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OA/ID Number: 17407
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Folder Title:
ISTEA [Intermodal Surface Transportation Efficiency Act]: ISTEAs Clearance Issues

Stack:	Row:	Section:	Shelf:	Position:
S	15	5	6	3

THE WHITE HOUSE
WASHINGTON

Appointments of Ambassadors
Bd. Members

incentive clause

Safety -

No helmet law - no fed.
\$ for long, Teren Carl

THE WHITE HOUSE
WASHINGTON

2pm - DOT staff
4pm - Rodney

To what are we prepared to
take on

To extent it's federal ex,
DOT w

To extent

THE WHITE HOUSE
WASHINGTON

Road to 21

{ Community involvement
choice

has pushed Kans. decisions
out of hands of old boys

T.E.

Walk thru

THE WHITE HOUSE
WASHINGTON

Trust fund balances

\$200

Donor - Donee fight less serious
than before

We were a 10%
set aside under
Bridge program

CMAQ \$ getting broader, b/c
of EAX

Trask - give BIA the \$

↑ Indian Reservation

Same \$ but more flex.

PHOTOCOPY
PRESERVATION

DOROTHY - please respond

THE PRESIDENT HAS SEEN
3-10-97

Yellowstone Bison: Secretary Babbitt and Secretary Glickman signed a letter to Governor Racicot outlining objectives agreed upon by DOI and USDA. The short term objective is to avoid additional killing of bison during the ¹⁹⁹⁶⁻⁹⁷ winter season. A long-term solution depends upon three components: supplemental winter range; herd management through appropriate measures; and eliminating brucellosis from the bison herd. DOI and USDA proposed to work with MT to meet the original July 31, 1997, deadline to issue the draft environmental impact statement (EIS). The Governor pledged the state's cooperation on the EIS. DOI is working with the National Academy of Sciences to initiate a study of this issue. Key scientific questions must be addressed before a long-term solution can be devised. Currently, about half of the bison and about 1.5 percent of the elk have been infected.

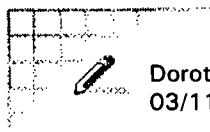
Bureau of Land Management (BLM) Golden Partnership Projects: This week, BLM announced the selection of 40 Golden Partnership projects to receive funding this fiscal year. Spanning the western U.S. from AK to NM, these projects will improve fish and wildlife habitat and enhance recreational opportunities. These projects involve substantial support and commitment from the local communities and local chapters of the partnering organization through volunteer assistance, in-kind contributions, or matching funds.

ISTEA and Navajo Reservation: The Indian Reservation Roads Program (IRRP) on the Navajo reservation is proposed to be funded in the ISTEA re-authorization at \$125 million for the next six years. This amounts to a 35% cut, greater than any other program in the Federal Lands Highways Program. The proposed funding in the re-authorization would keep the roads on the Navajo Reservation in their present condition only into the next century.

Secretary's Schedule: On March 12-13, the Secretary will continue his van tours across the U.S. to highlight local community involvement in environmental restoration. On March 12, he will travel to Charleston, SC, and Savannah, GA. In Charleston, the Secretary will fish with local community activists who have spear-headed a remarkable restoration of the Cooper River. In Savannah, GA, the Secretary will again go fishing with some local community leaders who were active in restoring fisheries and fish habitat on the Savannah River. On March 13, he will tour the Village Creek in Atlanta, GA, a restored watershed area located in a minority neighborhood. The Secretary will then travel to Birmingham, AL, where he will tour another community watershed area that is in the initial stages of being restored.

SB/
Disbursed
who refused
to sign
H. W. H.
B.C.

David Whipple
5-4797



Dorothy Robyn
03/11/97 08:26:57 AM

Record Type: Record

To: Gene B. Sperling/OPD/EOP

cc: Michael Deich/OMB/EOP, David J. Worzala/OMB/EOP

Subject: ISTEА and Navajo Reservation

POTUS flagged an entry in what looks like Interior's weekly report stating that the Indian Roads Reservation Program (IRRP) has been funded at only \$125M -- a 35% cut. David Worzala, the ISTEА examiner, says that the actual figure is \$200M. A much earlier draft of ISTEА had a typo (\$125M instead of \$195M); DOT/OMB added another \$5M at some point. (By the way, this correction is clearly explained in DOT's response to agency comments, which OMB circulated to Interior and others on March 3.)

transportation activities. Further, the program as established in ISTEA is intended to fund both motorized and non-motorized trails (and is meant to use revenues from off-road vehicle fuel taxes), thus language discouraging motorized trails is inappropriate. We are rewriting this section to address OMB recommendations, including making the program less prescriptive.

6. MPO Structure - DOT worked closely with MPOs and the Surface Transportation Policy Project (STPP) in developing bill's planning language and believe they support this. We will, of course, continue to work MPOs, but decline to make further statutory changes.

7. MPO & Public Participation- These changes are not needed because we already have extensive guidance and process in place on public participation. See 23 CFR Part 450.

8. Delete condition on Transfer of NHS funds--The intent of the new language is to move the States toward more performance measures of their actions and place an emphasis on rehabilitation of the current system. However, we note that OMB also recommends deleting the condition. We accept this change.

2/20 Justice comments: Indian Tribes

--Government to government relationship- We do not believe it is appropriate to deliver transportation assistance in this way. DOT has a good working relationship with the Tribes under the current program structure.

-- Preamble will be deleted from bill in favor of transmittal letter. We will ensure that reference to colonialism is not included there.

--\$125 million authorization is a typo; it should read \$195 million. While we have eliminated the 1% set-aside for Indian Bridges, we have made such bridges eligible for funds under the Indian Reservation Road (IRR) program and increased funding for the IRR program by \$4 million. OMB has asked us to review this issue along with BIA's concerns about funding levels. We will do so.

--Project Oversight- We believe a change is not needed. The planning language is broad enough

--Emergency Relief -- We accept this change.

--Flexibility of funds-- IRR funds are flexible. Federal lands program funds are eligible for mass transit uses because they are treated like STP funds. STP funds are eligible for transit capital uses.

--SIB for Indian Tribes -- We oppose a separate set-aside.

DOI Environmental--These comments raise similar issues as EPA's. We assume that resolution will track outcome of EPA comments.

MPO Sanctions--The statement that de-certification is our only sanction is not correct. DOT has administrative authority for a range of sanctions (see 23 CFR 450.334). We are also strengthening the certification process through peer review. No changes to the bill are needed.

Statewide Planning- We accept DOJ's change (mobility needs) to this paragraph.

• Truck size & weight : Overstar minus weight

• Seat belts - sanctions

old - if you don't hit goal, you start to lose highway \$

new - " " , we'll flex the \$ for you to seat belts

• 08 BAC - sanctions

To OMB by Sept

THE WHITE HOUSE
WASHINGTON

OFFICE OF LEGISLATIVE AFFAIRS
FAX COVER SHEET

NOTE: THE INFORMATION CONTAINED IN THIS FACSIMILE
MESSAGE IS CONFIDENTIAL AND INTENDED FOR
THE RECIPIENT ONLY.

DATE: 3-5-97 3-6-97

TO: Dorothy Robyn

FAX #: 6-2223

FROM: Andy Blocker (202) 456-6620
FAX #: (202) 456-2604

RE: James Daily DOT papers

PAGE 1 OF 31

If there are any problems with this transmission, please call (202) 456-6620

3/4/97 4 pm

**KEY EPA ISTEA RECOMMENDATIONS
and
DOT RESPONSES**

CONGESTION MITIGATION AND AIR QUALITY IMPROVEMENT

1. EPA: Continue CMAQ program. Continue funds for redesignated maintenance areas.

DOT: agreed.

2. EPA: PM nonattainment areas should be explicitly eligible for CMAQ funds.

DOT: agreed.

3. EPA: Allow CMAQ funding within expanded nonattainment area boundaries under revised standards.

DOT: Adopted. Use of funds allowed in new nonattainment areas, provided State has submitted a State Implementation Plan to EPA.

4. EPA: CMAQ funds should target projects with long-term air quality benefits.

DOT: Partially adopted. Bill provides that in selecting projects, both short-term effectiveness and long term sustainability of air quality benefits should be considered. Priority should continue to be given to transportation control measures listed in SIPs .

TRANSPORTATION ENHANCEMENTS

EPA: Better integrate TE funds and existing environmental planning requirements.

DOT: Agree. Can be done administratively, without seeking Congressional permission.

BROWNFIELDS REDEVELOPMENT

1. EPA: Affirm brownfields principles in NEXTEA.

DOT: DOT is committed to Administration brownfields program. However, Congressional feedback is that this would be rejected legislatively. Explicit brownfields policy statement therefore is not included.

2. EPA: Clarify brownfields eligibility.

DOT: Current law allows funding of cleanup with transportation project. DOT will review policy and alter guidance to conform to Administration policy.

3. EPA: Expand eligibility to use highway funds for brownfields outside right-of-way.

DOT: DOT/EPA compromise developed: a new pilot program to explore sustainable transportation/ land use/transportation connections, including brownfields redevelopment. (LGOE funding).

HISTORIC WETLAND RESTORATION PILOT PROGRAM

EPA: Establish a new program or set-aside in STP, NHS or TE to address wetland and riparian losses due to highway projects

DOT: Not necessary.. Restoration currently eligible. EPA agrees and accepts. DOT will issue guidance.

CLIMATE CHANGE

1. EPA: \$500 million incentive fund for states reducing GHG emissions.
DOT: Not adopted. Bill includes many provisions which help reduce GHG emissions -- emphasizing support for transit, railroads, bike/ped, intermodal facilities; increased funding for environmental programs; pricing policies; enhanced planning process.
DOT's proposed pilot program on transportation and land use could fund study of travel reduction strategies. DOT will conduct further research. (\$15 M pilot, \$10 M research from LGOE, in addition to other planned research)

PLANNING AND PERFORMANCE STANDARDS

1. EPA: Develop performance-based performance standards.

DOT: No requirement in bill, but DOT guidance will encourage MPOs & states to use performance measures. DOT is working with AASHTO and other stakeholders to develop a plan for appropriate measures.
2. EPA: Require "performance based" public participation standards.

DOT: DOT will continue emphasis on public involvement. We provided extensive guidance during ISTEA on public involvement. We are avoiding additional prescriptive standards.

EIS and MIS

1. EPA: Maintain existing flexibility to do MIS before or jointly with EIS analysis.

DOT: Agreed. No legislative change.

MPO Structure, Scope Funding

1. EPA: Expand MPO boundaries to include new PM nonattainment areas.

DOT: Bill provides that this expansion can be added at request of governor and MPO.

2. EPA: MPOs need to fairly represent regional interests.

DOT: Bill requires fair and equitable treatment of central cities over 2000,000 in distribution of STP attributable funds. Also, central cities are given stronger voice in MPO designation actions by virtue of lowering population threshold to 51% (from 75%).this. We will continue to work with MPOs and central cities.

VOLUNTARY PARKING CASHOUT (COMMUTER BENEFIT)

EPA: Change tax code to allow employers to offer employees taxable cash salary instead of free parking.

DOT: We had proposed language EPA supported, but EPA and Treasury have different views. OMB is resolving differences and will provide instructions to DOT.

TRAFFIC CALMING

EPA: Create dedicated set aside for traffic calming.

DOT: Not accepted. Traffic calming now qualifies for Federal aid where on Federal aid system. Also, off system traffic calming is eligible if it qualifies as a safety project or if it contributes to the efficiency or safety of Federal aid systems.

ITS

EPA: Require ITS projects to be considered as regular transportation projects for planning/conformity.

DOT: Agreed. (This is already the case).

COOL COMMUNITIES

EPA: Set aside cool communities fund.

DOT: Landscaping is eligible for highway funds. FHWA has treeways program to promote planting Since 1987, at least one-quarter percent of funds spent on landscaping must be used to plant native wildflowers. Additional set-aside not needed.

LAND USE

EPA: Fund pilot for LUTRAQ type planning

DOT: Accepted. Land use/transportation connections to be studied in new pilot, cited earlier, which is to be funded at \$15 million (LGOE).

DREDGING

EPA: MPO planning should explicitly consider waterside infrastructure.

DOT: Bill refers to intermodal planning, which includes landside port access. Reference to port access is included in section by section. Waterside needs and planning are not part of MPO surface transportation responsibility.

3/4/97

02/19/97

NEXTEA & GLOBAL CLIMATE CHANGE DOT Proposals

DOT's ISTEA reauthorization proposal contains many elements supportive of the Administration's Global Climate Change policies:

I. Emphasis on supporting transit, railroads, bicycle/pedestrian travel, intermodal facilities, etc.

- \$5 billion/year in transit authorizations--an increase over ISTEA

- \$565-767 million/year to fund Amtrak out of the HTF/Highway Account

- Broadening the purpose of the Surface Transportation Program (STP) to now encompass all surface modes, including passenger and freight rail, transit, intermodal facilities, and bike/pedestrian facilities; and an increase in funding, to over \$6 billion/year

- Expanded eligibilities in the NHS program, to include intermodal freight transfer facilities, bus and rail passenger terminals, and (under certain conditions) Amtrak capital as well as transit capital. (NHS funded at \$4.4 billion/year -- less than transit, less than STP.)

