

RECORD TYPE: PRESIDENTIAL (TRP NOTES MAIL)

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

CREATION DATE/TIME:14-JAN-1997 16:26:24.00

SUBJECT: Mayor issues

TO: Cabinet Affairs ( Cabinet Affairs [ UNKNOWN ] )

READ:UNKNOWN

TO: Stefanie Sanford ( CN=Stefanie Sanford/OU=WHO/O=EOP @ WHO [ WHO ] )

READ:UNKNOWN

TEXT:

MEMORANDUM TO: Kitty Higgins

Secretary to the Cabinet

The White House

FROM: Katherine Archuleta

Chief of Staff

SUBJECT: Background Information - Conference

of Mayors

DATE: January 14, 1997

Following are transportation issues that may be brought to the Presidents attention at his meeting with Mayors. Please note that while the Mayor of Los Angeles is not listed as attending the meeting, the issues we discuss are of major significance: the Revenue Diversion issue may have national impact. Please contact me or Judi Gold at 366-9497 if you have any questions.

## Airport Revenue Diversion - Los Angeles

With the Secretary's approval, the FAA issued a Notice of Investigation into the September transfer of \$31.1 million from the airport account of the City of Los Angeles to the City's general account. Federal law requires that all revenue generated by an airport must be used for airport purposes. The Notice, which implemented FAA's new and expedited procedures for resolving federal grant compliance issues, gave the City 30 days to respond as to why all or part of that transfer does not constitute unlawful airport revenue diversion under federal grant assurances, and to make good faith efforts to resolve the matter informally. The Secretary has spoken personally with Mayor Riordan. Presently, the FAA is waiting for the City's response to FAA questions asked during those meetings.

During his first Mayoral race, Mayor Riordan campaigned on transferring funds from the airport to the City's general fund, and FAA action on this matter will be monitored by other cities. Other city governments are watching this issue closely, as local governments have long desired more flexibility in the use of airport revenues.

## Red Line Subway - Los Angeles

Mayor Richard Riordan is a first vice chair of the Board of Directors of the Los Angeles County Metropolitan Transportation Authority (LACMTA) and appoints three of the remaining 12 members. The Board has been responding to concerns from Secretary Peña and FTA Administrator Gordon Linton to bring its federally-funded subway construction back on schedule and within budget. Parts of the project are between two and nine years behind schedule. At DOT's urging, the Board on January 10 adopted a Code of

Conduct to limit Board member involvement in procurement and personnel matters. The Board has also entered into a Federal court consent decree to provide greatly enhanced bus service and lower fares on the bus system. These issues have created daily intense media coverage throughout the region and are attracting coverage from national media. One of Mayor Riordan's major opponents in the April 1997 election, California State Senator Tom Hayden, promises to make transportation and specifically these issues involving the Los Angeles MTA a major theme of his campaign

#### Alameda Corridor - Long Beach and Los Angeles

This Friday, the Department will sign a \$400 million loan agreement for the Alameda Corridor project. This is an essential piece of a \$2 billion total financial package that will ensure that the Ports of Long Beach and Los Angeles can grow to meet the demands of our nation's increased trade with the Pacific Rim. Long Beach Mayor Beverly O'Neill and Los Angeles Mayor Richard Riordan have been extremely supportive of the project and will meet with the Secretary at 10:30 a.m. to celebrate the loan closing. The loan is an innovative approach for meeting the specific needs of a major infrastructure project that has clear national benefits and will create 10,000 jobs in order to build it by the year 2001.

#### Freighter Crash - New Orleans

The freighter BRIGHT FIELD, which struck a wharf in New Orleans on December 14, was successfully moved to an anchorage area on January 6. Coast Guard personnel monitored the movement throughout and have also reopened the river to all marine traffic. The Coast Guard reconvened its Marine Board of Investigation on January 6.

### Meigs Field - Chicago

On January 6, Mayor Daley announced that the City of Chicago and the State of Illinois have reached an agreement to keep Meigs Field open for a five-year period, at which point it would become a park. This followed several months of litigation and discussion following the Mayor's announcement in mid-1996 of plans to turn the site into a park, and the subsequent September closure of the airport. FAA will work closely with the city to provide air traffic control services promptly at the newly re-opened airport.

### Relocation of Coast Guard Base - Chicago

The USCG Air Facility in Glenview, IL (just outside Chicago) was closed for the season on November 15. The Coast Guard plans to relocate the facility to Muskegon, MI. Mayor Daley and other city officials have expressed strong concern that the relocation will jeopardize USCG response time to recreational boating accidents.

The FY97 DOT Appropriations Conference language directed the Coast Guard to provide data to the House and Senate Appropriations Committees demonstrating that the relocation of CG Air Facility Glenview to Muskegon, Michigan will not adversely affect boating safety in Southern Lake Michigan. The DOT response was sent January 3, 1997 indicating the facility will be moved.

BRAC action in 1993 recommended Naval Air Station Glenview for closure.

The CG was prepared to operate a seasonal air facility out of the existing

facility, however, the CG's plans were not compatible with those of the Village of Glenview Re-use Committee. Consequently, the CG was asked to leave Glenview.

Most state and local officials appear satisfied with the final outcome, however Mayor Daley may continue to express safety concerns.

#### Aviation Security

Mayor Victor Ashe (Knoxville) has expressed strong concern that there is not sufficient local representation on the Aviation Security Commission headed by Vice President Gore. The Mayor has written to the Secretary and has had conversations with the Deputy Secretary and other DOT staff. He has also been in contact with the National Performance Review. He is extremely adamant that since local governments operate most airports, there should have been a larger percentage of local government representation on the Gore Commission.

Mayor Ashe is now urging the Secretary and Congress to include local government representation on the National Civil Aviation Review Commission (NCARC). The Mayor believes appointments to NCARC will make up for the omission of local government representation on the Gore Commission, but that excluding local governments on NCARC would be a serious mistake. He has implied that this question may be raised during confirmation hearings for Rodney Slater.

#### Salt Lake City - Light Rail

Salt Lake City, the Utah DOT and USDOT entered into a Full Funding Grant Agreement to begin a light rail project in that City. Since that time,

the City Council has approved the project and an alignment for the light rail. Mayor Corradini is extremely concerned that the Utah Transit Authority (UTA) may not vote to approve the alignment as approved by the City and that the Governor has not been supportive of the project. If UTA does not accept the project as approved by the City, the light rail project will be delayed (if not canceled) which will severely impact Olympic facilities.

The Mayor has talked with DOT principals about the need to make the Governor aware that delay of the LRT may also delay construction of I-15. I-15 is a major priority for the Governor. The Federal Transit Administration did write to the Utah DOT expressing this linkage, but the Mayor is adamant that the letter must come from Federal Highways in order to affect the Governor. As of January 14, the Secretary's office and FHWA have been working to draft a suitable letter.

Grace Memorial/Silas Pearman Bridges over Cooper River - Charleston, SC

Funding for these two bridges are the highest priorities for the City and State. The principal barrier to the replacement is the need for funding. The total cost is in excess of \$400 million and to date no secure source of funding has been identified. While Congress has directed the Department to give priority designation to the facility, to date, the State has not made a formal request to FHWA for bridge discretionary funds and FHWA cannot provide funds without a request. The State is reviewing innovating financing, including the use of tolls, which are seriously opposed locally.

Paseo Del Norte - Albuquerque

The proposed Paseo del Norte route is a principal east-west arterial across an urban area north of Interstate 40. Both the Middle Rio Grande Council of Governments and the City of Albuquerque are strong advocates of this project as being a critical element of Albuquerque's transportation system. The project is a major, political transportation issue in the city.

The extension would cross the Petroglyph National Monument at a cost of approximately \$12.6 million. There is extensive opposition to the project from environmental groups, the Pueblos of Sandia and Isleta, the Southern Pueblos Governors Council and the National Park Service. The National Park Service has also opposed routing the arterial through the Monument. Department of Interior Secretary Bruce Babbitt has been personally involved on this issue.

In 1994, Albuquerque Mayor Martin Chavez (D) met with Secretary Babbitt and Secretary Peña to discuss possible Park Service funding for a study of the facility, including an alternative for a tunnel under the monument. Senator Pete Domenici (R-NM) at one time was considering sponsoring a Bill for a roadway across the monument.

Although the proposed route is on the National Highway System, it has not been proposed as a Federal-aid project. The city has completed an environmental impact statement and a record of decision was issued in December 1993. Alternatives have been studied and considered. All the alternatives involve significant cost increases due to existing commercial development, wetlands, and new residential development.

A news article in the December 6, 1996 Albuquerque Journal notes that the final draft of the Petroglyph National Monument Management Plan issued by NPS does not include extending Paseo Del Norte through the monument. City officials have stated that the plan does not address concerns raised by booming development on Albuquerque's West Side.

## Overall Issues

### ISTEA Reauthorization

The Mayors have focused on reauthorization of ISTEA as a high priority and they have pressed the need for increased funding.

Increased funding and increased flexibility for Congestion Mitigation Air Quality (CMAQ) funds. They would like CMAQ funds to not only assist localities in non-attainment for air quality, but for areas that have achieved attainment - are in maintenance areas and need CMAQ funds to continue to be in compliance. Mayor Campbell of Atlanta has been a leader on this issue.

Increased funding for transit operating assistance. Current Administration proposals call for elimination of this program. Mayor Rendell of Philadelphia has been a leader on this issue.

Mayors have also consistently pushed for sub-allocations directly to cities or at least to their Metropolitan Planning Organization (MPO). The current ISTEA proposal continues the existing sub-allocation, but mayors may push for more funds directly to cities and less through the states.

RECORD TYPE: PRESIDENTIAL (TRP NOTES MAIL)

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

CREATION DATE/TIME:22-JAN-1997 12:29:40.00

SUBJECT: NGA information - sorry for the delay

TO: Cabinet Affairs ( Cabinet Affairs [ UNKNOWN ] )

READ:UNKNOWN

TO: Stefanie Sanford ( CN=Stefanie Sanford/OU=WHO/O=EOP @ WHO [ WHO ] )

READ:UNKNOWN

TEXT:

MEMORANDUM TO: Kitty Higgins

Secretary to the Cabinet

The White House

FROM: Katherine Archuleta

Chief of Staff

SUBJECT: Background Information -

National Governors Association

DATE: January 22, 1997

For the first time in four years, the National Governors Association (NGA)

has transportation as a lead issue for its Washington Winter Meetings.

The following are transportation issues which may be brought to the

Presidents attention. Please contact me or Assistant Secretary Steven

Palmer at 366-4573 if you have any questions.

ISTEA Reauthorization:

The authorizing legislation for the Intermodal Surface Transportation Efficiency Act (ISTEA) is set to expire on September 30, 1997. The Administrations proposal for reauthorization of ISTEAs highway, transit, rail and related safety programs is expected to be cleared for release by OMB in late February.

Of major interest to the Governors will be the Administrations proposed funding levels for ISTEA reauthorization. Although the budget proposals are not public yet, the Governors are concerned that the Administration will propose lower levels than the Highway Trust Fund is able to support and than they view as necessary. When the budget is released, it is likely the Governors will have two related concerns:

The Departments proposal for FY 1998 and the remaining years of ISTEA reauthorization -- basically the enacted level for FY 1997 -- will be viewed as flat, not the increase in spending they would like to see. Our position will be that we are maintaining the substantial increase in Federal investment in transportation infrastructure that has occurred during the Presidents first term.

