

Q: Will the President veto the ISTEA bill if it doesn't continue the Disadvantaged Business Enterprise (DBE) program?

A: Although it is still fairly early in the legislative process, I can assure you that there is no issue in the ISTEA debate about which the President feels more strongly. The Department of Transportation's DBE program provides expanded economic opportunity for people who have been effectively shut out of the construction contracting process until recently. It is a good and necessary program, and the President wants to see it continued.

The Administration believes that the current program is constitutional. However, in response to the Supreme Court's decision in *Adarand* and the President's "mend it, don't end it" directive, we have already proposed administrative revisions to the program to make sure that it is fair, flexible and effective.

[Background: The DBE program does not impose quotas or set-asides of any kind, nor does it allow any unqualified firms to receive contracts. It simply sets a flexible, national goal: that 10% of highway and transit funds be used for services provided by women and minority owned firms.

The program was enacted in 1983 under President Reagan, in response to extremely low participation by minorities in federally assisted highway construction contracting; women were added also under Reagan in 1987.

The Justice Department has made clear that the program is constitutional.

And the Administration strongly believes that it is still necessary. Data from states shows that when individual state DBE programs are ended, participation by women and minorities plummets, as many prime contractors return to their earlier exclusionary practices.]

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Peter Rundlet (CN=Peter Rundlet/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 4-MAR-1998 09:49:48.00

SUBJECT: NEXTEA/SBA Update

TO: Sylvia M. Mathews (CN=Sylvia M. Mathews/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

CC: Demond T. Martin (CN=Demond T. Martin/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TEXT:
Sylvia,

As you know, we are following the Senate's debate on the DBE program within ISTEA and holding off of our SBA/benchmarks roll-out until after the Senate votes on DBE. I have been attending meetings and participating in conference calls sponsored by Leg Affairs in order to stay on top of where it is. McConnell's amendment -- the language of which is still not clear -- may be voted on today, although we don't know yet. Apparently, there are more than 200 amendments to the legislation that need to be voted on, and McConnell appears to be waiting until he has a clearer sense of where his colleagues are before presenting his amendment. I will continue to monitor this and let you know as soon as there is any news to report.

In the meantime, we are holding off on SBA. Originally, we were scheduled to announce on Monday. Now it appears that we won't announce until the week after next, at the soonest (once the DBE debate ends, we have to brief the Cabinet and Hill). Because the Russians will be in town next week, the VP would not have been able to participate in a roll-out then, anyway.

Before you left for California, we were in a debate over whether and how to bundle the SBA/benchmarks announcement with the Mentoring Program and HUBZones announcements. Although the VP's office was not especially vocal at that meeting, they appear to be backing away from doing a joint announcement with SBA/benchmarks. I am told by Richard that they are thinking about announcing the HUBZones in DC on March 26 and the Mentoring Program in LA on April 1. Trooper called me last night to mention their concerns about the type of rollout and said that Susan Liss was trying to contact you about it.

If it is possible, I think that we should do what we can to bundle the announcements, and this appeared to be the consensus among the group when we last talked. You may want to touch base with Susan Liss about this, as I fear they are backing away. Similarly, I understand Rubin (or his staff) is reluctant to be involved in a joint announcement.

I don't think we need another large meeting until after the DBE issue is

resolved, but I am concerned about the Vice President and losing the other announcements. If it would be helpful, we could call a smaller (and brief) meeting with Gene, Elena, Minyon, Richard, Counsel's office, Sally Katzen, and Ann Lewis to decide how important it is that we link the announcements.

Please let me know what you want me to do beyond staying on top of the legislative situation for now.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Virginia N. Rustique (CN=Virginia N. Rustique/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 4-MAR-1998 13:13:02.00

SUBJECT: istea potus memo

TO: Jeffrey A. Forbes (CN=Jeffrey A. Forbes/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Tracey E. Thornton (CN=Tracey E. Thornton/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

CC: Janelle E. Erickson (CN=Janelle E. Erickson/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

faxing you copy of memo submitted to potus this morning re: istea.

larry used paper from steve palmer

ebb requested it -- says potus and kennedy talked last night

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jeffrey A. Forbes (CN=Jeffrey A. Forbes/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 4-MAR-1998 08:31:10.00

SUBJECT: Re: Mtg

TO: Jessica L. Gibson (CN=Jessica L. Gibson/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

if we could try to do it early or late so i am not on the hill w/ ISTE
that would be great.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Peter Rundlet (CN=Peter Rundlet/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 4-MAR-1998 15:08:34.00

SUBJECT: DBE/ISTEA

TO: Sylvia M. Mathews (CN=Sylvia M. Mathews/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

CC: Demond T. Martin (CN=Demond T. Martin/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

I spoke with Jeff Forbes in Leg Affairs this afternoon and he said that the head count on McConnell's amendment is tight and that it is expected to be debated for 8 hours. The vote should come late tonight or tomorrow before noon.

I'll update you as I learn more.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Ruby Shamir (CN=Ruby Shamir/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 4-MAR-1998 08:39:56.00

SUBJECT: Daily Conference Call on ISTE A

TO: Stacie Spector (CN=Stacie Spector/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

Ann does not think this is something that she or you need to do. She is hoping that Chandler can start doing this, or she wanted to know if you could ask Kev to get on these calls [she said she would run through the message with him]. Let me know if I can help.

----- Forwarded by Ruby Shamir/WHO/EOP on 03/04/98 08:37

AM -----

Gay L. Joshlyn

03/03/98 04:00:41 PM

Record Type: Record

To: See the distribution list at the bottom of this message

cc: See the distribution list at the bottom of this message

Subject: Daily Conference Call on ISTE A

The ISTE A bill will be on the Senate floor for much of the next several weeks. To better share information and help coordinate the Administration's actions during this time, Dorothy Robyn of the NEC will hold a daily conference call at 10 a.m., beginning tomorrow, Wednesday, March 4. The number for the call is (202) 757-2104 and the code is 3939. Please designate someone from your office to participate in the call who can provide the latest and best information about amendments, vote counts, actions your principal is taking, etc.

If you have any questions, please call me at 456-2801.

Message Sent

To:

Jon P. Jennings/WHO/EOP

Jeffrey A. Frankel/CEA/EOP

Shelley N. Fidler/CEQ/EOP

Linda Lance/CEQ/EOP

Sylvia M. Mathews/WHO/EOP

Cynthia A. Rice/OPD/EOP

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David R Thomas/OVP @ OVP
Jonathan Weiss/OVP @ OVP
Morley A. Winograd/OVP @ OVP
Richard L. Hayes/WHO/EOP
Ann F. Lewis/WHO/EOP
Thurgood Marshall Jr/WHO/EOP

Message Copied

To:

Lisa D. Branch/CEA/EOP
CONNELL_B @ AI @ CD @ VAXGTWY
Demond T. Martin/WHO/EOP
Mona G. Mohib/WHO/EOP
Suzanne Dale/WHO/EOP
Patricia E. Romani/OMB/EOP
Jennifer R. Muller/OVP @ OVP
Ruby Shamir/WHO/EOP