II. Increased funding for environmental programs:

- CMAQ to be funded at \$1.3 billion/year, a 26% increase over ISTEA

- Transportation Enhancements (TE) to be funded at \$580 million/year, a 29% increase (TE includes vegetation planting, bicycle/pedestrian enhancements, and other provisions that help reduce Global Climate Change)

III. Pricing policies:

- Parking cash-out provisions, to encourage employers to replace parking-only subsidies with mode-neutral travel subsidies

- Enhanced congestion pricing program (under new "Value Pricing" label) with 100% Federal share, more program slots, greater freedom to use pricing revenues, and other inducements

- Elimination of statutory prohibition on rolling Interstate highways

IV. Enhancement of Planning Process:

Retains all major planning requirements and provisions:

- Fiscal constraint
- Public involvement
- Role of MPOs
- Linkages to Clean Air Act
- Environment goals

Reinforces MPO structure, with added emphasis on central city role and "fair and equitable" funding for central cities over 200,000 population

In response to EPA's desire for greater emphasis on Global Climate Change goals, DOT has offered to pursue two additional initiatives:

1. New pilot program to foster growth management planning and policy development

~~\$5~~ million/ to fund 10 or more areas

Studies would be like LUTRAQ project in Portland, OR

Projects would model and evaluate policies that foster growth management, metropolitan in-fill, and other strategies that reduce environmental and other costs linked to transportation

2. Formula adjustment factor (this would have to be statutory):

Add a provision to the highway program formulas that would compensate states which experience a reduction in their contributions to the Highway Trust Fund as a result of reduced fuel consumption and reduced travel.

This provision would take effect in the last two years of the reauthorization period (FY2002 and FY2003), and it would be based on a rolling three-year average of HTF contributions.

For states which meet the criteria, their apportionments would be adjusted so they would not experience reduced funding as a result of lower HTF contributions.

Further, DOT is pursuing a broad range of research and deployment activities that are supportive of the Administration's Global Climate Change policies:

Support for more fuel efficient clean-fuel vehicles

- C** Since its inception in 1992, USDOT's Congestion Mitigation and Air Quality Improvement Program (CMAQ) has provided nearly \$291 million for alternative fuel projects. This represents about 11 percent of the more than \$2.7 billion in total funds obligated or earmarked for specific projects between 1992 and 1995.
- C** ISTEA included a favorable match ratio (90%, rather than the usual 80%) for clean-fueled buses. The additional 10% ratio is worth up to \$60 million over the life of NEXTEA, if used by transit operators and other government entities purchasing buses.

Research on more fuel efficient and clean-fueled vehicles

- C** Over the course of the past five years, the Federal Transit Administration (FTA) has had major programs underway related to electric and hybrid vehicles. FTA's enacted budgets for FY96 and FY97 included almost \$15 million to develop a new generation of transit buses which will be less polluting. This includes development of a light-weight, fully accessible low emission, fuel-efficient bus. Prototype buses will be tested in regular service during 1997. FTA has requested \$8 million in FY98 for this activity. A second major research effort is development of a fuel cell bus which will convert fuel directly to electricity for propulsion with ultra-low emissions. \$11 million has been requested for this and other new bus technology demonstration projects in FY98.
- C** The National Highway Traffic Safety Administration's (NHTSA's) enacted FY97 budget included \$2.5 million for examining the crash worthiness of next generation vehicles. DOT has requested a similar amount in FY98. The satisfactory evaluation of the safety of personal AFVs is critical to commercial deployment.
- C** The Research and Special Programs Administration (RSPA) joined DOE in a pilot project under the Clean Cities initiative to provide technical assistance to ten cities on the developing infrastructure to support electric vehicles. (\$75K FY 1996).
- C** Federal Highway Administration (FHWA), FTA, and RSPA have had preliminary discussions with the Defense Advanced Research Projects Agency (DARPA), the Department of Energy, Department of Commerce and the Electric Vehicle Coalition on the possible transfer of the DARPA electric vehicle program to DOT. A transfer to DOT or DOE could accelerate the commercialization of electric fuel vehicles. The DARPA Electric and Hybrid Electric Vehicle Program has spent \$100 million over the past five years, plus industry match. DARPA will no longer fund this program beginning FY98. The consortia are requesting \$50 million for FY98, and the same for later years.
- C** The Bureau of Transportation Statistics (BTS) is undertaking an assessment of the system implications of alternative energy vehicles in connection with PNGV. (\$250K)

Research on Sustainable Development

- C The proposed National Science and Technology Council's (NSTC) Transportation R&D Committee's Science and Technology Strategy contains many elements which would support R&T efforts directed at the Global Climate Change Initiative. Under that strategy, DOT is working closely with EPA to develop a Strategic Partnership Initiative on *Environmental Sustainability of Transportation Systems*. This initiative will include research into the impacts of expanding and enhancing transportation capacity. In NEXTEA, DOT includes a \$10 million authorization for intermodal strategic transportation research. This item will enable DOT to participate in the NSTC Partnerships Initiatives including the contemplated *Environmental Sustainability of Transportation Systems* as well related partnership initiatives. (The latter includes an environmental monitoring activity and next generation motor vehicles, i.e. PNGV passenger cars and medium and heavy duty vehicles.)

- C As part of RSPA's R&T program, work has been initiated to assess the transportation-related sustainability issues, including global warming. Work has been initiated to develop an R&D agenda for ensuring the economic, social, and environmental sustainability of US transportation activities. The effort will consider factors influencing transportation demand and land use; the planning context in which transportation decisions are made; and the potential contributions of various strategies to sustainability, including alternative vehicle technologies, ITS, new types of transit services, demand management, transit oriented development, and greater land use controls. (This an initial study for \$75K as part of RSPA's \$2.2 million to support activities in this area.)

- C FHWA's Highway Safety R&D (\$8.8 million/FY 1997) program includes a pedestrian and bicyclist safety effort in support of the Department's National Bicycling and Walking Initiative, which aims to double the number of pedestrian and bicycle trips and reduce the number of bicyclists and pedestrians killed or injured by 10%. This program will develop improved planning techniques, new methods for identifying problem locations, innovative engineering countermeasures and training tools to guide users in the implementation of improved pedestrian and bicycle facilities.

- C DOT has spent approximately \$5.5 million in FY96 and \$5 million in FY97 on planning research related to global Climate Change, with a\$5 million requested in FY98. The spending falls into two categories, both aimed at providing better estimates of travel in the calculation of greenhouse gas emissions. The two categories are the TRANSIMS project and general improvements to travel forecasting procedures (Travel Model Improvement Program). TRANSIMS uses household, traveler and traffic micro simulation, combined with new emissions procedures, to provide much better estimates of emissions, including greenhouse gases, than current methods allow for. TRANSIMS has been committed to as part of the Climate Change Action Plan. Improving existing procedures will modify existing tools to enhance their ability to analyze travel issues.

2-24-1997 9:28PM

FROM DOT OST DAS POLICY 202 493 2005

C FHWA's Environmental Research program has several research activities related to sustainability. These include: assisting MPOs and States in meeting Clean Air Act requirements; and increasing community and public involvement related to the community impacts of proposed transportation projects (\$5.5 million/FY 1997). Among research projects funded are a synthesis of literature on greenhouse gas inventory, impacts and strategies to reduce greenhouse gases (\$50 K, FY 1997). FHWA contributed \$200K to a National Academy of Sciences/TRB study on Transportation for a Sustainable Environment which focuses on biodiversity and climate changes impacts of transportation, and emphasizes the global nature of the problem. In addition to the FHWA share, \$150K from the National Cooperative Highway Research Program and \$150K from the National Cooperative Transit Research Program were contributed (NCHRP and NCTRP are drawdowns from ISTEA transportation research and planning funds).

C FHWA held, with TRB, a national environmental research conference in November, and the following additional research needs were identified for the energy conservation, alternative fuels and climate change category, with total costs of \$1.6 to 2 million:

- Preparing a public outreach toolkit to promote options to reduce personal transportation energy consumption and greenhouse gas emissions.
- Market prospects of alternative fuel and super efficient vehicles and implications for greenhouse gas emissions.
- Consequences of alternative highway pricing and financing systems for fuel consumption and greenhouse gas emissions.
- Implications of global motorization for energy use and the environment.
- Improving the efficiency of goods movements: developing information for state/MPO planning efforts.
- Changes in the geography of production systems: implications for freight energy use.

C The Office of the Secretary's policy office research program includes the following efforts related to sustainability: developing environmental, energy, and safety policies and policies for access for transportation disadvantaged (\$100K/FY98).

Support for more efficient land use.

C FTA has examined transit supportive developments that are less dependent on automobile access and more conducive to transit riding, walking, and bicycling. FTA has also developed guidelines for planning and design of land use patterns that are sensitive to the needs of public transit. These guidelines are meant to create an efficient environment for future growth in suburban areas. This project began in 1990.

C FHWA also supported the LUTRAQ project conducted by 1000 Friends of Oregon. FHWA contributed approximately \$200,000 to LUTRAQ in FY92 and FY93. FHWA funds supported development of the analytic procedures used in the LUTRAQ process.

2/24/97

istea/globalrs.wpp

Tracy Hillier

Chris Woltz

WE'VE incorporated new non-attainment

~~WATER~~ Act - '95

(If you become a

~~you can~~

states that get \$ under CMAQ under

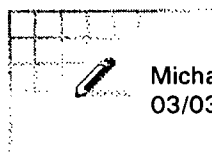
Are there sanctions? No sanctions in this bill?

(Safety
(much site; with

yesterday, we told DOT to come back w/ Δ
tit/E if show us BSR...

They put proposal on table that we'll brief.
w/

The discussions are on track; we should
be in a position to transmit our
Australian by late next wk.



Michael Deich
03/03/97 08:37:05 AM

Record Type: Record

To: Dorothy Robyn/OPD/EOP

cc:

Subject: Getting to Closure on ISTE A

here's what we face.

on davis bacon, i think jack donahue was the dol person involved. and yes i think that we should acknowledge possibility of 10 percent, but also note that no state has indicated any interest in using so much as a dime of its allocation for sibs. everyone simply wants a piece of the extra \$150m.

----- Forwarded by Michael Deich/OMB/EOP on 03/03/97 08:37 AM -----

James J. Jukes

03/02/97 02:10:44 PM

Record Type: Record

To: Michael Deich/OMB/EOP

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

Subject: Getting to Closure on ISTE A

Michael --

The purpose of this note is to give you my take on production status and to inform you of commitments I made on your behalf. This note is not intended to pre-empt TCJS staff work that I know is underway on some of these issues. DOT is pressing very hard to get the bill finished this week, per Slater's commitment.

OMB Commitments Made

At Friday afternoon's meeting with DOT, I committed "us" to making "best efforts" to get final policy decisions on as many of the following matters as possible by **COB Monday**. For the first three items below, "us" probably means "you". I will try not to bother you with items 4 or 5 unless I hit an impasse. If decisions are not made on these five issues by Monday, I believe it will be impossible to finish the drafting and clearance of the bill this week.

1. Labor/SIBs. (Will you or Robyn obtain closure? Probably need Apfel/Koskinen as well as Podesta.)

2. Credit. (Alameda model or other -- will require a Barry Anderson chop if not straight direct loans.)

3. ADA paratransit. (DOT believes they cannot back off from their proposal to make "capital" money available for "non-capital" expenses in this area -- even if the price tag reaches \$1B.)
4. Federal lands roads. (May need to resolve disagreements between your staff and TJ's.)
5. Parking cashout. (DOT and TCJS want to add a revenue-raiser that is not in the Budget -- perhaps to help pay for credit program. Need to obtain Treasury/EPA/other OMB agreement; also need Treasury scoring.)

DOT Commitments Made

At Friday's meeting, DOT made commitments to produce the following by COB Monday:

1. An agreement with Treasury (including the identification of any necessary offset) on the tax-exempt bonds issue.
2. A formula for the minimum allocation.
3. Boat safety language.
4. Procurement language, for insertion at several points in the bill, that addresses (1) "other transactions" authority and (2) competition and cost sharing (per a Friday request from Robyn).
5. A position on the reversionary rights issue.
6. Language to straightline R&D.

NEC Commitment Made

Robyn committed to try to close the climate issue by Monday.

DOT believes that it has agreement with EPA/CEQ on CMAQ and Brownfields. OMB is to verify this with EPA/CEQ and seek the concurrence of Justice and Interior.

Other Production Issues

On Saturday afternoon, DOT delivered a completely rewritten bill (approx. 250 single-spaced pages) that reflects their attempt to resolve roughly 100 issues raised by the agencies and OMB staff. They asked us to obtain agency comments on this revised language by Tuesday, and we will attempt to do so (over likely howls of protest from the agencies that we're jamming them). DOT's belief is that this draft settles all issues except those listed above; the review process will establish whether this is correct.

This would leave the second half of the week for the drafting, circulation, and clearance of language on the more difficult issues listed above -- a tall order.

Message Copied To: _____

Kenneth L. Schwartz/OMB/EOP
David E. Tornquist/OMB/EOP
David J. Worzala/OMB/EOP
Diane R. Montgomery/OMB/EOP
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Mary C. Barth/OMB/EOP
Mathew C. Blum/OMB/EOP

7132

**Statement of Mayor Kenneth Barr
Before the
House Transportation and Infrastructure Committee
Subcommittee on Surface Transportation
on
ISTEA Renewal**

February 27, 1997

Good morning. I am Kenneth Barr, Mayor of Fort Worth, Texas and a member of the Regional Transportation Council, the metropolitan planning organization for the Dallas/Fort Worth region. I appear today on behalf of The U.S. Conference of Mayors where I now serve as Chair of the Subcommittee on Public Transportation and.

I also serve as the co-chair of the Campaign for Livable Communities, a national coalition of businesses and elected officials who are organized to bring new voices to the debate on ISTEA renewal.

Mr. Chairman, on behalf of the nation's mayors, we appreciate this opportunity to share our views on renewal of the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA).