The cash balance in the Highway Trust Fund will increase significantly under our proposals -- from \$23 billion at the end of this fiscal year to \$48 billion by the end of FY 2003, money they will view as user fees remaining unspent.

It has become clear that NGA has not yet reached a consensus on ISTEA. A

December multi-governor letter to the Department asks specifically for reauthorization without significant change, rejecting a major overhaul.

The co-signers of that letter were from CT, DE, IL, MA, ME, MD, NH, NJ, NY, PA, PR, RI, UT, VT, WA, and WV.

Many States support the STEP 21 (Streamlined Transportation Efficiency Program for the 21st Century) Coalition proposal which guarantees States a 95% return on the federal fuel taxes sent to Washington, D.C.

The Governors of Ohio, California, Michigan and South Carolina have endorsed a federal gas tax turnback proposal being championed by House Budget Committee Chairman John Kasich which would rollback federal gas taxes and give the States the option to reinstate them as State taxes.

This proposal, also sponsored by Senator Mack of Florida, would shift all but a small portion of surface transportation responsibilities back to the States and all but eliminate the revenue from this source. Governor Chiles has expressed interest in this concept as well.

#### Aviation Funding:

The Governors are concerned over the future of the Airport Improvement Program (AIP), particularly in light of the December 31, 1996, expiration of the aviation ticket tax and other aviation taxes. During the last year Governor Edgar of Illinois has been the lead for NGA in expressing concern that the airport trust fund may be depleted unless the aviation taxes are renewed or alternative funding measures are agreed to by Congress.

According to DOT sources, the trust fund may be depleted by July.

#### AMTRAK Authorization:

In the last Congress, the Administration submitted an AMTRAK authorization proposal which would have provided significant financial resources for intercity passenger rail, as well as the authority to restructure the corporation. Currently, several options are being considered toward a final resolution.

The Northeastern Governors are strong supporters of intercity passenger rail service and are also particularly interested in the outcome of AMTRAK authorization. The Governor Carper of Delaware is particularly supportive of establishing a dedicated trust fund for Amtrak capital expenditures.

#### State Infrastructure Banks (SIBs)--Second Phase:

State Infrastructure Banks, proposed by the Administration and approved by Congress in the National Highway System Act, were approved in 1996 for 10 pilot states (AZ, CA, FL, MO, OH, OK, OR, SC, TX, and VA). Applications involving an additional 27 states and Puerto Rico have been received and are currently being reviewed. Decisions on some of these new applications are expected to be made in February. (The 27 states are: AK, CO, DE, GA, IA, IL, IN, LA, MA, ME, MI, MN, NM, NC, NJ, NY, PA, RI, UT, VT, WA, WI, and multi-state applications from SD/ND/WY and TN/AR.) The Administration's ISTEA reauthorization proposal is likely to expand SIBs to all states. This innovative financing technique leverages additional investment and is proving popular nationally.

#### Truck Size and Weight Standards:

Pursuant to NAFTA negotiations are ongoing regarding truck weight and dimension requirements of the United States, Canada, and Mexico.

The Department is conducting a comprehensive study of truck size and weight, examining safety, infrastructure, economic, environmental, and modal impacts of different truck configurations. On behalf of the NGA, and as an issue of concern to nearly all States, Governors Schaffer (ND) and Patton (KY) have written to the Secretary requesting that states have an opportunity to review a draft report of the study before it is transmitted to Congress. The Secretary has responded that the Department will provide the results of technical analysis and reports that are components of the study for review and comment.

#### International Aviation Issues:

Governors have traditionally contacted the Department on current issues involving international air transportation.

U.S.-U.K. Aviation Relations Although the actual negotiations for bi-lateral agreements are kept

secret, the general merits may be discussed which the negotiations are

in process. This differs from the U.S.-Toronto Case and the U.S.-Japan Case because these negotiations for new bi-lateral agreements have been completed by signing agreements between the two countries; and now, the Department is in the docket process which allows various airlines to apply for the additional routes. It is during this docket

process that under Department rules and an Executive Order, Executive Branch officials may not discuss the merits of the pending request with interested persons.: U.S. and U.K. authorities have again begun negotiating an open-skies aviation relationship; however, the British Government has not yet agreed to all the elements that the U.S. considers essential. The next round of negotiations is scheduled to begin on February 4 in Washington. American Airlines and British Airways have requested antitrust immunity for an operating alliance that includes broad-ranging integration of their respective transatlantic services. Such an arrangement cannot be considered given the restrictive nature of the U.S.-U.K. aviation relationship. In light of the proposed alliance, the British have indicated a willingness to liberalize the current restrictive air services regime.

The Governors of California, Colorado, Missouri, North Carolina, New York/ New Jersey, Pennsylvania, Tennessee, and Texas have expressed interest in the ongoing negotiations with the British Government. Additionally, the Governors of Missouri, North Carolina, New York/New Jersey, and Texas have indicated strong preferences for additional London-Heathrow service from their states.

## ENDNOTES

1. Although the actual negotiations for bi-lateral agreements are kept secret, the general merits may be discussed which the negotiations are in process. This differs from the U.S.-Toronto Case and the U.S.-Japan Case because these negotiations for new bi-lateral agreements

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with interested persons.

RECORD TYPE: PRESIDENTIAL (TRP NOTES MAIL)

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

CREATION DATE/TIME:19-MAR-1997 12:48:37.00

SUBJECT: announcements

TO: Cabinet Affairs ( Cabinet Affairs [ UNKNOWN ] )

READ:UNKNOWN

TO: Ronda H. Jackson ( CN=Ronda H. Jackson/OU=WHO/O=EOP @ WHO [ WHO ] )

READ:UNKNOWN

TEXT:

MEMORANDUM TO STEVE SILVERMAN CABINET AFFAIRS

FROM: Jacqueline Lowey

Deputy Chief of Staff

SUBJECT: Potential Announcements

DATE: March 19, 1997

Following are Department announcements through April 30 which could have

White House involvement. Please contact me if you have any questions.

Possible Events

Safety Proposal: Possible

Dates: Beginning of April

Background: The Department is developing a second part of the

NEXTEA roll out to be included as its own title in the NEXTEA legislation

Presidential or Vice Presidential involvement will continue the commitment to transportation as shown at the roll out on March 12 at OEOB and will also enhance the Administrations commitment on safety issues.

MOU with Mexico on Drug and Alcohol Testing      Possible Dates:

April 11

Background:    The Department is currently negotiating a MOU with the Mexican government regarding Drug and alcohol testing for all truck and bus drivers that cross the border to the US . This document has been in the works since last summer and has taken on new significance in the light Mexican drug certification issues.

The goal is to have the two transportation secretaries sign the agreement on April 10 at the bilateral meeting and then report to the Presidents of both countries for their meeting scheduled for April 11.

DC Primary Seat Belt Law

Possible Dates: April 30

Background:      The District of Columbia passed a major seat belt law which will go into affect April 1. It will be the strongest seat belt law in the country. On April 30, a breakfast sponsored by DC Buckle Up Coalition to honor those involved in passage of the D.C. primary belt law is being organized. Secretary Slater is being invited as an honoree.

The President or other appropriate White House personnel could attend this

event as part of the commitment to work with DC and the commitment to increase safety.

National Drive Safely Week

Possible Dates:

April 17, 20-26

Background: The Network of Employees for Traffic Safety (NETS) is sponsoring the National Drive Safely week. NETS is comprised of over 200 public and private organizations throughout the country. They have asked for the Secretary to participate in a news conference April 17.

They have requested (and have provided a draft of) a Presidential proclamation, which focuses on promoting safety and a safer environment for all our citizens. While the news conference is scheduled for April 17, the week long events begin April 20. By promoting safe driving at work, the President can show his commitment to the need to combat aggressive driving.

The Presidential Initiative for Increasing Seat Belt Use Nationwide.

Possible

Dates:

Mid-April

Note: This is a follow up from the March 4 memo

Background: On January 23, 1997, the President directed the Department to report to him within 90 days to increase national safety belt use and to reduce the loss of life on Americas roads. This report

was originally scheduled to be delivered to the White House by March 10, but is still in the clearance process. It should be completed by the beginning of April.

The delivery of the report provides an opportunity to amplify the Presidents safety message.

The Presidential Initiative on Drugs, Driving and Youth.

Possible Dates:

At

WH convenience

Note: this is a follow up to our March 4 report.

Background: This initiative was instituted to reduce the incidents of drug use by teens and driving under the influence of drugs, in general. ONDCP and DOT together developed this report to reach the goals stressed by the President. This report was sent to the President on February 23.

The Department continues to be ready to develop a Presidential event for roll out of this report.

Drug Initiative Pilot Program:

Possible Dates: End of April

Background: With completion of the report to reduce drug use by teens (see above) the Department is ready to send out Requests for Proposals (RFPs) seeking states to participate in a pilot program. The program would require testing of teens prior to receiving drivers

licenses.

Operation GULF SHIELD: Possible

Dates:

WH

Convenience

Background: Operation GULF SHIELD, a coordinated counter narcotics efforts, commenced on March 16. The operation provides significant Coast Guard presence in a remote area the of S. Texas Gulf Coast. This operation will also focus on fisheries violations and illegal immigration activities.

A Presidential event would focus on the Administrations commitment to reduce drug traffic and well as the benefits of partnerships between the federal, state and local governments in combating crime.

Commissioning of Coast Guard Cutters IDA Lewis and Willis:

Date: April 12

Background: These two USCG Cutters will be brought into action in Newport, RI.

A Presidential ribbon cutting would amplify the Administrations commitment to the countrys safety, defense and economic security. Coast Guard Commandant Admiral Kramek and Members of Congress are expected to attend.

US- Canada Landmark Agreement: Possible Dates: At White House convenience

Background: Secretary of Transportation Peña and Canada's Transport Minister signed a new, liberal aviation agreement in February 1995 to overcome a restrictive aviation regime that had stifled transborder services for nearly three decades. Within the first year after implementation, it was already clear that the new aviation regime with Canada was stimulating phenomenal improvements in service and increases in travel between the two countries. In early April, DOT will complete its report on the first two years' results under the landmark aviation agreement with Canada.

If the President is still scheduled to meet with the Canadian Prime Minister in April, this would be an excellent opportunity to present the report.

"Open-Skies" Initiatives--Asia and Central America:

Background: Open skies agreements permit unrestricted international air service by the parties' airlines between all the cities of one and all the cities of the other. This maximizes potential competition and facilitates new service through cooperative arrangements among the parties' airlines. In 1995 and 1996, the U.S. open skies initiative produced new, fully liberalized agreements with eleven European countries. DOT expects to make substantial progress in its campaign to conclude bilateral "open-skies" aviation agreements with the United

States' aviation partners in Asia and Central America in the first half of 1997. In Asia, Singapore, Brunei and Taiwan already have initialed agreements, and impending talks with Malaysia and Korea also are expected to succeed. The first such agreement in Central America has been negotiated with Panama; Costa Rica and Honduras will follow soon.

The White House could choose to announce the Honduras agreement and package this with the earlier Central American agreements.

Air Traffic:

Display Channel Complex:Rehost

Possible-Dates: Mid-April

(computer equipment for air traffic

control): At WH Convenience

Background: Testing of the equipment has begun at Leesburg, VA Center. This will modernize the air traffic control system nation wide which will improve safety for air traveler. The system is set to be operational by mid-April.