Mayors Support ISTEA

First, let me point out that the nation's mayors through The U.S. Conference of Mayors are urging this Subcommittee and the Congress to renew ISTEA and preserve the program structure that was set forth in 1991.

We have all invested in making the ISTEA partnership structure among the most successful federal policy initiatives in recent memory. After five years of work together in the ISTEA partnership, we have built an impressive record of accomplishment and have demonstrated that this partnership structure works and produces transportation solutions.

Mr. Chairman, ISTEA has fueled an excitement among elected officials, our citizens and our businesses that transportation investments can better serve neighborhoods, communities and regions and improve how we live and work.

Mayors share this assessment of ISTEA with other local government elected and appointed officials all across the country, governors, numerous Members of Congress, as well as a broad coalition of public, private and community interests and we are unified in urging that ISTEA be used as the framework for setting future federal transportation policy. I am pleased to join today my colleagues in the Alliance for ISTEA Renewal who share this view on ISTEA renewal.

Funding Among the States

Mr. Chairman, before I begin my statement, let me talk briefly about the debate on funding among the states. Representatives of the Conference of Mayors don't engage in formula battles like the one now before the Committee on the donor and donee states. As a mayor of city in Texas, a donor state, each of us will be working to secure more resources for our states and communities as we work individually with our Congressional delegations.

All of us know that there will be a thorough debate about funding among the states and about modernizing the formula as we go forward on ISTEA renewal. The Conference believes that the issue of who pays and who gets how much back must and will be addressed by this Committee and the Congress as the legislative process moves forward, a debate that, we believe, should occur within the context of ISTEA.

Mayors believe that there is nothing incompatible with providing more equity among the states and in keeping ISTEA. We believe this Committee can sort this out.

Local Governments United in Support of ISTEA

Mr. Chairman, with those opening comments, let me again emphasize the strong support of The U.S. Conference of Mayors for ISTEA. We share this view that ISTEA works with a broad coalition of interests, including every organization representing local governments and their elected officials. Several of these organizations are represented here today on this panel.

This coalition, the Alliance for ISTEA Renewal, is strongly united in urging that the ISTEA framework guide the nation's surface transportation policy into the next century.

In this coalition with the Conference of Mayors are other national organizations, including the National Association of Counties, the National League of Cities, the Association of Metropolitan Planning Organizations, the American Public Transit Association, the Surface Transportation Policy Project and the American Public Works Association.

With Secretary Slater's participation today, we know that the Administration will soon be submitting their proposal for renewal of ISTEA, a proposal that will affirm the current program structure.

Many mayors, numerous other public and private leaders and the public participated in the U.S. Department of Transportation's 13 regional forums and more than 100 focus group sessions on ISTEA renewal. These sessions were held during 1996 to secure broad input on reauthorization of ISTEA. The summary of the major themes of this thorough outreach effort are set forth in a recent report, entitled "How to Keep America Moving," which documents the success of this 1991 landmark legislation.

We all recognize that fine-tuning amendments and other technical adjustments are needed to strengthen and modernize the program structure. In my testimony, I present recommendations of the Conference of Mayors, offering proposals to update the 1991 program structure. We believe these suggestions are consistent with the clear consensus that the Congress should build upon ISTEA's strengths and accomplishments, urging you to "Tune it, don't toss it."

ISTEA Testimony in 104th Congress

Let me discuss briefly some of the issues that the Conference has previously raised before this Subcommittee. My colleague, Atlanta Mayor Bill Campbell, who chairs the Conference's Transportation and Communications Committee, testified at your May 2, 1996 hearing where he focused his testimony on the federal interest in transportation.

Mr. Chairman, Mayor Campbell's testimony, which is part of this Committee's record, emphasized the need for partnership among governments in tackling the nation's transportation needs and he explained how ISTEA has promoted intergovernmental cooperation and successful transportation solutions.

On behalf of the mayors, he also talked about the role of metropolitan economies and the national economy, the need for an integrated transportation system, the effects of congestion on the economy, the importance of increasing system performance through the deployment of new technology and the necessity of preserving and maintaining our investments in existing transportation infrastructure. Many of these themes were discussed within the context of his experience in preparing to host the Centennial Olympics.

The Conference's Past President and Louisville Mayor Jerry Abramson appeared before this Subcommittee September 26 and discussed ISTEA's Congestion Mitigation and Air Quality program. On behalf of the Conference, he urged you to continue ISTEA's commitment to improving air quality and make CMAQ funds available in the renewal of ISTEA. He recommended that funds be targeted to non-attainment and maintenance areas and that CMAQ funding be increased in the event EPA changes applicable national air quality standards. He described ISTEA's CMAQ program as the "last and best example of a federally-funded mandate." Mayor Abramson also summarized key recommendations for Committee action as you prepare legislation renewing ISTEA.

Earlier this month, I had hoped to join you for the February 12 hearing on "STEP 21, Devolution and ISTEA." I took ill just before my departure for Washington so I couldn't participate in this hearing. Mr. Chairman, attached is my statement for the record of that hearing. This statement emphasizes the strong support of the mayors for ISTEA as the framework for going forward with renewal.

It also emphasizes what mayors consider to be immediate demands on surface transportation policy -- making welfare reform successful; implementing the Americans with Disabilities Act; and investing in clean air. Finally, it emphasizes the critical need to preserve stability in our governmental relationships that we have built during five years of ISTEA partnership as we work together to increase transportation investment and close the investment deficit in this critical area of our economy.

Policy Recommendations

Assuming renewal of ISTEA and its core elements as the point of departure, let me outline several recommendations to modernize the Act:

CMAQ and Clean Air: The Congestion Mitigation and Air Quality program must continue to provide resources to local areas struggling to comply with federal mandated costs under the Clean Air Act. To accomplish this, we recommend the following changes:

- provide funds to non-attainment areas and maintenance areas as now provided under current law;
- require that there be proportional obligation of CMAQ funding within the states, as ISTEA now provides under the urbanized portion of the Surface Transportation program (STP);
- direct states to suballocate funds to the specific areas within a state that carry cost requirements under the Clean Air Act, particularly since enforcement actions and cost burdens generally do not impact the state government directly;
- to the extent applicable clean air standards are revised this Summer, provide an increase in CMAQ to account for cost burdens attributable to the new standards; and
- finally, strengthen support for public transportation investment through the flexibility features of the highway elements of ISTEA and ensure adequate funding for the public transportation elements of ISTEA to support clean air compliance efforts.

Transportation Requirements Pursuant to the Americans with Disabilities Act (ADA): ISTEA was enacted in 1991 as the U.S. DOT regulations implementing the transportation requirements under the ADA, which was enacted in 1990, were just being finalized. To accomplish this, we recommend the following changes:

- allow ISTEA funds under all program categories to be used by state and local governments in ensuring compliance with applicable transportation requirements

pursuant to ADA (ISTEA funds can now be used under certain programs, such as the Enhancements Program for these purposes);

- ensure that the public transportation elements are funded sufficiently to absorb increased cost burdens on transit providers that result from the implementation of transportation requirements under ADA, without displacing ongoing system capital and operating needs (expand the Section 9 formula program, for example, to allow more flexibility in the use of these resources to further compliance with complementary paratransit provisions); and
- provide specific authority to use ISTEA funds in making highway and street networks more accessible for the construction and retrofit of curb ramps and other related infrastructure improvements.

Welfare Reform: In addition to demands on the nation's public transportation capacities that result from Clean Air Act and ADA requirements, we know that public transportation will absorb additional burdens to support the transition from welfare to work under the recently-enacted welfare reform legislation:

- ensure that the public transportation elements are funded sufficiently to respond to new demands on transit providers to offer new services and other public transportation solutions to facilitate the goals and objectives of the welfare reform legislation.

Strengthening the Partnership: The Conference has also identified a number of other issues that would further the ISTEA and achieve other transportation benefits. To accomplish this, we recommend the following changes:

- increase local authority and participation in ISTEA decision-making in areas under 200,000 population (if funds aren't made directly available to these areas under ISTEA, then regional planning bodies that want to should be allowed to plan and select projects for their region);
- direct that intelligent transportation and other technology options be considered in the planning process and be eligible for funding under ISTEA programs;
- emphasize brownfields remediation and redevelopment in the planning process and in funding eligibility under program categories to facilitate the reuse of abandoned or underutilized properties in cities and counties;
- focus more attention on off-system bridges under ISTEA's Bridge program to respond to the disproportionate percentage of off-system bridges that are now deficient (a rate that is nearly twice the average of all bridges);
- develop a long term arrangement for financing the needs of the nation's intercity

passenger rail system, Amtrak, and ISTEA renewal legislation may be an opportunity for achieving this result; and

- finally, continue to empower local elected officials in metropolitan and statewide decision-making processes under ISTEA.

Each of these recommendations will strengthen the framework set forth in ISTEA in 1991. Mr. Chairman, each of the issues that I have discussed -- clean air, welfare reform, ADA, strengthening the partnership -- respond to the range of concerns before mayors and serve to demonstrate the need for a continuing partnership among the levels of government as set forth under ISTEA.

On behalf of The U.S. Conference of Mayors, I appreciate this opportunity to share our views of the nation's mayors as you prepare to renew ISTEA. Mr. Chairman, this concludes my remarks.

Mr. Chairman, let me shift to some of the immediate policy issues that mayors and others now see before the nation in surface transportation, many of which are of an urgent nature.

Welfare Reform -- In the last Congress, the nation embarked on a new policy to overhaul state-directed welfare systems, with the objective of moving hundred of thousands of people from welfare to work.

These changes resulted in governmental savings of more than \$50 billion over the next several years, savings that principally accrue to the budgets of the federal and state governments.

We also know that only about 10-20 percent of the people who receive welfare benefits own cars, with a sizable majority relying on public transportation as their sole means to make the transition to the work force.

To support these reforms, public transportation to and from the workplace, to training and other services must be available to support individuals making this transition, placing new demands on our incumbent public transportation capacities.

Of the proposals before this Subcommittee, only ISTEA offers any coherent expression of how we might tackle the challenges in this arena for so many of our citizens who will soon transition to the workforce. Devolution destabilizes the existing federal partnership with transit providers, where the federal government has been a critical partner in strengthening public transportation systems.

STEP 21 simply focuses its attention on the highway elements and funding formulas, offering no specific vision on public transportation investment.

Mayors and many others recognize that a strong public transportation element, as now set forth under ISTEA, is essential to make the nation's welfare reform efforts successful.

ADA and Access -- Last month, the paratransit requirements, as set forth in the U.S. Department of Transportation's regulations implementing the Americans with Disabilities Act (ADA), took full effect, ending a 5-year pre-compliance phase for public transit agencies.

As of January 26, 1997, parties can now pursue legal recourse in federal court or at the U.S. Department of Justice against public transit providers for failure to meet the terms and conditions of their approved paratransit plans.

ADA complementary paratransit requires local transit providers to provide services that mirror fixed route bus or rail service for those individuals with disabilities who are unable to get to or board buses or rail cars. These services must be offered during

the same operating hours as the bus or rail service at no more than twice the bus or rail fare.

At the same time, the Department of Justice is reviewing comments on proposed rules that would extend compliance timeframes available to communities in making their transportation facilities accessible, principally curb ramps on local streets.

When ISTEA was enacted, the initial phases of the implementing rules pursuant to ADA were just winding their way through the system. We now have a much better idea on the range of burdens and costs associated with meeting these requirements.

To achieve compliance with the complementary paratransit requirements, transit operators are expected to expend somewhere between \$700 million to \$1 billion in operating costs each year. To put this financial obligation in context, the amount transit providers will spend on this one requirement is nearly equal to the amount of money that is in dispute among the states on the highway formula.

This requirement and other related issues explains why the Conference of Mayors has recommended to this Committee that ISTEA be modernized to strengthen the existing partnership structure to further compliance with the transportation requirements, developed pursuant to ADA.

Among our recommendations in this area is that we urge the Committee to amend ISTEA to make transportation-related requirements pursuant to ADA an eligible cost under all ISTEA program categories. This is an example of an area where ISTEA can be readily adapted to this federal interest.

Devolution proposals now before this Committee must assume the nation's transit providers delivering paratransit services and local governments generally in making their physical infrastructure and transportation systems more accessible will simply carry these cost burdens into the future, independent of any partnership resources from the federal government.

In furthering this federal civil right, we believe that the federal government must be engaged in partnership with us, as now practiced under ISTEA. STEP 21 doesn't provide any specific direction on public transportation or for that matter on other concerns related to transportation requirements under the ADA.

Clean Air -- We are familiar with the significant national debate that is now underway as a result of EPA's recent proposal to revise existing national air quality standards for ozone and particulate matter.

Mr. Chairman, you know from your Subcommittee hearings last year how important ISTEA and its Congestion Mitigation and Air Quality (CMAQ) program is to local compliance efforts as we try to absorb federal mandated costs under the Clean Air Act.

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THE WHITE HOUSE
WASHINGTON

ATU mfg. w/ OMB before
L.A. :

• AMTRAK

• Transit

13(C)

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TITLE I - HIGHWAY PROGRAMS

Part A - Title 23 Programs

Preamble - Rewrite to include performance and goals information.