An event with the President or Vice President at Leesburg for the commissioning would highlight the Presidents safety in the skies commitment and would follow through on the Gore Commission recommendations for increased air passenger safety.

Terminal Doppler Weather Radar:

Covington, Ky April 15

Minneapolis, MN April 22

Tulsa, OK April - date to be determined

Background: TDWR equipment provides terminal weather detection and processing for micorbursts, gust fronts, wind shift and precipitation.

And event with the President, Vice President or other White House staff will show local interest in improved air safety.

#### Grant Announcements

In addition to the above events, we are anticipating some grant announcement which the White House might have an interest in. While many of these would not necessitate a Presidential event, we would like to offer the White House the opportunity to make these announcements via phone calls to the delegations, and state and local officials. Some grants were listed in our previous announcement memo of March 4. Please let us know which announcements you would like to make so that we can proceed with the other grant notifications.

#### Transit Grants:

Tri-County Commuter Rail, Ft. Lauderdale \$11.5 million (1997 earmark)

Funds will provide for the double tracking of seven miles of the Tri-rail system; system and train control improvements and the construction of the Deerfield Beach Station.

MARTA, Atlanta, Georgia \$1.6 million Livable Communities Initiative

Funds will be used for real estate acquisition, demolition, appraisal and

utility relocation in the vicinity of existing MARTA rapid rail stations.

This program is part of the Presidential initiative to provide better mobility to get people to work.

Mass Transit Administration, Maryland \$10.2 million (1997 earmark)

Funds will be used for the construction of three extensions to the Baltimore Central Corridor Light Rail Line. This is the final increment under a Full Funding Grant Agreement.

Massachusetts Bay Transportation Authority, Boston \$29.8million (1997 earmark)

Funds will be used for the South Boston Transitway project which includes the construction of a new transit service from South Station to the World Trade Center. The Department has done two events on this project; one each Senators Kerry and Kennedy. Former Chief of Staff Leon Panetta participated via phone during the Kerry event. The project is located exclusively in Rep. Moakley's district and is of major importance to him.

NJ Transit Corporation \$104.8 million (1997 earmark)

Funds for this project are FY97 earmarked newstart. These funds will be used for the Seacaucus Transfer element of the New Jersey Urban Core Project.

Metropolitan Transit Authority, New York City \$35 million

This is the final increment of the FFGA. The project consists of the connection between the 63rd St tunnel and the Queens Blvd subway line.

AIP Announcements

Memphis, TN Int'l Airport \$ 9,338,302

Construct runway and taxiways; extend taxiways; improve access road  
(construct tunnel) and drainage (Phase IV)

Nashville, TN Int'l Airport 1,678,805

Construct water quality and drainage treatment facilities (Phase III)

Covington, TN Municipal 954,000

Improve runway safety area; construct taxiway (Phase II)

State of Illinois Several Airports 8,188,245 (Block Grant)

Various airport development projects at non-primary airports under  
the State Block Grant Program

Myrtle Beach, SC Int'l Airport 1,452,506

Rehabilitate taxiways

Columbia, SC Metro Airport 1,894,251

Rehabilitate and light runway (Phase II); Construct taxiway

Greer, SC Greenville-Spartenberg 3,591,698

Extend runway (Phase IV)

RECORD TYPE: PRESIDENTIAL (TRP NOTES MAIL)

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

CREATION DATE/TIME:23-APR-1997 14:38:55.00

SUBJECT: Philadelphia has also been faxed. I will be out of the office Thursday afternoon and Friday. If you have something urgent, page me at 1-800 SKY Page Pin 544-2437

TO: Cabinet Affairs ( Cabinet Affairs [ UNKNOWN ] )

READ:UNKNOWN

TO: Stefanie Sanford ( CN=Stefanie Sanford/OU=WHO/O=EOP @ WHO [ WHO ] )

READ:UNKNOWN

TEXT:

MEMORANDUM TO STEVE SILVERMAN CABINET AFFAIRS

FROM: Michael Huerta

Chief of Staff Designate

SUBJECT: Background Information - Philadelphia

DATE: April 23, 1997

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

Transit Funds: FTA has provided approximately \$1,508,919,527 (including \$267,369,765 in STP/CMAQ/ISTEA demonstration funds) from 1992 to the present to support mass transit in the Commonwealth of Pennsylvania.

This total includes \$762,530,204 in discretionary funds, \$702,973,255 in formula funds, \$13,847,474 for elderly and handicapped transportation and

\$29,568,594 for rural transportation.

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

Purchase of new buses for transit operators throughout the  
commonwealth

Making transit systems accessible to the physically  
challenged

Intermodal transportation centers in urbanized areas throughout  
the commonwealth

Bus garage/rail modernization program throughout the commonwealth.

Transportation planning activities throughout the  
commonwealth

Operating assistance to transit operators throughout the  
commonwealth

Livable communities projects in Chester, Pennsylvania and North  
Philadelphia

Rehabilitate commuter rail system and the Frankford Elevated Line  
in Philadelphia

Purchase 222 railcars for the Market Frankford Line in  
Philadelphia

Construction of the Midvale Bus Garage in Philadelphia

Airport Busway/Wabash HOV and Martin Luther King Busway Extension  
in Pittsburgh

Stage II Light Rail Transit Reconstruction Project including the  
procurement of light rail vehicles.

New SEPTA Grant: On April 18, as a part of his 5 day, 10 state trip to promote NEXTEA, the Secretary announced a \$6,348,000 Southeastern Pennsylvania Transportation Authority (SEPTA) grant for the Frankford Transportation Center in Philadelphia.

Frankford is a multi-modal terminal at the northern terminus of the Market, Frankford Subway-Elevated Line. It is the largest single site project that SEPTA has ever undertaken. The center will serve the busiest line in the entire SEPTA system and will include total reconstruction of the Bridge-Pratt Terminal, track and signal improvement, construction of an enclosed parking garage, and restaging of bus routes to smooth transfers between bus, rail and trolley lines. All of this will be done while the trains still operate from the station. New rail cars will also be purchased. 52,000 passengers use this line daily to travel to diverse areas of the city. The community participated in the planning of this project, which will serve as a hub for rail and bus service, and include parking facilities, and encourage community revitalization and increased retail operations.

SEPTA Audit: The Board of Directors of the SEPTA awarded a contract to Phoenix Management Consultants for an audit of SEPTA's management. After experiencing some difficulties in the award process, Phoenix was hired and completed its investigation. The final report was issued March 25, 1997. The report is very critical of SEPTA management.

Key recommendations include: Cut the number of Assistant General Managers from eighteen to eight; privatize a variety of functions from engine rebuilding to computer operations and some bus routes; institute a hiring

freeze and terminate 230 employees hired during the past year before they obtain protection under the union's no-layoff clause; cut the base fare from \$1.60 to \$1.25; and cut service feeding Center City Philadelphia replacing it with more suburban oriented service.

The report is being reviewed by State and local officials as well as SEPTA's Board of Directors.

Governors Transportation Initiative: Governor Tom Ridge has once again proposed a series of automobile tax increases, including a 3.5 cent gasoline tax increase and a doubling of the \$12 auto registration fee.

This inter-modal funding initiative provides \$402 million for roads and bridges and \$150 million per year in aid to mass transit. Passage is not guaranteed. Although the automotive tax constitutionally cannot be used for mass transit in Pennsylvania, the promise of additional mass transit aid is needed as part of the package in order to secure urban votes in the legislature for the highway improvements. A similar proposal which had only \$75 million for mass transit was defeated last year.

A bi-partisan coalition is being created in the Pennsylvania's House of Representatives consisting of suburban and rural Members who support additional highway funding and Members from urban areas who support more funding for public transportation systems. Efforts are being made to keep this coalition together in order to secure passage of the bill. (H.B. 67). It is expected that it will be voted upon in mid-April, 1997.

Amtrak Anti-graffiti Partnerships: Amtrak has partnered with the city

and private organizations to address graffiti on Amtrak structures in Philadelphia. The city's Mural Arts Program has replaced graffiti with murals, community volunteers have covered graffiti with a wildlife theme near the Philadelphia Zoo, and the Mayor's Graffiti Abatement Team--with support equipment and personnel from Amtrak--removed over a half-mile of graffiti from a Conrail structure accessible only from Amtrak property. One of the structures painted when the President visits Philadelphia for the volunteer summit will likely be an Amtrak bridge over Germantown Avenue in North Philadelphia.

**Amtrak National Operations Center:** Amtrak will move approximately 190 jobs from Philadelphia to Wilmington when the national operations center opens. This move was strongly opposed by Mayor Rendell.

**Center City Signal Improvement Project:** This \$10 million project will use CMAQ program funds to update control technology for 300 signalized intersections in the center city. Planning is underway to interface with the PennDOT freeway surveillance and control system in order to provide coordinated traffic management during incidents and special events.

**Schuylkill River Bikeway:** This \$2 million transportation enhancement project will provide the last link in the Philadelphia-Valley Forge Bikeway. Construction should be completed in the Fall of 1997.

RECORD TYPE: PRESIDENTIAL (TRP NOTES MAIL)

CREATOR: Elisabeth S. Steele ( CN=Elisabeth S. Steele/O=OVP [ OVP ] )

CREATION DATE/TIME:14-MAY-1997 11:58:44.00

SUBJECT: Re: VP Ceremonial Office (May 19: 3:00 to 4:15 PM)

TO: Elizabeth Harrington ( CN=Elizabeth Harrington/O=OVP [ OVP ] )

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

I think this was meant for you (Richard, I was out of the office yesterday.)....

Richard L. Hayes @ EOP

05/13/97 12:12 PM

To: Elisabeth S. Steele/OVP

cc:

Subject: VP Ceremonial Office

Hi. Will you please check and see if it is ok for us to use the VP's ceremonial office on Monday, May 19, from about 3-4:15? With Kumiki's departure, I had no one else to turn to. I need it for a briefing that Secretary Slater and Bruce Reed are having with various outside organizations regarding our NEXTEA welfare to work initiative. This meeting is a "set-up" for a meeting the POTUS is doing on the 20th with corporate executives on the same topic. We were going to do in the Roosevelt Room, but were bumped. Could you please let me know today.

Thanks.

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RECORD TYPE: PRESIDENTIAL (TRP NOTES MAIL)

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

CREATION DATE/TIME:23-JUN-1997 17:04:52.00

SUBJECT: Illinois

TO: Cabinet Affairs ( Cabinet Affairs [ UNKNOWN ] )

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

MEMORANDUM TO STEVE SILVERMAN CABINET AFFAIRS

FROM: ~~Michael Huerta~~

Chief of Staff

SUBJECT: ~~Background Information - Chicago, IL~~

DATE: June 23, 1997

The following is information on Chicago, IL issues. Please contact me or

Murray Rapp at 418-8131 if you have any questions.

Noise Issues at Chicago O'Hare International Airport (ORD): After several failed attempts by Chicago Mayor Daley, the Illinois General Assembly and Representative Hyde to create a suburban Chicago O'Hare Noise Commission, Mayor Daley created the O'Hare Noise Commission whose charter does not preclude O'Hare development (new runways). The Mayor's initiative promised \$210 million in noise mitigation spending for school and

residential soundproofing for O'Hare noise impacted communities. On June 28, 1996, the FAA approved the soundproofing of 25 schools and 3,000 homes within communities affected by O'Hare noise as part of a \$200 million Passenger Facility Charge (PFC) application submitted by the City of Chicago.

The Mayor's O'Hare Noise Commission received a negative reaction from the Suburban O'Hare Commission (SOC), an 11-community coalition that lobbies against O'Hare's expansion. The Mayor invited all 21 entities surrounding O'Hare to join the O'Hare Noise Commission. The 11 SOC member communities did not accept this offer. Mayor Daley denied that this noise commission is tied to any effort to allow new runway construction at O'Hare as those in opposition to this initiative allege.

South Suburban Airport, Peotone Illinois: In July 1994, a state-sponsored study recommended locating an air carrier airport near Peotone on the south side of the Chicago metropolitan area. FAA is reviewing an airport layout plan for seven runways covering 24,000 acres, and a cost of \$2.3 billion for initial development including two runways. The FAA is engaged in an airspace study and an environmental impact study. These functions, the only Federal role, are routinely done at the request of any proponent. The Suburban O'Hare Commission, a coalition of municipalities around O'Hare Airport, supports the Peotone Airport. They see this as a way to limit traffic growth at O'Hare and reduce noise. The chief executives of 16 airlines wrote Governor Edgar in January 1995 expressing their opposition to the Peotone Airport. The City of Chicago vigorously opposes the Peotone Airport.

Highway Funds/Statewide: Over the past four years Illinois obligated \$2,785.4 million in Federal-aid highway apportionments including approximately \$1 billion for the Chicago metropolitan area. These funds are generating approximately 117,300 jobs statewide, both direct jobs (on- and off-site highway construction jobs), indirect jobs (in supply industries like cement, steel, etc.), and induced jobs (jobs created when the profits and wages received by workers in the highway construction and supply industries are invested or spent).

State Support for NEXTEA: IDOT is supportive of reauthorization that is very similar to ISTEA--they are in agreement with the northeastern states in the tune it, don't toss it's position. Two major program areas they would like to see in NEXTEA are an Interstate 4R discretionary program and a major bridge discretionary program.

State Infrastructure Bank: During an event with the Vice President on June 19, it was announced that Illinois would receive \$1.5 million for their state infrastructure bank when they pass the relevant state legislation.

FROM: Michael Huerta  
Chief of Staff

SUBJECT: Background Information - Chicago, IL

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CREATION DATE/TIME:23-JUN-1997 17:04:52.00

SUBJECT: Illinois

TO: Cabinet Affairs ( Cabinet Affairs [ UNKNOWN ] )

READ:UNKNOWN

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READ:UNKNOWN

TEXT:

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FROM: Michael Huerta

Chief of Staff

SUBJECT: Background-Information - Chicago, IL

DATE: June 23, 1997

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Chief of Staff

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DATE: June 23, 1997

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RECORD TYPE: PRESIDENTIAL (TRP NOTES MAIL)

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

CREATION DATE/TIME:18-JUL-1997 13:16:33.00

SUBJECT: Boston Issues

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

TEXT:  
MEMORANDUM TO STEPHEN SILVERMAN, CABINET AFFAIRS

FROM: MICHAEL HUERTA  
CHIEF OF STAFF

SUBJECT: BACKGROUND INFORMATION - BOSTON

DATE: JULY 18, 1997

Following is information on significant issues in Boston and Massachusetts. Please contact me, or Judi Gold at 366-9497 if you have any questions. This is an update from our memo of June 26.

Central Artery Project: On July 13, the Central Artery Project was a 60 Minutes feature. The majority of interviews and film were from last summer, with no new stories. The report focused on controversial subjects from the past, including the cost issues and some of the project mitigation activities such as the creation of parkland at excavation disposal site in Boston Harbor. Over the past two years, FHWA and the Department have addressed the issues discussed on the program. It was

viewed as a non-story in Massachusetts.

In March, 1996 the OIG began an audit of FHWA's oversight of costs associated with relocation of utilities on the project. FHWA met with the OIG on June 4. The OIG has decided to expand the scope to look at both utility relocation and private right-of-way settlement issues.

Tolls on Interstates: Existing law allows tolls on bridges on Interstates as part of reconstruction of the bridges. The proposed NEXTEA legislation would expand this provision to allow tolls if the roadway is being reconstructed.

This discussion is quite pertinent in Massachusetts since there have been numerous suggestions to add tolls to Interstate routes to help provide funding for projects such as the Central Artery. Within the last month, the MTA Authority has doubled the tolls on the Tobin Bridge and three Boston Harbor Tunnels. These increases have generated negative media and are a subject of complaint by North Shore residents. It is important to note that current law and NEXTEA would restrict tolls to reconstruction of the Interstate segment.

Quincy Shipyard: There have been no new developments since the 6/26 report, and the issue continues to generate concern in the Quincy area.

The loan guarantee would provide for many new jobs in the area, but cannot be given without adequate financing assurance.

Anti-Discrimination Agreement: The State Attorney General recently signed

an anti-discrimination agreement with the Massachusetts Bay Transportation Authority (MBTA) developed in response to numerous allegations and complaints of discrimination at MBTA. The agreement is designed to prevent racial discrimination and harassment by changing the MBTA's complaint and investigation procedures, disciplinary system, supervisory training and communications on promotions and advancement. FTA recently issued an EEO Compliance Review which complements the AG's efforts. The MBTA is in the process of changing its hiring and promotion practices.

**Volpe Center:** The Volpe Center in Cambridge is the Department's key resource for research and analysis and supports multimodal activities. As such, its work includes support to such national priority initiatives as: Intelligent Vehicle Highway Systems, geographic information systems, air traffic control modernization and high speed rail research.

Congressional approval in 1987 included one important caveat: the Center would be a budget neutral operation; its existence would be funded entirely from payments received for the services it provided. Since then, the Volpe Center has become a world-class resource for the transportation community without a single direct congressional appropriation. Fully one-third of Center work now comes from organizations outside the Department, primarily other federal agencies and, more recently, state, local, and international entities. Today, the Center operates on an annual budget approaching \$200 million and has more than 550 full-time employees and 1,000 private-sector contractors who work on more than 300 projects.

Additionally, the Volpe Center is a dedicated and active member of the

Cambridge community. Involvement includes the TEAM Effort (Tutoring, Educating and Mentoring program) with over 10% of the Volpe Center staff actively participating in the highly successful program.

Boston Terminal Radar Facility: FAA will build a new consolidated Terminal Radar Approach Control Facility (TRACON) to serve Boston and Manchester, NH. The final site determination is Merrimack, NH and FAA took ownership of the property on July 11. There has been strong congressional interest in this project and a final debriefing is scheduled to be given to Sen. John Kerry and Rep. Charles Bass on July 21.

Logan Airport/New Runway: The EIS for a new unidirectional runway 14-21 and other improvements is virtually complete. FAA has publicly supported the development program as an opportunity to mitigate some of the operational limitations at the airport.

Although there has been significant public participation to discuss ways to reduce the airport congestion, there continues to be strong opposition from surrounding communities to any airside development and in particular to any new runways. Efforts to implement peak hour landing fees have been very controversial, and would require DOT approval.

ARTCC Environmental Issues: In May, 1996 an air quality survey identified elevated levels of bacteria, fungi, and carbon dioxide in the Control Room at the Boston Center. FAA took steps to resolve the problems identified, however the attic area houses the HVAC system and contains asbestos which prevents complete cleaning and full maintenance of this system. Boston

Center management and labor has requested that FAA install a supplemental HVAC system which could be fully maintained and a protective barrier between the existing system and the control room. FAA has decided to construct only the HVAC system. Labor has contacted Sen Gregg and Congressman Bass of NH and the Center for Disease Control. Congressional inquiries have been received from both offices.

RECORD TYPE: PRESIDENTIAL (TRP NOTES MAIL)

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

CREATION DATE/TIME: 1-AUG-1997 16:14:24.00

SUBJECT: NAFTA, per your discussion with Mike Huerta. Has also been faxed.

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

TEXT:

August 1, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: Rodney E. Slater

Secretary of Transportation

SUBJECT: NAFTA Corridors

I understand that during your address to the National Association of Black Journalists a question was raised about the designation of certain highways as NAFTA Corridors.

In summary, there is no legal designation of any road or highway as a NAFTA Corridor. This is a designation many interest groups are urging the Administration to support so that they will then be able to seek dedicated funding. Typically these interest groups are made up of industry and local government officials who see such improvements facilitating economic

growth including development of good jobs. They believe NAFTA Corridors and specialized improvements for these routes would speed the delivery of goods, while making it safer and more economical for shippers. A number of others, specifically environmental organizations, oppose route improvements because of negative environmental impacts and because they believe NAFTA destroys jobs.

The Intermodal Surface Transportation Efficiency Act (ISTEA) Section 1105 (a-e) does identify twenty nine (29) high priority corridors, some of which are along existing routes, others are not. It is important to understand that in some instances, proponents advocate NAFTA Corridor designation for routes that are not currently built. They believe such designation would improve their chances for funding. For example, I-69 currently runs from Indianapolis to Port Huron; proponents of I-69 as a NAFTA Corridor are actually arguing for a new route which would go south to the Lower Rio Grande Valley.

Existing Interstates and other routes that are advocated as NAFTA Corridors are already designated as part of the National Highway System (NHS), which made them eligible for dedicated funds for planning and feasibility studies from the NHS Program, the Department's largest single dedicated funding program.

The current ISTEA legislation as well as the Administration's NEXTEA proposal does not mandate funding for high priority corridors. However, a NEXTEA program would set aside \$3 million per year for planning of any multi state corridors (including, but not limited to NAFTA and high

priority corridors), as well as \$42 million per year for improvements at border facilities.

We see no need to add another category of funding for NAFTA Corridors.

This would decrease the flexibility we are attempting to provide to state and local governments and could create duplicate grant requests. FHWA continues to maintain a cooperative relationship with proponents of specific designations, but as a Department we continue to believe that determination of use of funds should be made at the state and local level.

RECORD TYPE: PRESIDENTIAL (TRP NOTES MAIL)

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

CREATION DATE/TIME: 6-AUG-1997 09:51:19.00

SUBJECT: RI

TO: Cabinet Affairs ( Cabinet Affairs [ UNKNOWN ] )

READ:UNKNOWN

TO: Stefanie Sanford ( CN=Stefanie Sanford/OU=WHO/O=EOP @ WHO [ WHO ] )

READ:UNKNOWN

TEXT:

MEMORANDUM TO STEVE SILVERMAN CABINET AFFAIRS

FROM: Michael Huerta

Chief of Staff

SUBJECT: Background Information - Rhode Island

DATE: August 6, 1997

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

Back Seat Law: Rhode Island is the first state in the nation to pass a law requiring that all children 5 years of age or under be transported in the back seat of any motor vehicle so equipped and that children three and under be placed in the back seat in a child restraint. On July 2, Governor Almond signed the bill into law. This model law ties directly into the Administrations safety initiative.

Transit Funding: The financing of transit operating assistance continues to be a major issue in Rhode Island. The state has experienced significant financial problems, and has taken steps recently to reduce the Rhode Island Public Transit Authority's (RIPTA) operating deficit by cutting service, increasing fares, and downsizing staffing. These cuts have statewide effects since the RIPTA provides all fixed route bus services and paratransit services for the elderly and disabled throughout the State.