Program	ISTEA	DOT	Comments
Sec. Authorization for Appropriations	Authorized \$157B for all ISTEA programs. Authorization for major highway programs were included in this section (NHS, IM, STP, CMAQ, Bridge). Other authorizations are found throughout the bill.	Authorizes \$174B for all ISTEA programs. Authorization for major highway programs were included in this section (NHS, IM, STP, CMAQ, Bridge). Other authorizations are found throughout the bill.	
Sec. Definitions		Changes the definition of Operational Improvement to accommodate inclusion of ITS technologies.	
Sec. Apportionment Formulas		Delineates formulas for major Federal-aid programs (NHS, STP, CMAQ) and Equity calculations (Minimum Allocation, 90% of Payments, Alaska, State Percentage Guarantee)	Major issue is whether we want to get involved in formula issues. Overall Formula approach continues ISTEA flaws with the State Percentage Guarantee. MA should be capped at assumed Budget levels. ADHS needs to be outside the State Guarantee formula.
Sec. National Highway System	Authorized \$21B. The NHS program was originally authorized by ISTEA and is designed to provide an interconnected transportation system of principal arterial routes, including the interstate, and intermodal connectors. Consists of over 161,000 miles of road.	Authorizes \$26.5B. Proposes to expand eligibility to include "natural habitats", ITS, and publicly owned intermodal surface freight transfer facilities. U.S. Territories are allowed to use NHS funds for aviation or water. Transfer ~~from~~ to STP will now require impact statement (although these will not be approved by the Secretary)	Eligibility changes quite broad including ports, bus terminals, equipment, and special use for Territories. Making transfer requirements stricter than today should be eliminated.

from NHS

on NHS

Sec. Surface Transportation Program	Authorized \$23.9B. The STP program was begun under ISTEA and is the hallmark of the flexible approach taken in that legislation. Funds may be used on any federal-aid highway or flexed to transit purposes.	Authorizes \$34.7B. Expands eligibility to publicly owned rail, natural habitats, AMTRAK, privately owned infrastructure, and ITS. Eliminates safety set-aside (included elsewhere) and retains enhancements set-aside. Requires 2 three year tests to ensure STP spending in urban areas.	~~Limit~~ ^{for} eligibility to passenger rail only and ~~otherwise~~ privately owned infrastructure. Enhancements funding is greater than safety (\$3.4B vs. \$3B). Interior wants 10% set-aside. RSPA one call system should not be made eligible because it has its own user fee source. <i>-If need use #, still</i> Need to ensure reversionary rights eligibility is included.
Sec. Bridge Program	Authorized \$16.1B. The ISTEA Bridge program consisted of an inventory of bridges to identify structural and functionally deficient bridges and funding needed to fix these bridges. Formula was based upon need and States were allowed to transfer up to 50% to STP. A minimum of 15% of a State apportionment is required to be used on local roads. 1% of a State's apportionment went to Indian Bridges. A \$60M Discretionary Bridge Program existed as a set-aside of the Formula Bridge Program.	Authorizes \$15.9B. Maintains inventory and formula. Continues transferability, but requires bridge money to be replaced over the life of NEXTEA. Includes provision to credit any overmatch from April 2, 1987 to future Federal match. Eliminates 1% set aside for Indian bridges. Continues Discretionary Bridge program at \$55M annually.	Transferability needs to be changed, recommend a performance standard test. Eliminate provision providing State credit for post 1987 overmatch. Eliminate Discretionary Bridge program. ✓ Justice and Interior would like to reinstate 1% for Indian bridges. —
Sec. Congestion Mitigation and Air Quality Improvement Program	Authorized \$6B. Formula based on population in non-attainment area and severity of ozone and carbon monoxide air quality problem. Maintenance areas not eligible for funding in ISTEA. NHS Act froze apportionment calculation on 1994 non-attainment status and allowed maintenance areas eligibility.	Authorizes \$7.8B. Formula essentially the same, but restructured to add factors for maintenance areas and particulate matter. Expands MPO boundaries to include new non-attainment areas and allows areas eligibility after 2002 if project is included in <i>proposed</i> SIP. Assures that no State will lose CMAQ funds as a result of increased number of non-attainment areas, i.e., hold harmless adjustment. Requires that CMAQ funds in States with no non-attainment areas be spent first in maintenance areas.	Negotiations have resolved major policy issues regarding expansion of boundaries to include new non-attainment areas and eligibility of new non-attainment areas after 2002 if project is in proposed SIP. Although TRB has not received updated language, we are optimistic that EPA/DOT staff will resolve outstanding technical details. Justice wants States without non-attainment or maintenance areas to spend CMAQ funds in a manner that will not decrease air quality.

Sec. Interstate Reimbursement	Authorized \$2B and the funds are transferred to STP. An equity adjustment begun in FY 1996 to reimburse States for the cost of constructing the Interstate without Federal Assistance.	Continues program at \$1B.	<i>Magnuson special in budget gets more \$ to m/z states</i>
Sec. Interstate 4R Discretionary	Under ISTEA, the 4R program was funded as a set-aside from the NHS. This is a discretionary program for resurfacing, restoring, rehabilitating, and reconstructing on the Interstate. In 1997 the program was authorized at \$65M.	Authorizes \$45M.	Recommend elimination. These needs addressed by formula based IM program. Funding has been increased significantly so each State should get sufficient funding to maintain interstate.
Sec. Interstate Maintenance Program	Authorized \$17B. (Note \$ comparison is difficult because other programs, such as Interstate Construction are eliminated). IM is a formula program for resurfacing, restoration and rehabilitation of the Interstate System.	Authorizes \$26.5B. Reduces reporting requirements, makes ITS capital an eligible expense, and requires the State to meet DOT criteria (to be developed in reg. process) to transfer funds.	
Sec. Toll Roads, Bridges, Tunnels, and Ferries		Eliminates prohibition on Federal funds being used on projects to toll the interstate.	
Sec. Reauthorization of Value Pricing Pilot Program	Authorized funding for 5 pilot projects to monitor effectiveness of congestion pricing. Requires 80% federal share. Toll revenues to be used for <i>any</i> Title 23 purpose.	Changes title from Congestion Pricing to Value Pricing. Authorizes \$84 M for up to 15 pilots. Allows federal share to be 100%. Allows toll revenues to be used for <i>any</i> transportation purpose. Requires assessment of value pricing pilot impact on low-income drivers.	Use of toll revenue for any transportation project should be limited to surface transportation.
Sec. Emergency Relief	Extended eligibility for 100% federal funding for <i>emergency</i> repairs from 90 days to 180 days.	Reduces eligibility for 100% federal funding for <i>emergency</i> repairs from 180 days to 30 days. Deletes provision limiting eligibility for federal funds to 2 years.	DOT has not included language reducing 1) federal share for <i>permanent</i> repairs from 80-100% to 75% and 2) minimum State eligibility from \$500,000 to \$1,000,000 per disaster.
Sec. Highway Use Tax Evasion Projects	Authorized \$7.5M for motor fuel tax evasion activities.	Maintains ISTEA funding level. No major programmatic changes	
Sec. Bicycle Transportation and Pedestrian Walkways	Allowed STP, CMAQ, NHS, Federal Lands, and Bridge funding to be used for bicycle and pedestrian paths.	Maintains eligibility for funding under major programs. Adds bicycle and pedestrian path consideration in metropolitan and State planning processes.	EPA wants to include more specific language.

Sec. International Highway Transportation Outreach Program	Authorized funding to engage in activities to inform the domestic highway community of technological innovations abroad and to promote and transfer U.S. expertise and technology abroad.	Adds international activity eligibility under NHS, STP, and State Research and Planning Funds.	Eliminate NHS/STP eligibility.
Sec. Cross-Border Program	Not in ISTEA.	Authorizes \$270M. Annual \$45M discretionary grant program for Border crossing planning and infrastructure/operational grants. Grants would be competitive and no grant could exceed \$40M. Allows Border Pilot funds to be used as the non-Federal match, up to 50%, of any Federal-aid project.	Letting States use this money as the non-Federal match may limit State commitment.
Sec. Metropolitan Planning		See FTA	
Sec. Statewide Planning		See FTA	
Sec. Federal Lands Highway Program	Authorizes \$2.6B. Federal Lands program consists of 3 programs: - Indian Reservation Roads (IRR) - Public Lands Highways (PLH) - Parkways and Park Highways (PPH) ISTEA consolidated Forest Highways into PLH.	Authorizes \$3.2B. Expands the program to 4 categories: IRR, PLH, PPH, and Forest Highways (FH). Also expands the definition of Federal Lands eligible for PLH to include Corp of Engineer, BLM, wildlife refuge roads, and Military Installation Roads creating a new class of grantees. Proposes to allow Federal Lands Agencies or Federal Highways Federal Lands Program funding to pay the non-federal share of Federal-aid or bridge program. Requires Federal Lands planning to be incorporated into a State TIP. Authorizes a minimum of \$5M annually for Indian Reservation Road bridges in place of Bridge program 1%.	Deny expansion of eligibility given the Department's and Federal Land Agencies' recent claims of insufficient funding. In addition, allowing the Federal Land Agencies to use their funds or DOT funds as the program match eliminates the leveraging and "buy-in" from the States. Interior does not want the Military Installation roads included and would like specific dollar amounts allocated to the new grantees. Furthermore, it feels that the Interior programs are not getting sufficient funding under this proposal. BIA, DOI, and DOJ object to the change in funding for the IRR Bridge formula. Bridges on Indian Reservations used to get \$1% of State Bridge funds. Justice wants more for IRR.

Sec. National Scenic-Byways Program	Authorized \$80M to support grants and technical assistance to States to establish program designed to promote and preserve roads of scenic beauty and/or historical significance. Allows additional funding through STP Enhancements.	Authorizes \$90M. Allows use of other federal funds as match. Deletes 10% fund limit on outdoor sign removal. Allows funding to be used to market State scenic byway programs	Should federal funds be used to market this program?
Sec. Disadvantaged Business Enterprises	Required that 10% of funds from major programs be awarded to small businesses owned by minorities; program includes skill-building technical assistance for eligible individuals	No major programmatic changes.	
Sec. Research, Training, and Employment Opportunities	Not a particular section in ISTEA. Title 23 U.S.C. requires equal opportunity for training and employment.	Encourages States to reserve training for individuals moving from welfare to work and/or residing in EZ/EC zones. Includes local hiring preference in Virgin Islands. Allows Secretary to contract with MIHEs without competitive bidding	
Sec. State Infrastructure Banks	Not in ISTEA.	Authorizes \$.6B. Codifies the SIB program begun in FY 1996 and 1997 and authorizes funding of \$150M annually. Federal requirements may be changed.	The Department of Labor objects to the exemption of Federal requirements on the "second round" of SIB investments. DOT has apparently acquiesced to this. Justice objects to NEPA waiver and recommends Tribal Infrastructure Banks.
Sec. Project Oversight		Propose that Secretary and the State agree on the role of DOT in the oversight of NHS projects. This provision does not waive the Secretary's requirements under NEPA, Civil Rights, etc.	Require a financial plan for those projects the Secretary determines are \$500 million or more.
Sec. Infrastructure Safety Program	Formerly, this program was a 10 percent set-aside from STP. The funding is used for Railway-Highway Grade (RHX) crossing improvements and highway hazard elimination.	Propose a separate program authorized at \$500M annually. Program will maintain RHX and hazard elimination focus. Transferability is dependent upon a State having an integrated safety plan.	
Sec. Integrated Safety Fund	Not in ISTEA.	Authorizes \$50M in grants as an incentive to States that develop integrated safety plan. Grants are a proportional to Sec. 402 amounts and can be used on FHWA, NHTSA, and MC safety programs.	

Sec. Woodrow Wilson Bridge	Not in ISTEA	Authorizes \$400M for the Federal share of the design and construction costs to replace the Woodrow Wilson Bridge. Prohibits letting contracts for construction until ownership of the bridge is transferred to the Woodrow Wilson Memorial Bridge Authority Act.	
Sec. Appalachian Development Highway System	Demonstration Project in ISTEA.	Authorizes \$2.2B for the Appalachian Development Highway System.	Change authorization to make it an allocation and outside the State Percentage Guarantee.
Sec. Research and Technology Program	Established Strategic Highway Research, and State Planning and Research programs. Requires Truck, Size, and Weight Study.	Adds focus on surface transportation and mass transit research. Deletes unnecessary Congressional research directives (e.g., Applied R&T and Seismic R&D).	
Sec. National Technology Deployment Initiatives	Not in ISTEA.	Creates National Technology Deployment Initiative (\$360 m) to move products of R&T into practice. Waives competitive bidding.	
Sec. Professional Capacity Building and Technology Partnerships	Created training programs, such as Local Technical Assistance Program, National Highway Institute, and Eisenhower Fellowships.	Regroups existing ISTEA programs (LTAP, NHI, Eisenhower Fellowships) to add emphasis on training and capacity building of transportation professionals. Allows private and international parties training at reduced cost.	
Sec. State Planning and Research Program (SP&R)	Required States to spend 2% of major program funds on planning and research.	Retains 2% requirement. Exempts funds from Small Business Research & Development Act assessment.	
Sec. Use of Bureau of Indian Affairs' Administrative Funds		Technical reference change only.	
Sec. Long-Term Pavement Performance and Advanced Research	Established Strategic Highway Research Program with emphasis on long-term pavement performance.	Establishes separate section for LTPP to highlight program and advanced research, partly in response to GAO criticism. Federal share determined by Secretary	
Sec. Proceeds from the Sale or Lease of Property		Allows States to keep proceeds from the sale or lease of real property, similar to current law regarding air rights. State must spend proceeds on Title 23 activities.	

Sec. Real Property Acquisition and Corridor Preservation		Allows the State to use Federal allocation to acquire real property as long as construction begins within 20 yrs. Requires ROW Revolving Funds to be repaid upon completion of the project or within 10 years whichever comes first. Provide State share credit for donated land.	
Sec. Recreational Trails Program (Recreational Trails Program) (Federal Recreational Trails Advisory Committee)	Authorized \$180M for motorized and non-motorized recreational trails. Established State Advisory Committees as requirement for funding; established National Recreational Trails Trust Fund. Requires annual report to Congress.	Authorizes \$49M for recreational trails. Requires inclusion of trails on MPO/State transportation plans. Exempts projects for contract letting and construction requirements	Excessive burden on States. Delete defunct trust fund. EPA does not want non-motorized trails after 5/91 to be converted to motorized trails.

TITLE II -- HIGHWAY SAFETY

Program	ISTEA	DOT	Comments
Sec. 2001. Short Title		Highway Safety Act of 1997	
Sec. 2002. Highway Safety Programs	ISTEA authorized 3 grant programs that predated the bill: 1. Section 402 State and Community Grants 2. Section 410 Alcohol Incentive Grant Program 3. The National Driver Register In addition, ISTEA authorized the Operations and Research activities of NHTSA.	Maintains Section 402 program in its current form and creates/changes 4 incentive grant programs: 1. Alcohol Impaired Counter-measures 2. Occupant Protection 3. Safety Data Improvements 4. Drugged Driving Countermeasures The new incentive grant programs provide funding if States fulfill certain criteria, such as pass a law or conduct an activity. Each grant program has Basic eligibility and Supplemental eligibility. States receive a percent of Section 402 as of 1997 for each grant that they qualify. a.) Provides an additional ½ percent of apportionment for "Indian Country".	The grant proposals introduces performance criteria into the grant programs. Outstanding question as to how many States currently qualify for the grants today and if the "bar is set too low."
Sec. 2003. National Driver Register	The National Driver Register is a central index of State reports on individuals whose driving privileges have been suspended or revoked.	Authorizes transfer of the National Driver Register activities to a non-federal entity and broadens access to Federal Agencies.	
Sec. 2004. Authorizations of Appropriations	Authorized \$1.6B for Grants and Operations.	Authorizes \$2.2B for Grants and Operations. For the Grant program, provides a cascade mechanism that allows unspent funds in one grant program to be used for other programs if States over qualify. The Data programs is the default program to receive funding.	Cascading use of funds is acceptable pending clarification of those than currently qualify. Recommend that language for O&R be consolidated to support TF appropriation in Budget.

TITLE III - TRANSIT PROGRAMS

Program	ISTEA	DOT	Comments
Sec. 301: Short Title		Federal Mass Transit Ammdmts of 1997	
Sec. 302: Amendment to Federal Transit Laws		All ref, except where noted, are to 49 USC 53	
Sec. 303. Definitions.	Includes Capital Project, chief executive officer of a state, emergency regulation, fixed guideway, handicapped individual, local government authority, mass transportation, net project cost, new bus model, regulation, state, urban area, and urbanized area.	Expands definition of capital to include preventive maintenance, pre-revenue start-up costs, rail trackage rights, acquisition of paratransit services, repayment of SIBs loans, ITS, environmental mitigation, and activities in brownfields. Strikes definition of urban area and defines "transit" and "public transportation" as "mass transportation".	Includes paratransit service for ADA as eligible capital expense - recommend clarification to exclude operation of fixed route systems. Expands costs to include pre-revenue start-up, previously paid by states and locals - recommend maintaining current situation to ensure state/local commitment. FTA now wants to include "asset maintenance" instead of "preventive maintenance". Their concept would include things like wages for those who plow lots. Recommend limitation to activities that prolong asset life. Repayment of SIBs loan with grant allows properties to leverage FFGAs as WMATA has done with Fast-Track, so that they can complete construction earlier. Recommend deleting provision as it defeats SIBs concept. Includes 4 to 5 factors that involve "development" - while these are not new, putting them all in one place seems to over-emphasize economic development and miss the primary purpose - transportation provision. Recommend consolidation into a single definition.

via ADA as unfunded mandate

February 24, 1997 (2:12pm)

Sec. 304. Metropolitan Planning	Each MPO must consider 16 factors in relation to preservation of existing transportation facilities. MPO designation/redesignation requires 75% of affected population More than one MPO per urbanized area with governor's approval. Long-range plan (form specified by the Secretary) includes capital, facilities, finance, and enhancements. No specified time period. If more than one MPO per urb. area, each must "consult" with other. Requires Financial Plans to include specific types of financing. MPOs must contain entire non-attainment area where one exists. Funded as a percentage of National Planning and Research Sec certifies MPO every 3 years.	16 factors are consolidated under 7 broad categories: economy; environment; accessibility and mobility; safety and security; integration and connectivity; management and operation; and preservation of existing systems. MPO designation/redesignation requires 51% of affected population More than one MPO per urbanized area with governor's <u>and</u> Secretary's approval. Name changed to Transportation Plans, includes operations and maintenance, Secretary no longer determines form, relates 20 year time-frame. Changes "consult" to "coordinate" to ensure air quality standards. Encourages "financing strategies" generally, not specifically. Grandfathers non-attainment areas designated before 1996, governor/locals decide boundaries for those after 1996. Funded as a separate line item at \$40 million per year. Sec certifies <u>process</u>, not organization.	Highways has a similar section that is intended to be functionally identical. Recommend a single planning title to highlight commitment to efficient decision making. Support redesignation changes. DoT's only sanction is decertification or denial of funds. May be too severe to ever exercise. Suggest more flexible sanctions (Justice). Reserve comment on shift from 75% to 51% (Justice).
Sec. 305. Metropolitan Transportation Improvement Program	Requires public comment on TIPS, including list of 5 stakeholders. Requires Financial Plans to include specific types of financing. Sec on MCI?	Freight shippers added to stakeholders. Encourages "financing strategies" generally, not specifically. Strikes section on major capital investments.	
Sec. 306. Transportation Management Areas	Allows Sec to designate TMAs on request of MPOs and Gov. Earmarks TMA for Lake Tahoe. Sec certifies MPO effectiveness every three years. Penalizes by withholding STP or formula funding if not certified before 1993. If uncertified by 1996, 20% of STP and capital funds withheld. Includes provision allowing transfer of funds between highways and transit.	Strikes Lake Tahoe as it is not an MPO and is ineligible for planning money. Strikes past date references, makes penalty for non-certification to be determined by Secretary. Provision consolidated into 23 USC 104.	

February 24, 1997 (2:12pm)

Sec. 307. Statewide Planning	Highway planning requirements applied by reference (Title 23, Sec. 135). Must consider 20 factors. Statewide plan has no specified time period. Funded as a percentage of National Planning and Research.	Title 23 language incorporated into section. Seven broad goals (same as MPO). Adds operations, management, and freight. 20 year time frame. Funded as a separate line item at \$8.25 million per year.	Suggest including "especially those without access to private motor vehicles" as in metro planning, to accent needs of rural citizens. (Justice) Suggest adding Secretarial Certification of planning process for state (similar to metro). (Justice)
Sec. 308. Urbanized Area Formula Grants	Eligible activities include capital, planning, improvement, and operating costs of equipment, facilities, and associated capital maintenance items (includes renovation of historic facilities). Requires public comment on final program of projects Program of projects required from MPO.	Adds TCRP, UTC, training, research, and technology transfer to eligible activities. Strikes public comment requirements, as planning comment adequate. Deleted- redundant with planning section.	Old requirements offered more specific public involvement, these may not retain as much accountability.
Sec. 309. Loans	Authority for FTA loans in several areas of bill.	Consolidates loans for capital projects into one area.	BRCD: Never been a loan, no specific loan program proposed, no revenue to repay therefore, strike this section.
Sec. 310. Major Capital Investments	Grants and loans allowed for new fixed guideways or extensions to fixed guideways.	Fixed guideway modernization moved to urbanized area formula grants, bus program funds merged into formula grants.	
Sec. 311. Formula Grants for Special Needs of Elderly Individuals & Individuals with Disabilities	Any state apportionment remaining unobligated 90 days before the end of the period of availability becomes eligible for transfer to urban or rural formula programs. Grants under this section are subject to requirements of the Discretionary program.	90 day limitation is removed. Grants are subject to requirements deemed appropriate by Secretary.	Does this make all funds eligible for transfer at any time? What requirements would secretary place on this account?

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Sec. 312. Formula Programs for other than Urbanized Areas	RTAP funded as a separate line item. Funds available for 3 years. States may use up to 15% for program administration. Eligibility includes planning and marketing for intercity bus, bus operating grants, and coordination between rural transit and intercity bus. State is required to spend 15% on intercity bus.	RTAP funded as a 4% take-down from this section. Funds available for 4 years. Program admin funds can also be used for TCRP and training. Rail is added to each category, and air carriers to coordination activities. Requirement deleted. Allows transfer of non-urban funds to Elderly and Handicapped.	Funding is equal to FY 1997 at 4% (3mil). Why the change? Going other direction from Discretionary proposal. Why? What are guidelines for transfer?
Sec. 313. National Research Programs	Used to be Sec. 5312 Research, Development, Demonstration and Training Projects (moved). Secretary is required to establish an Industry Technical Panel to prioritize and manage research projects.	Moves authority previously contained in Section 5314 to Section 5312. Requirement is stricken.	Did one ever exist?
Sec. 314. Transit Cooperative Research Program	Sets aside 50% of state planning money for transit cooperative research. Establishes independent governing board for the Cooperative Research Board. FTA not on board.	50% requirement changed to "such sums as deemed appropriate by Secretary". One member from FTA will serve on board.	Formula Change. This is supposed to be an "Independent Board"? Recommend include FTA as an ex officio member.
Sec. 315. Research, Development, Demonstration, and Training Projects	Grants authorized for limited purposes related to design, planning, and interrelationship of transportation, public preferences, economic allocation, etc.	Authority expanded to include numerous activities like regulatory simplification, policy development, information dissemination. Adds joint partnership program for technology deployment. Public/Private entities sign agreement with FTA. Gov't share limited to 50%. Revenues credited to future programs. Allows international mass transit activities. Allows technical consultation to foreign governments on a reimbursable basis.	This seems to allow FTA to use funding for activities now funded through general revenue in Administrative Expenses. What annual appropriation controls would apply to revenues? Shouldn't revenues indicate no need for Federal involvement? Like highways' "international technical assistance" concept. How do we guarantee fully allocated cost to foreign governments? How is this in the interest of the American tax payer?

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Sec. 316. National Transit Institute	MTI authorized to provide courses in 14 areas.	Adds architectural design, construction management, insurance, risk management, and innovative finance as eligible activities.	Do these subjects need to be subsidized? Are they not already popular higher-education subjects that are routinely offered by existing institutions?
Sec. 317. University Research Institutes	Created transportation institutes at San Jose and Minnesota Universities.	Authorization repealed in this title as it is included in Chapter 52 (RSPA), funded by highways.	
Sec. 318. Transportation Centers	Creates Regional Transportation Centers located in 10 regions.	Repeals section in favor of new title 52 program administered by RSPA named Intermodal Transportation Centers.	This is inconsistent with the 1998 Budget. Administrations not supportive of shift to RSPA.
Sec. 319. Bus Testing Facility	Requires Secretary to enter into grants for operation and maintenance of Bus Testing Facilities.	Adds "grants or cooperative agreements" to funding mechanisms.	
Sec. 320. Advance Construction Authority		Allows Sec to repay state and locals for any project undertaken by state and local without Fed funds, including interest on bonds or loans.	See SIBs comments. How is this different, and why would we need SIBs as eligible capital expense when this authority exists?
Sec. 321. Access to Jobs and Training	Creates demonstration project on suspended light rail technology.	Provision deleted. Eligible under National Planning and Research. Offers grants to state/local/non-profits to plan, create, and operate services to economically disadvantaged persons. Criteria include size of welfare population, amount of coordination with social service transportation activities. Made on a discretionary basis. Unobligated funding reverts to Formula Grants at end of year.	Measure of "welfare transportation" focuses on welfare, not on need for transportation or availability of jobs and training. Recommend clarification to emphasize funding of operation over planning/coordination. Justice strongly supports coordination aspects and availability of "reverse commute" services. OMB Housing would require coordination with Secretary of HUD, question availability of welfare measure at local level, want to know measure for success in this effort. FTA includes a demo program in this title. Recommend they work with HUD on Bridges to Work demo, and reserve these funds for grants.
Sec. 322. Crime Prevention and Security	Crime prevention an eligible capital expense	Eligibility retained, but moved to general definitions.	

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Sec. 323. General Provisions on Assistance	Labor Secretary certifies that all assistance complies with labor protection provisions (13c).	Clarifies that protection applies to urban (except planning), rural, new starts, and research operation grants only.	Should Access to Jobs be exempt from labor protection?
Sec. 324. Acquisition of Real Property Owned by the Government		Creates provision by which gov't owned property can be made available for transit purposes. Similar to a highways provision.	
Sec. 325. Contract Requirements	Sets forth requirements for dissemination of Federal contracts.	When sealed-bid process is not suitable, competitive negotiation procurement would now be applicable.	
Sec. 326. Special Procurements	Sets forth requirements for Federal procurement.	Allows turn-key procurement of operable segments. Specifies turn-key procurement process.	
Sec. 327. Oversight	Authorizes take-down for FTA oversight of construction. 1/2 % of Urbanized and rural programs, 3/4% of Discretionary Grants.	Increases takedown to 3/4% of all programs. Allows funding to be used to correct deficiencies identified in compliance reviews and audits.	Shift of funds away from discretionary grants decreases FTA oversight funds. Suggest between 1/2 and 3/4% weighted for former shares.
Sec. 328. Government's Share of Costs		80% for most capital projects, 90% for bike, ADA, and Clean Air projects, 50% for operations.	Is not ADA and operating grant? Recommend applying 50% Federal share to ADA operations.
Sec. 329. Investigation of Safety Hazards	Authority to investigate funded activities or operations that Sec deems are threat to safety.	Eliminated reporting requirement.	
Sec. 330. Nondiscrimination	Equal Opportunity Language.	Adds disability to list of factors.	
Sec. 331. Labor Standards	Employees affected by FTA assistance shall be protected by under arrangements deemed fair and equitable by Secretary of Labor.	Clarifies that protection applies to urban (except planning), rural, new starts, and research operation grants only.	
Sec. 332. Administrative	Requires reports, sets conditions for FTA administration.	Strikes report requirements, adds provisions allowing FTA to charge fees for training, information dissemination or conferences. Gives Secretary of Transportation authority to waive requirements (except labor and environmental) for R&D grants.	Why would we give Sec the authority to override law? Who made these decisions under ISTEA?