The NEXTEA proposal for preventive maintenance cost eligibility will increase the amount of Federal funds that have been available under ISTEA for operating expenses for the Providence urbanized area. This increase should provide some additional help to Rhode Island in funding its transit services.

Residential Soundproofing: The Department is ready to release \$2.5 million to the Rhode Island Airport Authority to soundproof 95 residences around T.F. Green Airport. This is the fourth phase of discretionary funds to the airport to improve the quality of life of residents who live near the facility.

RECORD TYPE: PRESIDENTIAL (TRP NOTES MAIL)

CREATOR: Joe Keohan ( CN=Joe Keohan/O=OVP [ OVP ] )

CREATION DATE/TIME:26-SEP-1997 13:03:30.00

SUBJECT: NEXTEA Drop By

TO: Cecily C. Williams ( CN=Cecily C. Williams/OU=WHO/O=EOP @ EOP [ WHO ] )

READ:UNKNOWN

TEXT:

I will give you an answer later this afternoon.

----- Forwarded by Joe Keohan/OVP on 09/26/97 11:41 AM

-----  
  
Ansley Jones

09/26/97 12:46 PM

To: Joe Keohan/OVP, Wendy Hartman/OVP

cc:

Subject: NEXTEA Drop By

joe, can you please follow up with cecily// thanks

----- Forwarded by Ansley Jones/OVP on 09/26/97 01:03 PM

-----  
  
Cecily C. Williams @ EOP

09/26/97 12:16 PM

To: Ansley Jones/OVP

cc: Mona G. Mohib/WHO/EOP @ EOP

Subject: NEXTEA Drop By

Do you know the status of whether or not the VPOTUS will participate in the Oct. 1 NEXTEA event? Are you considering a drop by to Room 450? DOT would like Mayor Campbell, a Governor (TBD) and Carol Roberts to participate in the event. Thanks.

RECORD TYPE: PRESIDENTIAL (TRP NOTES MAIL)

CREATOR: Joe Keohan ( CN=Joe Keohan/O=OVP [ OVP ] )

CREATION DATE/TIME:26-SEP-1997 15:55:15.00

SUBJECT: NEXTEA Drop By

TO: Cecily C. Williams ( CN=Cecily C. Williams/OU=WHO/O=EOP @ EOP [ WHO ] )

READ:UNKNOWN

TEXT:

This event is not confirmed yet. I will let you know as soon as it is

nailed down

----- Forwarded by Joe Keohan/OVP on 09/26/97 02:39 PM

Ansley Jones

09/26/97 12:46 PM

To: Joe Keohan/OVP, Wendy Hartman/OVP

cc:

Subject: NEXTEA Drop By

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----- Forwarded by Ansley Jones/OVP on 09/26/97 01:03 PM

Cecily C. Williams @ EOP

09/26/97 12:16 PM

To: Ansley Jones/OVP

cc: Mona G. Mohib/WHO/EOP @ EOP

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RECORD TYPE: PRESIDENTIAL (TRP NOTES MAIL)

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

CREATION DATE/TIME: 3-OCT-1997 12:42:57.00

SUBJECT: background for VP calls

TO: Jon P. Jennings ( CN=Jon P. Jennings/OU=WHO/O=EOP @ EOP [ WHO ] )

READ:UNKNOWN

TEXT:

MEMORANDUM TO STEVE SILVERMAN CABINET AFFAIRS

FROM: Michael Huerta

Chief of Staff

SUBJECT: Background Information - VP Calls

DATE: October 2, 1997

The following is information on issues that might come up when the Vice President contacts Governors from Oregon, Nebraska, Georgia and Hawaii, Please contact me or Judi Gold at 366-9497 if you have any questions.

Oregon

Amtrak Cuts: Amtrak has cut service on two separate routes. The routes between Pocatello, Idaho, and Portland, Oregon, and between Portland and Eugene, Oregon, which is actually a nationally designated High Speed Rail Corridor, have both suffered reductions in service.

**Transportation Funding:** Several factors have recently constrained Local and State funds for transportation in Oregon. In November 1996, voters passed a cut-and-cap property tax measure that reduces property taxes to pre-1995 levels. Additionally, the State legislature narrowly defeated a proposed increase in the state gas tax late this summer. In debates over the gas tax increase, a minority of legislators sharply criticized the Oregon Department of Transportation, currently headed by former FTA Deputy Administrator Grace Crunican. Reduced funding could particularly affect smaller transit agencies. These issues have been covered extensively in the local media.

**Growth Management:** Oregon's long history in growth management includes the establishment of urban growth boundaries in the mid 1970's. These define how and where the state's new housing and employment supplies can locate to service growing populations. They also greatly influence how new transportation infrastructure is allowed to develop. State regulations, such as the Oregon Transportation Planning Rule, require much stronger ties between transportation and land use decisions than those encouraged by ISTEA and strongly discourage the growth of automobile use.

Governor Kitzhaber and his predecessors have been very supportive of growth management and have put special emphasis on the coordination of land use and transportation decisions. Through the State budgeting process, he has been instrumental in dedicating substantial amounts of FHWA construction funds to transportation planning with a special focus on growth management as a tool for reducing the need for expanded transportation infrastructure. (\$11 million has been budgeted for the coming two year

period.)

:

FHWA has worked closely with the Oregon Department of Transportation, the Oregon Department of Land Conservation and Development and the Governor's office to define the Oregon Transportation and Growth Management (TGM) program (which provides transportation planning assistance to local governments) in a way that has made much of it eligible for federal-aid.

The primary requirements placed on TGM program activities for determining federal-aid eligibility have been that they be fully coordinated with Oregon's statewide and metropolitan transportation planning activities and that they focus on transportation planning assistance to help local governments comply with federal and state transportation planning requirements.

Recent media coverage has noted that Portland may be considering some changes in its growth management plan.

**High Speed Rail:** The Pacific Northwest High-Speed Rail Corridor is a joint undertaking of Oregon, Washington and the Canadian province of British Columbia.

The overall endeavor is in the first of three stages. The cost of this first stage is estimated to be \$60 million and focuses on safety improvements, reduced running times, community impacts, and intermodal station development. Oregon investments are focused on eliminating the current need to stop trains while switches are manually realigned and bringing a significant portion of the trackage up to 79 mph operation. To

date limited amounts of High Speed Rail funds and other federal funds have been committed to capital improvements in Oregon but funds for operations have been scarce. Under ISTEA provisions, Oregon used \$1.2 million of Congestion Mitigation and Air Quality (CMAQ) funds to support the operation of AMTRAK commuter service between Portland and Eugene as a special CMAQ experimental project. The limited operational support provided under the experimental CMAQ project is only available on a one time demonstration basis.

## Nebraska

**Freight Rail:** Two of the busiest freight rail lines in the country pass through Nebraska. This heavy traffic -- in some cases 150 trains a day -- results in vehicular delays and congestion at grade crossings and raises concerns about the ability of emergency services to respond in cases where the crossings are blocked for extended periods.

The Western Governors Association (WGA) is conducting the Transportation Futures Project, which is studying this and related issues that affect the competitive position of western states and their quality of life. The Governor of Nebraska, E. Benjamin Nelson, is the Co-Chairman of the WGA project. In December, former Secretary Goldschmidt met with then FHWA Administrator Slater, Deputy Secretary Downey and others, including FRA representatives, and presented the WGAs findings and proposed next steps in their study. DOT agreed to fund further work (through FHWA).

WGA has a contract with FHWA to address community liveability and competitive issues related to increased rail traffic. FRA is working with them to assist and attended the Transportation Futures Task Force meeting in Denver this past March 27 and 28, which Governor Nelson chaired.

The WGA task force will identify corridors for demonstration projects this fall and a presentation will be made at the December WGA meeting.

**At Grade Crossings:** Nebraska has some of the heaviest trafficked rail corridors in the nation. The heaviest is the Union Pacific line from west of North Platte to east of Kearney. It carries more than 100 trains per day; each train is approximately one and a quarter mile long. This and other high traffic lines bisect many small towns that have only at-grade railroad crossings. As a result, many of their citizens are effectively cutoff from essential services such as schools, hospitals, fire and police protection, as well as shopping and jobs. Most of the rail traffic is bound for destinations outside of Nebraska. The Governor is looking for additional funding to construct overpasses at these locations.

**Hazardous Materials:** Governor Nelson believes that there needs to be more and better coordination in the development of protocols between State and Federal jurisdictions for the transport of hazardous materials through Nebraska. This issue probably stems from a November 16, 1996, incident during which a truck carrying nuclear weapons slid off an icy highway in northern Nebraska. The Governor had not been previously alerted to the plan to move the weapons through the State.

Essential Air Service: On Wednesday, October 1, 1997, Mesa Airlines, d/b/a United Express, filed 90-day notices of its intent to suspend all of its scheduled air service at Scottsbluff and North Platte, Nebraska (as well as at six other communities in adjacent states). North Platte and Scottsbluff are guaranteed to receive at least two round trips a day to a major hub airport under the Federally-mandated Essential Air Service Program. Since Mesa is the only air carrier serving Scottsbluff and North Platte and its proposed suspension would thus leave these points completely without scheduled passenger air service, the Department will require Mesa to continue to serve both Nebraska communities while requesting proposals from all carriers that might be interested in providing replacement service, with or without Essential Air Service Program subsidy support.

Highway Funding: Governor Nelson feels very strongly that the Federal-aid Highway Program should be fully funded. In a press conference, the Governor took to task those members of the States Congressional Delegation that did not support Representative Bud Shusters effort to amend the Balanced-Budget Agreement.

Hawaii

ISTEA Funding: With ISTEA up for reauthorization, all of the proposals would provide a relatively smaller amount of funding to Hawaii than the

current ISTEA legislation provides. Hawaii is a donee state. NEXTEA, the Administrations proposal appears to provide the best funding scenario of all the new proposals.

H-3: This is a \$1.5 billion Interstate project connecting leeward and windward Oahu. It will be a major new trans-island transportation improvement. The President has been formally invited to the opening ceremony December 12; the Governor may also personally invite the Vice President.

Purchase of Kapolei Property: A DOT Office of OIG audit disclosed that the State of Hawaii diverted \$64.4 million of airport revenues in 1991-1992 by using those funds to purchase non-airport property in Kapolei. Federal statutes generally require airport operators to use airport revenues only for airport-related purposes. Since the land purchase was not airport-related, the DOT Office of the Secretary and the FAA agreed with the OIG that this use constituted unlawful revenue diversion. In 1996-1997, the State undertook corrective action by issuing a bond and repaid the \$64.4 million to the Airport Revenue Fund. The State did not return to the airport fund the interest owed on the diverted funds.

The DOT could have ordered the state to place in the airport fund the interest the airport did not receive while the \$64.4 million was not in the airport fund. After consideration of information provided by the State, the DOT and FAA advised the Hawaii Attorney General that the interest owed by the State would be at 50% of the amount that would apply if interest had accrued if the funds remained in the Airport Revenue

Fund. The DOT and FAA also accepted the State's request to credit the amount of certain rental payments for the Kapalama Military Reservation against the interest due.

Upon the submission of additional financial addition, the FAA will inform the State of the actual interest owed. This matter should be completed by November 15, 1997.