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Sec. 333. Reports and Audits	Creates transit database, requires quarterly GAO obligation reports and biennial GAO condition and transferability reports.	Strikes quarterly and biennial reports.	
Sec. 334. Apportionment of Formula Grants	Sets out formulae for allocation of funds.	Fixed guideway included in Formula Grants and made equal to amount provided for New Starts. Remainder of Urbanized area grants (including Bus Mod funding) allocated by existing formula Takes "not more than \$100 million" for access to jobs and training off top of urbanizes area grants before allocation of funds Allows cities under 200,000 population to use funding for operating Allows transfer of urbanized area grants to Elderly and Disabled or Other than Urbanized Areas.	Recommend bus funding is distributed not just to Urbanized areas, but to all areas. Would allow FTA to decide amount put into Access to Jobs as Approps language did not specify an amount for 1998. Recommend strengthening language to make program permanent.
Sec. 335. Apportionment of Appropriations for Fixed guideway Modernization	Sets-out formulae for distribution of Fixed Guideway Funds.	Deleted, as requirements moved into formula allocation section.	
Sec. 336. Authorizations	Establishes \$29.8 billion in contract authority for Discretionary and Formula Grants, \$1.7 billion in BA for remaining activities.	Establishes \$29.7 billion in contract authority for Discretionary and Formula Grants, \$1.1 billion for remaining activities. All funds are Contract Authority. All funds are available until expended.	2003 Contract Authority numbers not consistent with Pres Bud. Admin and R&D funds should be budget authority. Pres Bud calls for expiration of Admin funding after one year.

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TITLE III - TRANSIT PROGRAMS

Program	ISTEA	DOT	Comments
Sec. 301. Short Title		Federal Mass Transit Ammdmts of 1997	
Sec. 302. Amendment to Federal Transit Laws		All ref, except where noted, are to 49 USC 53	
Sec. 303. Definitions.	Includes Capital Project, chief executive officer of a state, emergency regulation, fixed guideway, handicapped individual, local government authority, mass transportation, net project cost, new bus model, regulation, state, urban area, and urbanized area.	Expands definition of capital to include preventive maintenance, pre-revenue start-up costs, rail trackage rights, acquisition of paratransit services, repayment of SIBs loans, ITS, environmental mitigation, and activities in brownfields. Strikes definition of urban area and defines "transit" and "public transportation" as "mass transportation".	Includes paratransit service for ADA as eligible capital expense - back-door operating assistance? Expands costs to include pre-revenue start-up, previously paid by states and locals - is this disincentive for economical decision making? FTA now wants to include "asset maintenance" instead of "preventive maintenance". Their concept would include things like wages for those who plow lots, our concept limits to activities that prolong asset life. Repayment of SIBs loan with grant may defeat purpose of SIBs, however, it may also allow properties to leverage FFGAs as WMATA has done with Fast-Track, so that they can complete construction earlier. Includes 4 to 5 factors that involve "development" - while these are not new, putting them all in one place seems to over-emphasize economic development and miss the primary purpose - transportation provision.

Sec. 304. Metropolitan Planning	Each MPO must consider 16 factors in relation to preservation of existing transportation facilities. MPO designation/redesignation requires 75% of affected population More than one MPO per urbanized area with governor's approval. Long-range plan (form specified by the Secretary) includes capital, facilities, finance, and enhancements. No specified time period. If more than one MPO per urb. area, each must "consult" with other. Requires Financial Plans to include specific types of financing. MPOs must contain entire non-attainment area where one exists. Funded as a percentage of National Planning and Research Sec certifies MPO every 3 years.	16 factors are consolidated under 7 broad categories: economy; environment; accessibility and mobility; safety and security; integration and connectivity; management and operation; and preservation of existing systems. MPO designation/redesignation requires 51% of affected population More than one MPO per urbanized area with governor's and Secretary's approval. Name changed to Transportation Plans, includes operations and maintenance, Secretary no longer determines form, relates 20 year time-frame. Changes "consult" to "coordinate" to ensure air quality standards. Encourages "financing strategies" generally, not specifically. Grandfathers non-attainment areas designated before 1996, governor/locals decide boundaries for those after 1996. Funded as a separate line item at \$40 million per year. Sec certifies <u>process</u>, not organization.	Highways has a similar section that is intended to be functionally identical. Why not make one surface transportation title? DoT's only sanction is decertification or denial of funds. May be too severe to ever exercise. Suggest more flexible sanctions (Justice) Reserve comment on shift from 75% to 51% (Justice)
Sec. 305. Metropolitan Transportation Improvement Program	Requires public comment on TIPS, including list of 5 stakeholders. Requires Financial Plans to include specific types of financing. Sec on MCI?	Freight shippers added to stakeholders. Encourages "financing strategies" generally, not specifically. Strikes section on major capital investments.	
Sec. 306. Transportation Management Areas	Allows Sec to designate TMAs on request of MPOs and Gov. Earmarks TMA for Lake Tahoe. Sec certifies MPO effectiveness every three years. Penalizes by withholding STP or formula funding if not certified before 1993. If uncertified by 1996, 20% of STP and capital funds withheld. Includes provision allowing transfer of funds between highways and transit.	Strikes Lake Tahoe as it is not an MPO and is ineligible for planning money. Strikes past date references, makes penalty for non-certification to be determined by Secretary. Provision consolidated into 23 USC 104.	

Sec. 307. Statewide Planning	Highway planning requirements applied by reference (Title 23, Sec. 135). Must consider 20 factors. Statewide plan has no specified time period. Funded as a percentage of National Planning and Research.	Title 23 language incorporated into section. Seven broad goals (same as MPO). Adds operations, management, and freight. 20 year time frame. Funded as a separate line item at \$8.25 million per year.	Suggest including "especially those without access to private motor vehicles" as in metro planning, to accent needs of rural citizens. (Justice) Suggest adding Secretarial Certification of planning process for state (similar to metro). (Justice)
Sec. 308. Urbanized Area Formula Grants	Eligible activities include capital, planning, improvement, and operating costs of equipment, facilities, and associated capital maintenance items (includes renovation of historic facilities). Requires public comment on final program of projects Program of projects required from MPO.	Adds TCRP, UTC, training, research, and technology transfer to eligible activities. Strikes public comment requirements, as planning comment adequate. Deleted- redundant with planning section.	Old requirements offered more specific public involvement, these may not retain as much accountability.
Sec. 309. Loans	Authority for FTA loans in several areas of bill.	Consolidates loans for capital projects into one area.	BRCD: Never been a loan, no specific loan program proposed, no revenue to repay therefore, strike this section.
Sec. 310. Major Capital Investments	Grants and loans allowed for new fixed guideways or extensions to fixed guideways.	Fixed guideway modernization moved to urbanized area formula grants, bus program funds merged into formula grants.	
Sec. 311. Formula Grants for Special Needs of Elderly Individuals & Individuals with Disabilities	Any state apportionment remaining unobligated 90 days before the end of the period of availability becomes eligible for transfer to urban or rural formula programs. Grants under this section are subject to requirements of the Discretionary program.	90 day limitation is removed. Grants are subject to requirements deemed appropriate by Secretary.	Does this make all funds eligible for transfer at any time? What requirements would secretary place on this account?

Sec. 312. Formula Programs for other than Urbanized Areas	RTAP funded as a separate line item. Funds available for 3 years. States may use up to 15% for program administration. Eligibility includes planning and marketing for intercity bus, bus operating grants, and coordination between rural transit and intercity bus. State is required to spend 15% on intercity bus.	RTAP funded as a 4% take-down from this section. Funds available for 4 years. Program admin funds can also be used for TCRP and training. Rail is added to each category, and air carriers to coordination activities. Requirement deleted. Allows transfer of non-urban funds to Elderly and Handicapped.	Funding is equal to FY 1997 at 4% (3mil). Why the change? Going other direction from Discretionary proposal. Why? What are guidelines for transfer?
Sec. 313. National Research Programs	Used to be Sec. 5312 Research, Development, Demonstration and Training Projects (moved). Secretary is required to establish an Industry Technical Panel to prioritize and manage research projects.	Moves authority previously contained in Section 5314 to Section 5312. Requirement is stricken.	Did one ever exist?
Sec. 314. Transit Cooperative Research Program	Sets aside 50% of state planning money for transit cooperative research. Establishes independent governing board for the Cooperative Research Board. FTA not on board.	50% requirement changed to "such sums as deemed appropriate by Secretary". One member from FTA will serve on board.	Formula Change. This is supposed to be an "Independent Board"? Recommend include FTA as an ex officio member.
Sec. 315. Research, Development, Demonstration, and Training Projects	Grants authorized for limited purposes related to design, planning, and interrelationship of transportation, public preferences, economic allocation, etc.	Authority expanded to include numerous activities like regulatory simplification, policy development, information dissemination. Adds joint partnership program for technology deployment. Public/Private entities sign agreement with FTA. Gov't share limited to 50%. Revenues credited to future programs. Allows international mass transit activities. Allows technical consultation to foreign governments on a reimbursable basis.	This seems to allow FTA to use funding for activities now funded through general revenue in Administrative Expenses. What annual appropriation controls would apply to revenues? Shouldn't revenues indicate no need for Federal involvement? Like highways' "international technical assistance" concept. How do we guarantee fully allocated cost to foreign governments? How is this in the interest of the American tax payer?
Sec. 316. National Transit Institute	MTI authorized to provide courses in 14 areas.	Adds architectural design, construction management, insurance, risk management, and innovative finance as eligible activities.	Do these subjects need to be subsidized? Are they not already popular higher-education subjects that are routinely offered by existing institutions?

Sec. 317. University Research Institutes	Created transportation institutes at San Jose and Minnesota Universities.	Authorization repealed in this title as it is included in Chapter 52 (RSPA), funded by highways.	
Sec. 318. Transportation Centers	Creates Regional Transportation Centers located in 10 regions.	Repeals section in favor of new title 52 program administered by RSPA named Intermodal Transportation Centers.	This is inconsistent with the 1998 Budget. Administrations not supportive of shift to RSPA.
Sec. 319. Bus Testing Facility	Requires Secretary to enter into grants for operation and maintenance of Bus Testing Facilities.	Adds "grants or cooperative agreements" to funding mechanisms.	
Sec. 320. Advance Construction Authority		Allows Sec to repay state and locals for any project undertaken by state and local without Fed funds, including interest on bonds or loans.	See SIBs comments. How is this different, and why would we need SIBs as eligible capital expense when this authority exists?
Sec. 321. Access to Jobs and Training	Creates demonstration project on suspended light rail technology.	Provision deleted. Eligible under National Planning and Research. Offers grants to state/local/non-profits to plan, create, and operate services to economically disadvantaged persons. Criteria include size of welfare population, amount of coordination with social service transportation activities. Made on a discretionary basis. Unobligated funding reverts to Formula Grants at end of year.	Measure of "welfare transportation" focuses on welfare, not on need for transportation or availability of jobs and training. Should planning/coordination be an eligible expenditure or a requirement for funding, or both? Justice strongly supports coordination aspects and availability of "reverse commute" services. OMB Housing would require coordination with Secretary of HUD, question availability of welfare measure at local level, want to know measure for success in this effort. FTA includes a demo program in this title. Recommend they work with HUD on Bridges to Work demo, and reserve these funds for broadly applicable activities.
Sec. 322. Crime Prevention and Security	Crime prevention an eligible capital expense	Eligibility retained, but moved to general definitions.	
Sec. 323. General Provisions on Assistance	Labor Secretary certifies that all assistance complies with labor protection provisions (13c).	Clarifies that protection applies to urban (except planning), rural, new starts, and research operation grants only.	Should Access to Jobs be exempt from labor protection?