Ceded Lands: A second DOT OIG audit found that Hawaii had diverted airport revenue in the amount of \$30 million to the State Office of Hawaiian Affairs (OHA) for the betterment of native Hawaiians, based on claims related to lands ceded to the United States at the time of annexation.

Federal statutes generally require airport operators to use airport revenues only for airport-related purposes. The DOT and FAA agreed with the finding, and notified the State that these payments constituted unlawful revenue diversion.

The Senate-passed Department of Transportation Appropriations bill (S.1048) for the fiscal year 1998 contains general provisions that would forgive the State of Hawaii from repayment of the \$30 million to the Airport Revenue Fund but prohibit further revenue diversion for claims related to ceded lands. S.1048 and the House bill currently are in conference.

RECORD TYPE: PRESIDENTIAL (TRP NOTES MAIL)

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

CREATION DATE/TIME:27-OCT-1997 16:33:41.00

SUBJECT: Boston - NOTE; we have many significant issues.

TO: Jon P. Jennings ( CN=Jon P. Jennings/OU=WHO/O=EOP @ EOP [ WHO ] )

READ:UNKNOWN

TEXT:

MEMORANDUM TO STEVE SILVERMAN CABINET AFFAIRS

FROM: Michael Huerta

Chief of Staff

SUBJECT: Background Information - Boston

DATE: October 27, 1997

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

Amtrak Strike: Amtrak may go on strike October 29. This could affect about 400 trains and 50,000 people served per day by the MBTA. Although the Secretary has been able to facilitate an agreement with the unions that would allow commuter trains on most Amtrak lines to continue even if there is a strike, this is not the case for the Boston area. If Amtrak goes on strike, trains in the area may be halted.

Anti-Discrimination: The Massachusetts Attorney General's Office recently

signed an anti-discrimination agreement with the Massachusetts Bay Transportation Authority (MBTA). The agreement was developed in response to numerous allegations and complaints of discrimination at the MBTA and is designed to prevent racial discrimination and harassment by changing the MBTA's complaint and investigation procedures, disciplinary system, supervisory training, and communications concerning promotions and advancement. FTA recently issued an Equal Employment Opportunity Compliance Review which supports the Attorney General's efforts by requiring many similar changes to the MBTA's employment, training and management practices.

**Boston to Portland Rail Restoration:** The project involves the reconstruction of right-of-way and stations along the 114 mile tri-state transportation corridor from Portland, Maine through New Hampshire to Boston. The project is expected to provide a transportation alternative in the heavily congested I-95 corridor.

Construction of the Portland to Boston Rail Restoration Project has been delayed because State of Maine officials and Amtrak, who will operate the service, have been unable to finalize agreements with Guilford Industries, owner and operator of freight service along much of the Portland to Boston rail right-of-way, on the liability and maintenance-of-way cost sharing issues. The State of Maine has submitted the issue to the Surface Transportation Board and expects a ruling sometime this Fall. Once an agreement is reached, work must still be done to upgrade the railroad before Amtrak service can begin.

ISTEA Earmark: The Logan Airport Intermodal Transit Connector (AITC) is a new bus system which will circulate through the Airport and connect with the MBTA's Blue Line and South Station Transportation Center. Total cost is expected to be about \$40 million. The project is a key component of Massport's ground transportation strategy for increasing high-occupancy vehicle travel to the airport, which is only 3 miles from downtown Boston. Financing for the project is unclear. The Massport is working with Congressman Moakley on securing an ISTEA II earmark for the project but is also carefully examining other financial options.

CSX and Norfolk Southern Acquisition of Conrail: On August 22, 1997, the Coalition of Northeastern Governors (CONEG), filed before the Surface Transportation Board (STB) descriptions of conditions they will request in this proceeding.

CONEG wants the STB to give NS direct access to Albany (to make it a hub for New England traffic), or impose trackage rights giving NS direct access to all New England traffic in an effort to increase competition in this region and provide for the same level of competition that will be introduced in much of the CR territory.

CONEG is concerned about freight/passenger shared track issues and about lack of detail in operating plan on how CSX will accommodate passenger service in future. CONEG is studying the situation and may request conditions to remedy any problems found.

Quincy Shipyard: On December 13, 1993, President Clinton designated the

Quincy Shipyard as a "National Pilot Project" and committed the Administration to the revitalization of the yard, provided the applicant was qualified. Since then, MARAD has been negotiating the terms and conditions of the shipyard modernization and associated ship construction project with Intermare and MHI.

MARAD has been unable to process the application of Intermare Navigation, S.A., a Greek company, for a \$250-million federal ship financing (Title XI) loan guarantee to construct six double-hull tankers at the Quincy Shipyard because Intermare has been unable to demonstrate the availability of its required equity investment in the project. Until it does so, MARAD cannot process its application further. In the interim, MARAD is negotiating the final financial and collateral issues necessary to close on the \$55-million Title XI loan guarantee previously issued by MARAD to Massachusetts Heavy Industries (MHI) for the reactivation of the Quincy shipyard. The president of MHI is Sotiris Emmanuel.

Substantial progress has been made, however, on the \$55-million shipyard transaction. Massachusetts has paid the \$6.6 million required under the Federal Credit Reform Act, which will enable the commitment to MHI to become effective and it has entered into a required agreement with the Commonwealth governing the transfer of the State's funds to a federal account. If there is no default on the yard, the funds would be returned at the end of the 25-year commitment/loan period to the Commonwealth. The City of Quincy and the Massachusetts Development Finance Administration have also lent funds to MHI to pay for the conversion of the yard and for operating costs. MARAD is negotiating the terms of a final collateral and

financial package with MHI, the City of Quincy and the other lenders to MHI.

The closing date for the yard guarantee was recently extended to October 31, 1997, and may need to be extended again. Since there is no present shipyard construction project for the yard, extra attention is needed to ensure that MARAD is adequately collateralized and that MHI has adequate resources to complete the reactivation of the yard and obtain shipyard contracts without facing a premature default.

**Airport Environmental Issues:** Air Traffic Controllers at the Boston Air Traffic Control Center were not informed of a water leak from the attic containing asbestos which occurred July 27. The leak occurred because of other air quality remedial work being done at the Center. Because of the leak, the project was halted and the integrity of the area was restored. New contractors are on site to complete the project. The project is expected to resume in late October.

Controllers have contacted Senator Gregg, Congressman Bass and the Center for Disease Control. FAA Administrator Jane Garvey has met with personnel.

**Peak Hour Pricing:** The City of Boston and most elected officials from the area favor peak hour pricing at Logan Airport as a method to reduce delays. Outlying areas such as Maine, Cape Cod, Marthas Vineyard and Nantucket, who rely on small aircraft service actively oppose it. Peak hour pricing is considered an alternative to construction of a new uni-directional runway, which is currently being considered by Massport.

Boston area officials oppose the runway. The Wall Street Journal has reported a decision on peak hour pricing is imminent, while local media has provided favorable commentary on the runway. The decision on peak pricing will be made locally, subject to the Departments opinion that it doesnt meet statutory requirements.

RECORD TYPE: PRESIDENTIAL (TRP NOTES MAIL)

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

CREATION DATE/TIME:10-NOV-1997 15:17:54.00

SUBJECT: Las Vegas

TO: Jon P. Jennings ( CN=Jon P. Jennings/OU=WHO/O=EOP @ EOP [ WHO ] )  
READ:UNKNOWN

TEXT:  
MEMORANDUM TO STEVE SILVERMAN CABINET AFFAIRS

FROM: Michael Huerta

Chief of Staff

SUBJECT: Background Information Las Vegas

DATE: November 10, 1997

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

Truck Traffic On Hoover Dam And Through Boulder City: Interest is building in Nevada and Arizona for a bridge crossing of the Colorado River in the vicinity of Hoover Dam. Both Senators from Arizona and Nevada and the two Governors have written Secretary Slater seeking his support for the project and for Federal funding. The States are seeking 100 percent Federal funding for this \$184 million project because the existing crossing on the dam is a Federally owned facility. It is also a NHS route Designation Act of 1995 (CANAMEX Corridor).

The National Economic Crossroads Transportation Efficiency Act (NEXTEA) proposes a Transportation Infrastructure Credit Program that appears to address such high cost, nationally significant projects. The States are not interested and are actively pursuing 100 percent Federal funding.

**Public Lands Money:** Senator Reid recently discussed the States failure to receive an allocation of fiscal year 1997 PL discretionary funds (Nevada requested \$10 million to complete the reconstruction of S.R. 160 and a request for a commitment of future Federal funding with Secretary Slater.

The Senate report accompanying the fiscal year 1998 DOT Appropriations Bill directs that priority consideration be given to upgrading the S.R. 160/Pahrump Highway in Nevada with PL funds.

In an October 10, 1997, letter to Senator Reid, Acting Federal Highway Administrator Gloria Jeff indicated that with the end of authorizations for ISTEA of 1991, FHWA did not have any PL discretionary funds for 1998.

FHWA has discussed various funding options to expedite construction of the final phase of the project, including advance construction utilizing appropriate Federal funds to begin the project. NDOT was advised that advanced construction using PL funding is not allowed under current law.

**Airports Funding Request:** On June 30, 1997, Clark County Department of Aviation requested a Letter of Intent from the Federal Aviation

Administration totaling \$212.5 million in Airport Improvement Program grant funds, for improvements at McCarran International, North Las Vegas and Henderson Airport. Henderson is a major reliever airport for McCarran International Airport and the Las Vegas area. The requested funds would construct a proposed parallel Runway 12L/30R at North Las Vegas, reconstruct runways and aprons at Henderson, and numerous improvements at McCarran. An environmental assessment document on the proposed improvements is currently being evaluated by the FAA.

#### Clark County Working To Acquire Additional BLM Land Near Jean Airport:

Clark County is working with a Congressional delegation to acquire BLM Land near Jean Airport (45 miles south of Las Vegas). A private corporation, Nevada International Air Cargo Corporation, is interested in developing a commercial air cargo airport. The proposal would transfer cargo operations from McCarran to the new airport. Senator Harry M. Reid is interested in this proposal.

**Overflight Rules:** There is substantial interest in the outcome of the FAA proposed rule on Grand Canyon overflights because it is believed that this proposal will establish the national policy that will govern overflights over all national parks. Senator John McCain, Senator Richard Bryan and Secretary of the Interior Bruce Babbitt are among many who have a personal interest in the outcome. In addition, the air tour industry, environmental groups, Native American tribes and others are involved in legal actions.

North Las Vegas Airport--New Airport Traffic Control Tower

Senator Bryan (D-NV) and Congressional John Ensign (R-NV) support funding for a new Airport Traffic Control Tower for the North Las Vegas Airport.

The FY 98 Department of Transportation Appropriations bill contains \$5 million for this project.

RECORD TYPE: PRESIDENTIAL (TRP NOTES MAIL)

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

CREATION DATE/TIME:10-NOV-1997 13:24:53.00

SUBJECT: Kansas

TO: Jon P. Jennings ( CN=Jon P. Jennings/OU=WHO/O=EOP @ EOP [ WHO ] )  
READ:UNKNOWN

TEXT:  
MEMORANDUM TO STEVE SILVERMAN CABINET AFFAIRS

FROM: Michael Huerta

Chief of Staff

SUBJECT: Background Information - Wichita

DATE: November 10, 1997

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

Railroad Merger: The Surface Transportation Board in approving a merger of Union Pacific and Southern Pacific in 1996 ordered the railroads and the community to work to resolve their differences. Until a satisfactory agreement was reached, UP was limited to operating only 2 additional trains a day through Wichita. UP and Wichita have not been able to reach an agreement as to satisfactory mitigation of the impacts. Contractors working under supervision of the STB have conducted the EA and a preliminary mitigation plan was issued on September 15, 1997. Comments on

the preliminary mitigation plan were due on October 16, 1997. The preliminary mitigation plan recommended that the railroad operate its trains through Wichita at a higher speed, thereby reducing the time that highway grade crossings are blocked. In December 1997 SEA will issue its Final Mitigation Plan (FMP) for public review and comment after considering public comments received on the Preliminary Mitigation Plan (PMP). During February or March 1998 SEA will finalize the staff-recommended mitigation and the Board will issue its decision.

The Department filed comments on the preliminary plans for Wichita and Reno on October 16, 1997, and continues to follow developments. DOTs comments stressed the need for careful review of the data to assure the recommended mitigation did indeed address the environmental impacts effectively. DOT also recommended that the STB retain jurisdiction over the matter until FRA issues its whistle ban rulemaking. This would permit the STB to order UP to provide improvements that would allow railroad trains to cease sounding their horns at grade crossings.

**Environmental Impact of Mergers:** The UP/SP merger was the first time significant environmental issues were raised with regard to a merger and found to have merit by the STB (or the ICC before it).

**Takings:** The Rails to Trails movement (Railbanking) has inspired a countermovement in Kansas touting the reversionary rights of property owners adjacent to the dormant rail lines. Kansas has a large amount of railroad right-of-way and a strong tradition of respecting the rights of individuals. Congressman Jim Ryun is sponsoring legislation (H.R. 2438)

that would support the rights of the property owners. Section 8(d) of the National Trails System Act allowed for the interim trail use of railroad corridors and the Supreme Court has upheld its constitutionality. The controversy is over the Fifth Amendment rights of the property owners guaranteeing that the government cannot take property without just compensation. Almost all future trail projects in Kansas are in jeopardy because of this issue. One project has been built and is being used extensively by the public.

Transit: On November 7, 1997 a ceremony dedicated the arrival of new FTA-funded buses for the Wichita Transit at the Ralph Wuly Tennis Complex in Wichita. Wichita officials are concerned about reauthorization of ISTEA and availability of Federal funds to support transit operations.

Welfare to Work: Job Training Facility: Since 1990, the Cessna Aircraft Company has sponsored a sheet-metal training facility for low-income/disadvantaged individuals in the Wichita area, providing aircraft-related technical training to those otherwise unable to obtain this type of post-secondary education. Since the project started, 262 people have entered the program; 146 of those trainees are currently employed with Cessna. With Wichitas tremendous increase in aerospace employment over the last 3 years, this type of training gives the students opportunities to move from welfare dependency into the workforce.

Note: Apparently this facility may be on the Presidents itinerary; if so, this information is not necessary, as you have developed far more details. But, if it is not a scheduled stop, this may prove interesting.

Federal Express Building: Federal Express began construction of the building without performing coordination with the FAA as required under Part 77 of the Federal Aviation Regulations. Air Traffic controllers noted that their view of a taxiway was obstructed by some of the newly constructed walls. The project was halted by the Wichita Airport Authority pending completion of coordination with FAA. While that coordination is not complete, it appears that the FAA will find the building to be objectionable. Complicating matters, the same Construction Company, MDC, INC., had built an adjacent building for another cargo company without notifying FAA. However, that building is shorter and causes no line-of-sight problems.

Kellogg Avenue: Kellogg Avenue (US-54/US-400) is the major National Highway System (NHS) east/west corridor through the City of Wichita. The city has reconstructed approximately 8 miles of what was once a city street and upgraded it to freeway standards. The estimate for completing the remaining 9 miles exceeds \$100 million. The City of Wichita will probably be requesting special highway funding through their Congressional delegation to complete the project.

RECORD TYPE: PRESIDENTIAL (TRP NOTES MAIL)

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

CREATION DATE/TIME:18-NOV-1997 17:44:12.00

SUBJECT: Seattle

TO: Jon P. Jennings ( CN=Jon P. Jennings/OU=WHO/O=EOP @ EOP [ WHO ] )  
READ:UNKNOWN

TEXT:  
MEMORANDUM TO STEVE SILVERMAN CABINET AFFAIRS

FROM: Michael Huerta  
Chief of Staff

SUBJECT: Background Information - Seattle

DATE: November 18, 1997

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

State Gas Tax Increase: Facing a major election year in 1998, the Washington Legislature ruled out the possibility of a 7-cents-a-gallon gas tax which would have addressed a projected \$2.2 billion shortfall in transportation spending over the next five years. In response to this setback, Governor Gary Locke stated that he will propose an alternative package funded from a variety of sources including diverting excise tax, tapping the States reserve fund, and a gasoline tax less than the 7-cents-a-gallon the legislature vowed to reject in the 1998 session.

**Local Transportation Votes:** On November 4, Seattle voters approved a ballot issue requiring the City Council to expand the city's monorail system, first built for the 1962 World's Fair, into a 40-mile line connecting the entire city. The ballot issue, however, did not identify any funds or funding source, so the City may request federal assistance. At the same election, the city's \$90 million bond proposal to fund street and bridge maintenance failed to receive the needed 60 percent voter support.

**Drug Interdiction:** A number of federal, state, and local intelligence agencies (including the USCG) from both the United States' and Canada's sides of the border met to exchange information about the interdiction of drugs from southeast Asia. The overwhelming conclusion of meetings is that it is virtually impossible to interdict drugs known to be shipped from an identified shipper in Asia to a known consignee in the United States. U.S. Customs now inspects less than one percent of the containers importing in the United States, and identification of suspect shipments is very difficult. The Shipping Act of 1984 permits shippers to ship goods on their own bills of lading without identifying true shipper or consignee and with minimal description of the cargo moving in the container.

**Note:** Similar information may have been provided by Customs or ONDCP.

**Airport Noise:** On September 30, the President announced a \$161 million airport LOI for Sea-Tac to construct a third runway. While most residents favor this expansion, the Airport Community Coalition (ACC), a group of five affected jurisdictions near Sea-Tac Airport, has filed suit

challenging the mitigation proposed by the Port in the EIS for the 3rd runway. Also challenged are the forecasts used in planning the project and the proposed runway length. The trial is set for December 1.

Tug of Opportunity/Marine Environmental Issues: In January, the USCG released its report on industry's International Tug of Opportunity System (ITOS). In October, USCG released the Volpe Center's study to evaluate the overall safety of the marine transportation system. The report and study were done based on a White House directive at the request of Senator Patti Murray.

Members of the Makah Indian Tribe and some environmentalists led by Fred Felleman of Ocean Advocates expressed concern that ITOS will not go far enough to protect the Puget Sound region from oil spills. They are seeking extension of tug escort requirements and/or prepositioned tugs near the tribal reservation. DOT will decide this spring, after additional stakeholder consultations and review of the Volpe study, which specific additional measures--such as the above--will be further evaluated. The tribe also believes that Secretary Slater may have committed to meet with them.

The USCG has prepared an addendum to their ITOS report--which should be available by the end of the year--to revise the marine safety standards, based on a study of local weather conditions by NOAA, and to assess industry's progress towards implementation.

FAST Corridor: The Puget Sound ports of Seattle and Tacoma face growth

constraints caused by conflicts between the regions travel needs and intermodal rail freight service that provides vital access to the ports.

A coalition of local governments has developed a Freight Action Strategy for the Seattle-Tacoma Corridor (FAST Corridor), which identifies \$332 million in immediate priority projects to separate rail/highway grade crossings and improve port access in the region. Puget Sound congressional representatives are seeking an \$85 million Federal contribution for the projects in the ISTEA reauthorization. The Washington State Legislature will be asked to approve a transportation funding package that will include funds for the grade separation projects.

**Boeing Production Woes:** Faced with a large backlog of airline orders, the Boeing Company announced recently that it could not meet previously stated production goals and would fall behind its ambitious delivery schedule.

The company took the extraordinary step of halting the assembly lines of both its 747 and 737 airplanes in order to correct production snarls.

Boeing announced that it lost \$696 million in the third quarter of 1997 due to delays, and will take \$2.6 billion in pre-tax charges through 1998 for production delays that will result in late deliveries and penalties.

Boeing is bringing employees from the McDonnell-Douglas Plant in California and is looking to hire other qualified workers.

**New Mayor:** On November 5, Seattle voters elected Paul Schell as their new mayor. Note: While there are not specific transportation issues involved, some background on the mayor should be provided through WH Intergovernmental.

RECORD TYPE: PRESIDENTIAL (TRP NOTES MAIL)

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

CREATION DATE/TIME:19-DEC-1997 15:47:01.00

SUBJECT: Accomplishments related to WH Initiatives -- let me know if I need to send it to anyone else.

TO: Jon P. Jennings ( CN=Jon P. Jennings/OU=WHO/O=EOP @ EOP [ WHO ] )

READ:UNKNOWN

TEXT:

MEMORANDUM TO BRUCE REED DOMESTIC POLICY COUNCIL

FROM: Michael Huerta

Chief of Staff

SUBJECT: Administration Accomplishments - Additional Information

DATE: December 19, 1997

Following is additional information on DOTs work on Presidential Priorities. This should be used to complement our memo to you of December 10 and our memo to Steve Silverman of November 25 focusing on work in and for D.C. Please contact me or Judi Gold at 366-9497 if you have any questions.

Crime and Drugs

In direct support of the Presidents 1997 National Drug Control Strategy, Coast Guard counternarcotics operations in the deepwater areas far off Americas shores, continue to disrupt traffickers in the Caribbean Gulf of

Mexico, off South America, and in the Eastern Pacific. On December 11, in a ceremony in Miami, Florida, President Clinton recognized the Coast Guard, the nations lead agency for maritime drug interdiction, for its seizure of 103,617 lbs. of cocaine in Fiscal year 1997 -- the highest total in the services history. This would supply all of America for over two months, and is triple the Coast Guards FY 1996 total. Operation FRONTIER SHIELD in the Eastern Caribbean has significantly diminished the drug trade in Puerto Rico, a notorious trafficking area.

### Welfare to Work

Working through the National Governors Association, the Department has funded grants to 24 states and one territory to develop a transportation component of HHSs temporary assistance to needy family (TANF) plans. For example, Kentucky is implementing a system to broker transportation services, while Ohio is requiring each county to develop transportation plans to assist former welfare recipients.

Following the Presidents directive to hire welfare recipients and to work with our private partners, DOT has reached out to transportation industry leaders encouraging them to provide job opportunities for welfare recipients, and coordinating with the Welfare-to-Work Partnership, the national non-profit organization established to encourage American business to hire welfare recipients. The industry has made an exemplary commitment to welfare reform as results show. For example: United Airlines has hired about 125 welfare recipients; American Airlines has hired approximately 250; and UPS has hired about 7,000 welfare

recipients.

Department field staff are working with metropolitan planning organizations (MPOs), and State DOT's to focus on transportation-related welfare reform activities. They have waived the match requirement for Welfare-to-Work-related planning activities and developed three brochures on analyzing transportation gaps and planning for welfare recipient transportation access. The Federal Transit Administration (FTA) is working vigorously to educate employers and workers about the availability of the Transit Benefit Program.