Sec. 324. Acquisition of Real Property Owned by the Government		Creates provision by which gov't owned property can be made available for transit purposes. Similar to a highways provision.	
Sec. 325. Contract Requirements	Sets forth requirements for dissemination of Federal contracts.	When sealed-bid process is not suitable, competitive negotiation procurement would now be applicable.	
Sec. 326. Special Procurements	Sets forth requirements for Federal procurement.	Allows turn-key procurement of operable segments. Specifies turn-key procurement process.	
Sec. 327. Oversight	Authorizes take-down for FTA oversight of construction. ½ % of Urbanized and rural programs, 3/4% of Discretionary Grants.	Increases takedown to 3/4% of all programs. Allows funding to be used to correct deficiencies identified in compliance reviews and audits.	Shift of funds away from discretionary grants decreases FTA oversight funds. Suggest between ½ and 3/4% weighted for former shares.
Sec. 328. Government's Share of Costs		80% for most capital projects, 90% for bike, ADA, and Clean Air projects, 50% for operations.	Is not ADA and operating grant? Why would we apply 80% to that specific subset?
Sec. 329. Investigation of Safety Hazards	Authority to investigate funded activities or operations that Sec deems are threat to safety.	Eliminated reporting requirement.	
Sec. 330. Nondiscrimination	Equal Opportunity Language.	Adds disability to list of factors.	
Sec. 331. Labor Standards	Employees affected by FTA assistance shall be protected by under arrangements deemed fair and equitable by Secretary of Labor.	Clarifies that protection applies to urban (except planning), rural, new starts, and research operation grants only.	
Sec. 332. Administrative	Requires reports, sets conditions for FTA administration.	Strikes report requirements, adds provisions allowing FTA to charge fees for training, information dissemination or conferences. Gives Secretary of Transportation authority to waive requirements (except labor and environmental) for R&D grants.	Why would we give Sec the authority to override law? Who made these decisions under ISTEA?
Sec. 333. Reports and Audits	Creates transit database, requires quarterly GAO obligation reports and biennial GAO condition and transferability reports.	Strikes quarterly and biennial reports.	

Sec. 334. Apportionment of Formula Grants	Sets out formulae for allocation of funds.	Fixed guideway included in Formula Grants and made equal to amount provided for New Starts. Remainder of Urbanized area grants (including Bus Mod funding) allocated by existing formula Takes "not more than \$100 million" for access to jobs and training off top of urbanizes area grants before allocation of funds Allows cities under 200,000 population to use funding for operating Allows transfer of urbanized area grants to Elderly and Disabled or Other than Urbanized Areas.	Want to be sure that bus funding is distributed not just to Urbanized areas, but to all areas. Would allow FTA to decide amount put into Access to Jobs as Approps language did not specify an amount for 1998.
Sec. 335. Apportionment of Appropriations for Fixed guideway Modernization	Sets-out formulae for distribution of Fixed Guideway Funds.	Deleted, as requirements moved into formula allocation section.	
Sec. 336. Authorizations	Establishes \$ in contract authority for Discretionary Grants, \$ for Formula Grants, \$ for remaining activities.	Establishes \$ in contract authority for Discretionary Grants, \$ for Formula Grants, \$ for remaining activities. All funds are Contract Authority. All funds are available until expended.	2003 Contract Authority numbers not consistent with Pres Bud. Admin and R&D funds should be budget authority. Pres Bud calls for expiration of Admin funding after one year.

TITLE IV - MOTOR CARRIER PROGRAMS

Program	ISTEA	DOT	Comments
Sec. State Grants/Other Commercial Motor Vehicle Programs (MCSAP)	Authorized \$537M. The Motor Carrier Safety Assistance Program was authorized in 1982 and ISTEA reauthorized funding and set forth criteria for funding. The goal of the MCSAP is to reduce accidents and fatalities involving trucks by enforcing size and weight limitations, enforcing traffic laws, and detecting transportation of unlawful substances.	Authorizes \$600M. Annually, \$83M is authorized for Motor Carrier Grants and \$17M for Information Systems and Strategic Safety Initiatives. Proposes to eliminate the current program with a large number of set-asides and implement a performance based grant program by FY 2003.	Language should be bolstered to emphasize the performance aspects of the future program. While the performance measures and numerical goals can be done through regulation, the current language asks the Congress to accept the proposal on faith. The words enforcement and hazardous materials should be included so no doubt is cast on these activities that are currently set-asides.

TITLE V - TRANSPORTATION INFRASTRUCTURE CREDIT PROGRAM

Program	ISTEA	DOT	Comments
Sec. 5001 Short Title	Entire Title was not in ISTEA	Transportation Infrastructure Credit Act of 1997	This program is subject to considerable controversy from Treasury and BRD. Major problems revolve around subordination of Federal loans and guaranteeing tax-exempt debt. Treasury and DOT are currently working out their differences.
Sec. 5002 Findings		That large infrastructure projects of national significance cannot be adequately funded through existing programs and fostering public-private partnerships will attract private capital.	
Sec. 5003 Definitions		Defines Eligible project cost as development through construction including interest during construction.	
Sec. 5004 Determination of Eligibility and Project Selection		To receive assistance, a project must : 1. Be on the State Transportation Improvement Plan 2. The application must come from a State or a local agency, 3. Project cost must be greater than \$100M or 50% of a States' apportionment 4. Must generate revenues. Selection requirements include: national significance, creditworthiness, extent of private investments, construction time benefit, and cost (subsidy BA). Provides waiver of Federal Requirements by the Secretary of DOT (not NEPA or Clean Air).	Labor opposes the Secretarial waiver of Federal Regulations. DOT has apparently acquiesced, however, revised language has not been provided.

Sec. 5005 Flexible Payment Loans		Authorizes a direct loan program to be repaid by project revenue. Repayment is flexible as long as interest is earned and loan may be subordinate to others exempt in default. Loan may be up to 33% of project cost and be repaid over 30 years.	Both Treasury and OMB have significant problems with the subordination of the Federal Loan to other parties. Treasury and OMB also oppose providing direct loans to tax-exempt projects. Silent on the issue of Tax-exempt financing.
Sec. 5006 Standby Lines of Credit		Authorizes Standby Lines of Credit for debt service of projects that generate revenue if there is a revenue shortfall in the first 10 years. Line of credit may be for 33% of project costs and no more than 20 percent can be drawn annually. Any draw is a direct loan and must be repaid within 30 years with interest. Repayment must begin within 5 years, but Secretary can agree to accrual of interest.	Both Treasury and OMB have significant problems with the subordination of the Federal line of credit to other parties. Treasury and OMB also oppose providing lines of credit to tax-exempt projects. Up-front about Tax-exempt financing but amend tax code for Bond Counsel concerns.
Sec. 5007 Project Development Cost Insurance Pilot Program		Authorizes a pilot program to provide project development cost insurance pilot program. Program would provide up to 40% of preconstruction costs if a project was canceled.	DOT has apparently dropped this proposal due to EOP, OMB and Treasury concerns. Moral hazard and appropriations questions were chief concerns.
Sec. 5008 Project Servicing		Requires a local servicer of the Federal Assistance. The Local Servicer will act like a mortgage company in the disbursement and collection of funds. The local servicer would charge a fee.	
Sec. 5009 Rules and Regulations		Allows Secretary to promulgate implementing rules and regulations.	
Sec. 5010 State and Local Permits		Ensures that Federal financial assistance does not exempt projects from State and local requirements.	
Sec. 5011 Funding		Authorizes \$100M for the Credit programs with a 10% limitation on the amount for development insurance. Establishes a \$2B annual loan ceiling.	Drop language regarding limitation on development insurance. Language incorrectly authorizes contract authority.

TITLE VI - RESEARCH

Part A - Programs and Activities

Program	ISTEA	DOT	Comments
Sec. General and Administrative Amendments.		Authorizes \$60M for new Intermodal Strategic Planning and Research and Development program and \$16M for UTCs. Allows grants/awards to established UTCs without competition.	
Sec. Planning		Establishes new Intermodal Research Strategic Planning program to coordinate intermodal research within DOT and other governmental agencies; response to GAO criticism	
Sec. Advanced Transportation Research and Development Programs		Establish new Intermodal Transportation Research and Development Program	
Sec. University Transportation Centers	Re-established UTCs with focus on specific transportation topics, i.e., rural, technology; established 10 UTCs per region.	Retains 10 UTCs per region and includes 10 URIs. Changes federal share from 80% to 50%. Allows use of transit operating funds as research match	Retain 50% match.
Sec. Bureau of Transportation Statistics	Authorized \$105M for new BTS to coordinate/conduct statistical analysis on transportation issues.	Authorizes \$186M for BTS activities. Adds research and development grant authority provision, disclosure prohibition, and focus on coordinating GPRA output/outcome data for DOT.	Deny grant authority. Make BTS intent to serve as DOT data quality check more clear. OIRA comment on outdated disclosure language Justice wants BTS to study how transportation serves as access to human services, jobs, and education.

Part B - Intelligent Transportation Systems

Program	ISTEA	DOT	Comments
Sec. 6051 Short title and Preamble	Established Intelligent Vehicle-Highway Systems Act.	Renames Act to Intelligent Transportation Systems.	
Sec. 6052 Scope of Program	Outlined focus to be research and development of IVHS and implementation promotion.	Maintains focus on research and development and adds new focus on deployment under major programs.	
Sec. 6053 General Authorities and Requirements	Required coordination with other agencies, standards-setting and evaluation guidelines, information clearinghouse, advisory committee.	Maintains original requirements. Adds requirement to secure spectrum allocation. Allows States/locals to use funds under major programs for ITS implementation and operation. Adds life-cycle cost analysis requirement for costs exceed \$3 M. Provides procurement technical assistance.	
Sec. 6054 National ITS Program Plan, Implementation, and Report to Congress	Required strategic plan to Congress and demonstration of automated highway in 1997.	Maintains reporting requirement to Congress. Adds requirement to demonstrate advanced vehicle prototype by 2002. Requires use of NADS. Adds in cooperation with consortia.	
Sec. 6055 Technical, Training, Planning, Research and Operational Testing	Provided technical assistance, planning grants, and operational testing grants to States and local governments implementing IVHS technologies.	Retains provisions provided in ISTEA. Allows grants to be made to other Federal agencies for research and tests, i.e., Treasury for border.	
Sec. 6056 Applications of Technology	Established IVHS corridors program to apply technologies.	Replaces IVHS corridors program with new Intelligent Transportation Infrastructure Deployment Incentives program to encourage integrated deployment. Requires 25% for CVO/border crossing and 10% for rural applications.	Should 25% requirement for CVO/border crossing be reduced? Justice wants greenhouse gas priority.
Sec. 6057 Funding	Authorized funding for IVHS activities.	Authorizes \$600M for Deployment program and \$678M for Research and Development activities. Requires minimum of \$25M for AVCIS.	Allows up to 80% federal match for Deployment program. Delete minimum funding level for AVCIS.
Sec. 6058 Definitions	Definition of terms	Definition of terms.	

TITLE VII - REVENUE

Program	ISTEA	DOT	Comments
Sec. 7001 Short Title; Amendment of 1986 Code	This Title included all tax-related provisions of the bill.	Includes tax-related provisions of the bill.	
Sec. 7002 Extension of Highway-Related Taxes and Trust Fund		Provides 6 year extension, through Sept. 30, 2005 of the HTF fuel taxes at current rates. No changes to rates were made. Recreational Trails Trust Fund is eliminated because no money has ever been deposited in the fund.	Treasury did not want to extend motorboat diesel tax because there is a current moratorium on collection and it is costly to collect.
Sec. 7003 Aquatic Resources Trust Fund		Extends authorization for transfers from the HTF to the Aquatic resources Account to fund the Coast Guard's Boat Safety Program. Current Authorization expires Sept. 30 1997.	Interior does not object to reauthorizing the transfer, but does object to the increase in funding for the boat safety activities of the USCG. (See Sec.7009 below.)
Sec. 7004 Tax-Exempt Financing of Public-Private Sector Highway Infrastructure and Mass Commuting Projects	Not in ISTEA	Amends tax code to allow the Secretary of DOT to designate up to 10 projects to be funded on a tax-exempt basis not subject to the IRS volume cap.	Treasury has objected and is talking with DOT.
Sec. 7005 Federal Guarantees	Not in ISTEA	Amends IRS code to explicitly state that the Federal Line of Credit program does not constitute a federal guarantee of tax exempt bonds.	Treasury and OMB oppose.
Sec. 7006 Federal Gasoline Tax of Mass Transportation Recipients	Not in ISTEA	Exempts recipients of FTA funds to provide mass transportation from Federal Gas Taxes.	Treasury has not objected.

Sec. 7007 Commuter Benefit		Renamed Parking Cash-out proposal that would allow beneficiaries of employer-provided parking to voluntarily request cash in-lieu of the parking subsidy. This would then be taxable.	Treasury opposes cafeteria plan approach. At EOP-Treasury meeting Treasury was asked to revisit last year's proposal. EPA strongly supports.
Sec. 7008 Mass Transit Account		Authorizes expenditures form the Mass transit Account of the HTF. Authorizes the use of the Byrd Test, in place of the Rostenkowski Test, for limiting spending form the Mass Transit account of the HTF.	Oppose the shift to the Byrd Test.
Sec. 7009 Boat Safety Account Amendments		Increases the current Boat Safety authorization from \$70M to \$90M beginning in FY 1999.	Interior opposes the increase from \$70M to \$90M.

MEMORANDUM

To: Jim Brown

From:  Clare Donelan

Date: Feb. 26, 1997

Re: Agency comments on NEXTEA

Attached is a summary our responses to the agency comments that you have forwarded to us so far. It briefly describes what our view is on the comments and our understanding of outcomes of meetings and/or discussions with the agencies.

DOT RESPONSE TO INTERAGENCY COMMENTS ON NEXTEA

2/19 FHS edits to Research Secbysec: We accept these changes.

2/18 Appalachian Regional Commission: We will make this correction so that the funds are not counted.

2/18 Treasury Dept's Office of Tax Policy: We disagree with the first point (1st para.-tax exempt bonds), but will work with Treasury further to see if we can accommodate them. We accept their comment on 2nd paragraph (federal guarantee of debt service).

2/19 Treasury Comments:

- Accept technical changes on highway taxes.
- Reject technical comments on Boating Safety Account--April 1 date reflects current spend out period and reference in 13106 is correct because it refers to an 1988 law.
- Comment on NHTSA drafting (sec. 704) is correct. We will correct this.
- We accept changes on transit provisions.