The President's proposal for reauthorization of ISTEA (NEXTEA) includes \$600 million in a competitive grant program to support efforts to link welfare recipients with work. This proposal is included in the legislation approved at the committee level in the Senate and slightly different in the House. Working through the National Governors Association, FTA and FHWA funded grants to 24 states and one territory to develop a transportation component of their temporary assistance to needy family plans. These states are pursuing innovative actions to address welfare reform. For example, Kentucky is implementing a system to broker transportation services, while Ohio is requiring each county to develop transportation plans to assist former welfare recipients.

As reported in our earlier memo, the Department has hired 117 welfare recipients.

In summary, as Secretary Slater often states transportation is the to in

Welfare to Work.

## Aviation Safety and Security

In February, 1997 the White House Commission on Aviation and Security, chaired by the Vice President, announced a series of recommendations to improve the safety and security of air travel.

The Department has adopted a goal of reducing the fatal aviation accident rate by 80 percent by the year 2007. To achieve that goal a number of steps have already been taken: a rulemaking which, when finalized, is expected to require fire detection and suppression systems in airplanes that carry passengers; the hiring of additional safety inspectors to provide a higher level of air carrier scrutiny; an agreement, announced on December 15, with the Air Transport Association whereby their member airlines will equip 4300 aircraft with advanced awareness warning systems (to help detect mountainous terrain) in advance of an FAA rule requiring these systems by 2003 in aircraft of 6 or more seats.

The Department is taking new measures to ensure the security of the traveling public by installing 54 new security systems at U.S. airports to screen checked and carry-on baggage for explosives. Other security measures adopted include: the graduation in March, 1997 of the first FAA exclusive class of dog handlers from Military Working Dog School in order to expand the use of bomb-sniffing dogs; deploying security consortia at 41 large capacity airports that will be responsible for implementing security enhancements; a rulemaking to require background checks on

security screeners and their; and, in coordination with DOJ, taken steps to ensure that airline crew members performing their duties are protected from passenger misconduct.

### Food Gleaning and Recovery

Working in cooperation with USDA, DOT hosted eight Farmers Markets in 1997. These markets helped small farmers, allowed people to buy fresh produce and surplus food from each market was donated to the D.C. Central Kitchen. Almost 3,000 lbs. of surplus was donated.

Transportation of food was identified at the Food Recovery Summit held with the Vice President in September as a major obstacle for hunger groups. In response to that need, the Department has initiated partnerships with the trucking, aviation and rail industries as well as with associated unions to transport surplus food and donate unused food. Truckers and trucking companies have shown a very strong interest in developing a national process to back haul surplus food when trucks are empty returning from deliveries. The airlines have indicated their willingness to develop a system whereby surplus food from their caterers can be delivered to food centers. Northwest Airlines issued a news release December 5 (the day after the meeting) urging other airlines to join USDA and DOT in a national program to collect and distribute excess food to help feed hungry Americans.

### Presidents Shipbuilding Initiative

The Maritime Administration continues to implement the President's National Shipbuilding Initiative (NSI) that was announced in October of 1993.

Title XI applications totaling \$330 million in federal loan guarantees covering 11 projects--40 vessels, one shipyard modernization project and one ship reactivation project--were approved in fiscal year 1997. Over \$2 billion of Title XI federal loan guarantees have been approved since the NSI was announced in 1993.

New orders for U.S. construction of 19 vessels, valued at \$50 million, have involved MARITECH-generated ship designs. The Maritime Administration is the project manager for many of the MARITECH projects funded via the Defense Advanced Research Projects Administration.

On December 18, 1997, a \$55-million federal loan guarantee (Title XI) financing arrangement was completed for the shipyard reactivation project to modernize the Fore River Shipyard in Quincy, Massachusetts. This is expected to create between 700-1000 new jobs. An event was held with congressional, state, and local representatives on December 18 in Quincy, Massachusetts.

#### Education (additional information)

Coast Guard military and civilian employees devoted time and effort towards the nation's children, assisting in educational opportunities throughout the country. During 1997, 2,919 Coast Guard military and

civilian volunteers provided 316 schools with 46,656 hours to help almost 180,705 students in academic and career achievement. Partnerships were established in a range of communities. Of particular note is the Ninth Coast Guard District in Cleveland, Ohio, which concluded an agreement with that city's Garrett Morgan School. Coast Guard people will provide technical assistance and training to the faculty and students in improving their math, science and technology programs.

RECORD TYPE: PRESIDENTIAL (TRP NOTES MAIL)

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

CREATION DATE/TIME: 3-MAR-1998 19:55:06.00

SUBJECT: VPOTUS briefing for Manchester and Nashua, NH

TO: Jon P. Jennings ( CN=Jon P. Jennings/OU=WHO/O=EOP @ EOP [ WHO ] )

READ:UNKNOWN

TEXT:

MEMORANDUM TO STEVE SILVERMAN CABINET AFFAIRS

FROM: Michael Huerta

Chief of Staff

SUBJECT: Background Information - Manchester, NH

DATE: March 3, 1998

The following is information on Manchester, NH issues. Please contact me or Murray Rapp at 366-6524 if you have any questions.

Delay in Reauthorization of the Intermodal Surface Transportation

Efficiency Act of 1991 (ISTEA): Without further Federal funds in fiscal

year (FY) 1998, New Hampshire projects valued at over \$23 million in FY 98

and \$66 million in FY 99 will be jeopardized. The State plans to use a

combination of State funds and advance construction (Federal authorization

without using Federal funds) to continue advancing Federal-aid projects.

However, this limits actual cash flow and their ability to finance other

projects during this time. New Hampshire is assuming ISTEA

reauthorization and payback by February 1999. The New Hampshire Department of Transportation believes they may be able to avoid major project delay until next Spring provided they are able to have all available Federal funds authorized by May 1; they continue to be able to use advance construction; no unforeseen major problems develop; favorable Congressional action occurs this calendar year; and the Federal Highway Administration (FHWA) is still operating and available to pay the current bill.

The State remains very concerned with the lack of reauthorization, and Governor Jeanne Shaheen has been outspoken on this subject. The State has submitted a list of seven roadway projects and six bridges as a demonstration project fund request to U.S. Representative Charles Bass.

#### Potential Loss Of National Highway System (NHS) Funds - Size & Weight

Issue: Because New Hampshire is not enforcing the 80,000 pound commercial vehicle weight limit on the I-95 Turnpike, the U.S. Department of Transportation (DOT) is withholding approximately \$5.5 million of NHS funds. Because of the limits on obligation authority in the six-month extension of ISTEA, the State has suffered no immediate impact from the present withholding.

If the State enforces the 80,000 pound limit, overweight vehicles will use the local road system, causing greater safety problems. Grandfathering the I-95 corridor to allow overweight vehicles, would create pressure to

permit the same criteria for other Interstate highways in New Hampshire.

The State believes this would create additional safety issues, and they are opposed to grandfathering.

The State believes that maintaining the status quo is their best option.

This requires a change in the present Federal law. The state is pursuing an exemption for enforcement on I-95 in the reauthorization legislation.

**Potential Loss Of 3 Percent Of Federal-Aid Highway Funds - Safety Belts:**

New Hampshire safety belt legislation only applies to those under the age of 18. Therefore, the State is subject to the transfer of three percent of NHS, Surface Transportation Program (STP), and Congestion Mitigation and Air Quality (CMAQ) Improvement Program funds from the transportation budget to the State safety agency. New Hampshire's safety belt usage rate of 57.7 percent falls short of the 1997 national average of 61.3 percent, the rate required to avoid the transfer of funds.

The six-month extension of ISTEA withheld 3 percent of New Hampshire's NHS, STP, and CMAQ funds, pending further discussions between the Governor's office and NHTSA. If Secretary Slater does not certify that the State has met the usage rate requirement, these funds will eventually be transferred, something the State opposes. Because of the limits on obligation authority in the six-month bill, the State suffers no immediate impact from the present withholding.

**New Hampshire Emergency Relief (ER) Funds Request:** New Hampshire has just submitted a request to FHWA for ER funds to cover the cost of the January

ice storm. Approximately 55,000 residents and businesses were without power, many of them for weeks. Continuous operations were required to accommodate emergency vehicles and to evacuate affected individuals to emergency shelters. This request will be approved by March 5, 1998

**Manchester Airport Access Project:** This project provides new and improved access to a quickly expanding regional airport facility, which provides relief to Logan Airport in Boston. The project has widespread statewide support and is a priority with the Governor, who has encouraged the Congressional delegation to fund it in the reauthorization. The estimated cost is \$76 million.

The Environmental Protection Agency's Region 1 is voicing concerns about the impact of secondary development on environmental resources on one thousand acres of industrially zoned land south of the airport. However, field reviews demonstrate that this land contains limited natural resources. This planned development is considered critical by the community to help support the local economy.

**I-93 Widening between Manchester and Salem:** This project would widen approximately 18 miles of I-93 between the New Hampshire/Massachusetts State line in Salem and I-93/I-293/NH 101 interchange in Manchester. The project would improve five interchanges, has a total estimated cost of \$110 million, and is included on the States demonstration project list for ISTEA

reauthorization. An attempt to develop an off site wetland mitigation bank for this corridor has been unsuccessful, since the Federal resource agencies will only allow minimal up front credit (15%) while the State would have invested approximately 90% of the costs.

MEMORANDUM TO STEVE SILVERMAN CABINET AFFAIRS

FROM: Michael Huerta  
Chief of Staff

SUBJECT: Background Information - Nashua, NH

DATE: March 3, 1998

The following is information on Nashua, NH issues. Please contact me or Murray Rapp at 366-6524 if you have any questions.

Nashua Circumferential: This 12.3-mile four-lane divided limited access highway would reduce congestion in and near the central business districts of Nashua and Hudson. It runs along the east side of the city and connects to the F.E. Everett Highway north and south of Nashua. It is

considered an important project and is strongly supported by the city. This has been a State funded project in recent years. While the entire project has been considered critical, only a partial option was approved by the Army Corps of Engineers based on environmental concerns of Federal resource agencies. The State would like to make this a Federal project and has included it on a demonstration fund project list for reauthorization. Total estimated costs are \$205 million.

**Broad Street Parkway:** This multi-lane roadway would be constructed from Broad Street near the F.E. Everett Turnpike on the north to an area on the southeastern periphery of the Nashua central business district (CBD). It would help alleviate congestion along the northern CBD access corridor and is listed in the New Hampshire State Air Quality Implementation Plan as an air quality improvement strategy. While the project is not critical from a State or regional perspective, it is important to the city of Nashua in providing access to the city's CBD. The final environmental impact statement has been approved. The project is included in the States demonstration project fund request, and the remaining estimated cost is \$31 million.

RECORD TYPE: PRESIDENTIAL (TRP NOTES MAIL)

CREATOR: Jonathan Weiss ( CN=Jonathan Weiss/O=OVP [ OVP ] )

CREATION DATE/TIME: 3-MAR-1998 18:33:08.00

SUBJECT: Re: ISTEA Renewal

TO: Lynn G. Cutler ( CN=Lynn G. Cutler/OU=WHO/O=EOP @ EOP [ WHO ] )  
READ:UNKNOWN

TEXT:

that's ok. am not on the conference call -- but dorothy told me about

it. it's really just a side issue for us that we don't have much time

for, but wanted you to know we'll help when its necessary to ensure VP's

involvement.