2/21 Treasury Comments on Infrastructure Credit Program. As a result of discussions, we provided Treasury and OMB revised legislative language. Meeting to discuss this is scheduled for 2/26.

2/18 Commerce Dept.:

- Data collection--While we may agree on substance, it would require at least \$50 million extra.
- Suggested change to grants provision is unnecessary. Section does not deal with BTS' responsibilities but is a grant provision. Also, BTS already has leadership role in this area. An MOU would be better way to proceed. One is now being prepared.
- BTS has talked with Commerce about the above issues and worked out a change to the section by section that should accommodate them.

2/21 Labor Dept.:

- SIBs--Decision pending discussion with M. Deich.
 - MPO- We believe no change to language is needed, public participation is already sufficiently provided for.
 - Waivers--We have no intention of waiving Davis/Bacon or 13(c). The bill's waiver provisions on SIBs, Credit Reform, RecTrails specifically say we cannot waive section 113 of title 23 or 5333 of title 49. The Secretary of Transportation cannot waive civil rights, labor protection or environmental laws.
- Change is sec. 104 on transfers is not needed but we are willing to add.

Need language
in side by
SEC by SEC
analysis

- DOL would revise section 113 Davis/Bacon provision. We will discuss this with DOL.
- Accept change on convict labor.
- Change to sec. 333: we accept application of 13(c) to access to jobs grants, but we do not think it's appropriate to apply it to DOD land acquisitions (section 5324). We will discuss this with DOL.

2/19 DOD comments:

- We accept the changes in paragraph b. FTA will revise accordingly.
- We do not believe that changes to the Research section are appropriate because:

-§ 5231(b)(3): We believe there is no need to reference by name the Department of Defense in a legislative provision setting forth the purposes for a research program within the Department of Transportation.

-§ 5241(c): There may be a possible misunderstanding of the term "strategic plan" as used in reference to UTCs. The strategic plan is a management tool which DOT uses to evaluate each center's proposed program and to track its effectiveness in conducting that program. No such plan has a "value to national defense" and could not be evaluated on that basis.

-§ 5241(d): This change is not needed. Nothing is gained by specifically naming the Department of Defense as one of the potential users of the research results of the centers. DOD, as well as other agencies and departments, are clearly included as the provision is currently drafted.

2/20 EPA Comments:

I. CMAQ We have revised our CMAQ language to reflect the recent discussions and agreements reached with EPA, OMB and others. We believe that this is a good compromise which will accommodate most of EPA's concerns. Language will be submitted to OMB shortly.

II. Brownfields: Per the discussion at the OMB meeting on 2/14, the agreement is not to make specific reference in statute to brownfields issues; that it is more prudent to address this administratively. We have clarified in a memo to EPA our commitment to issue administrative guidance. Also, we will add language to the bill for a takedown from NHS funds to provide for a \$15 million pilot research program on transportation and land use that will encompass brownfields issues.

III. Wetlands Restoration: FHWA Counsel have reached an agreement with EPA's Water office. No statutory change will be needed, but DOT will commit to issuing guidance on this issue.

IV. Global Climate Change -We have submitted a paper on this. EPA and Justice have also submitted papers. Issues are to be discussed with White House staff.

- V. We accept changes on Parking Cash-out.
- VI. We accept provision on SIBs.
- VII. We accept provision on Deployment Goals.

EPA Comments for the Record:

1. We do not adopt the specific reference in statute to waterside infrastructure; the bill does refer to intermodal planning, which includes port access. We also include reference to port access in our section by section analysis on MPO planning.
2. Bridge run-off: Disagree with change. This mitigation is eligible now for STP funds. Under the bridge program, however, it is eligible as part of a bridge rehab project; but is not eligible as a stand-alone project on an otherwise sound bridge.
3. We have previously agreed to work with EPA to identify other planning processes that should be considered in MPO and state planning. With regard to priority use of enhancement funds for coastal watersheds, we disagree. There is no support among environmentalists and enhancement stakeholders for favoring one eligible activity over others.
4. Bicycle/Pedestrian language: Disagree--too prescriptive.
5. RecTrails--Change is not needed--environmental policies & requirements apply.
6. MPO Structure - DOT worked closely with MPOs and STPP in developing bill's planning language and believe they support this. We will continue to work MPOs, but decline to make further statutory changes.
7. MPO & Public Participation- Changes not needed because we already have extensive guidance and process on public participation. See 23 CFR Part 450.
8. Delete condition on Transfer of NHS funds--The intent of the new language is to move the States toward more performance measures of their actions and place an emphasis on rehabilitation of the current system. However, we note that OMB also recommends deleting the condition. We accept this change.

2/20 Justice comments:

Indian Tribes

- Government to government relationship- We do not believe it is appropriate to deliver transportation assistance in this way. DOT has a good working relationship with the Tribes under the current program structure.
- Preamble will be deleted from bill in favor of transmittal letter. We will ensure that reference to colonialism is not included there.
- \$125 million authorization is a typo; should read \$195 million. We will fix it. While we have eliminated the 1% set-aside for Indian Bridges, we have made such bridges eligible for funds under the Indian Reservation Road (IRR) program and increased funding for the IRR program by \$4 million. OMB has asked us to review this issue along with BIA's concerns about funding levels. We will do so.
- Project Oversight- Change is not needed. Planning language is broad enough
- Emergency Relief -- We accept this change.

--Bridge Set-aside--see above.

--Flexibility of funds-- IRR funds are flexible. Federal lands program funds are eligible for mass transit uses because they are treated like STP funds. STP funds are eligible for transit capital uses.

--SIB for Indian Tribes -- We oppose a separate set-aside.

DOI Environmental--These comments raise similar issues as EPA's. We assume that resolution will track outcome of EPA comments.

MPO Sanctions--The statement that de-certification is our only sanction is not correct. DOT has administrative authority for a range of sanctions (see 23 CFR 450.334). We are also strengthening the certification process through peer review. No changes to the bill are needed.

Statewide Planning- We accept DOJ's change (mobility needs) to this paragraph.

Federal Lands Program -- No change is needed. Both public involvement and planning under the Federal Lands Program are encompassed under the general planning requirements of sections 134 & 135. As noted above, these program funds are flexible (like STP funds).

BTS-- No change is needed. BTS has been, and will continue, to address these issues. BTS's principal publication, *The Transportation Statistics Annual Report: 1997*, will include a focus section on transportation mobility and access.

DBE--We accept these changes.

Interior and HUD comments - We received these on 2/24 and are still reviewing them.

\$2B

THE WHITE HOUSE
WASHINGTON

10% of their appropriations

\$150M

rec. trails

fed. lands

BIA

- Cost alloc. study

- Safety; Economics

not ready til May

Kevin M

Maya

→ Malison

Futuristic para transit

until buses; rails accommodate, series of
cars w/ on-demand service
(unlimited)

ADA reg. - Canceled line ~1991

Jan -
(

Contract out -

\$700M - \$1B - annual op cost. (K cost is
built in)

80% are using contracts ^{rest} "purchased
K"

To get main

This comes at a particularly bad time

Human service providers
(

P/t Cs ^{fully} coming on line

So, bad time to

Public Transit op's Case use Sec. 9 ~~for~~ ^{for} ADA
paratransit services

for up to 50% of cost

- Contract ^{ed} ~~ed~~ services - looks like a R expend. base

○ spend out rate

Either I buy a bus or
I contract for the
services

DOT/OMB

2-28-97

- Jim Casey
- Dick Johns

Parking Cash out:

- was taken out of Admin. budget last yr. for fear it wld be misunderstood
- only issue is cafeteria plan, which Treas. doesn't like
- EPA extremely interested
- Dan Corbett will be pushing hard.

ITS

OMB -

DOT

new rules

deployment of R&D

offsets for tax exempt bonds

R&D (competition)

6/fields & other re-fill level.

• pilots - ~~and~~ land-use modeling reg's

• NRTC - Envir. Sustain. Plan.

THE WHITE HOUSE
WASHINGTON

- Continue
- Existing freeze - I/states + Natl.
Trash Network
 - Expand to NHS (a la Oberstar)
-

HIGHWAY SAFETY PRIORITIES FOR ISTEA II

MOTOR VEHICLE AND TRAFFIC SAFETY PROGRAMS

CREATE A STABLE AND GROWING FUNDING BASE FOR TRAFFIC SAFETY PROGRAMS

- ◆ Designating 1/2 cent of the federal gas tax or a percent of all highway construction expenditures for safety programs would ensure program stability and growth.
- ◆ Annual funding for these and other highway traffic safety programs should grow to \$500 million by the year 2000.
 - Establish a grant program (\$85 million to \$100 million) to fund an enforcement campaign of traffic safety laws similar to North Carolina's "Click It or Ticket" program.
 - Increase funding for Section 402 Highway Traffic Safety Grants and Section 410 Alcohol Incentive Grants programs.

ENCOURAGE STATES TO ADOPT PRIMARY ENFORCEMENT AND .08 BLOOD ALCOHOL CONTENT (BAC) LAWS

OPTIONS:

- ◆ Include a factor in the highway apportionment formula that rewards states with these laws.
- ◆ Increase federal funding match ratio (85/15 or 90/10) to reward states with these laws.
- ◆ Sanction states without both laws by withholding money from the Highway Trust Fund similar to the zero tolerance BAC provision enacted in the NHS bill.

ENACT A NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION (NHTSA) REAUTHORIZATION BILL THAT ADVANCES SAFETY

TRUCK SAFETY

FREEZE TRUCK SIZES AND WEIGHTS ON THE NATIONAL HIGHWAY SYSTEM (NHS)

CONTINUE LONGER COMBINATION VEHICLE (LCV) FREEZE

OPPOSE ANY CHANGES OR EXEMPTIONS IN FEDERAL TRUCK HOURS-OF-SERVICE RULES THAT ALLOW MORE CONTINUOUS, DAILY, WEEKLY DRIVING HOURS

TRANSPORTATION RESEARCH AND TECHNOLOGY

EARMARK \$20 MILLION ANNUALLY IN INTELLIGENT TRANSPORTATION SYSTEM (ITS) FUNDS TO ACCELERATE RESEARCH THAT ADVANCES "SMART AIR BAG" TECHNOLOGY

THE NEED FOR A STRONG SAFETY COMPONENT IN THE ISTEA REAUTHORIZATION

Since the Intermodal Surface Transportation Efficiency Act (ISTEA) became law in December 1991, more than 160,000 Americans have died on our highways and 12 million more Americans have suffered serious injuries -- at an economic cost of *\$150 billion each and every year*.

- In 1995, 41,798 people died in motor vehicle crashes and another 3 million were injured. This is an increase for the third year in a row. *This is the equivalent of a major airline crash every single day.*
- Motor vehicle crashes are the leading cause of death and injury for the nation's youth. In 1995 alone, 9,110 children under the age of 21 were killed on our highways.
- There was a 4% increase in alcohol-related deaths. *Drunk driving fatalities were up for the first time in this decade.*
- In 1995, 4,815 people died in truck crashes. More than 85% of the fatalities were people in cars, pedestrians, motorcyclists and bicyclists.
- The National Highway System (NHS) Act repealed important highway safety measures. Twenty-four states now have speed limits of 70 mph and above, and media reports show that in many states *deaths are going up on these high-speed roads.*
- Air bag deaths and injuries for children and small stature adults is a national safety concern. *The immediate solution is buckling up children in the back seat and yet 30 states have gaps in their child restraint laws.*

In May, 1996, Advocates for Highway and Auto Safety commissioned Louis Harris to conduct a public opinion poll about the importance Americans place on highway and auto safety issues and the role of government to safeguard the public in this area.

- 9 out of 10 Americans want the federal government to play a strong leadership role in highway safety, similar to food safety and aviation safety.
- 91% believe federal involvement in assuring safe highways is important, with 78% saying such a role is very important.
- 80% expressed that a federal presence is important in passing laws that mandate safety belt use, with 61% saying federal involvement in this area is very important.
- 91% feel that federal regulation of large truck safety on the highways is important, with 74% viewing federal intervention as very important.
- 94% of those surveyed said it is important to have federal regulations of car safety standards, with 77% stating such a presence is very important.

With this high level of public support for the federal government to take action, Congress stands now at a crucial juncture for highway and auto safety, the reauthorization of ISTEA. As the rate of deaths and injuries in motor vehicle crashes continues to climb, ISTEA provides the opportunity to reverse this trend.

REASONS THE ADMINISTRATION SHOULD INCLUDE TRUCK SIZE AND WEIGHT FREEZE LEGISLATION IN ISTEA II

- ✱ The Department has consistently pledged that safety is its highest priority. Supporting a truck size and weight (TSW) freeze on single unit trucks is the Department's best opportunity to demonstrate its commitment to highway safety. Public opinion overwhelmingly supports a freeze on truck size & weights (TSW). Advocates for Highway & Auto Safety (Advocates) has commissioned two public opinion polls which confirm that Americans do not want to share the road with larger and heavier trucks. 90% of the American public opposes big trucks.
- ✱ Almost 5,000 people are killed each year in big truck crashes and more than 20,000 people are seriously injured in such crashes each year. According to the Insurance Institute for Highway safety eighty-seven percent of people killed in crashes involving large trucks were occupants of a passenger vehicle, pedestrians, bicyclists and motorcyclists.
- ✱ Last year, 58 Members of the Senate and 232 members of the House of Representative wrote to the Department expressing their opposition to allowing bigger trucks into the US as a result of NAFTA, and to any relaxation of the longer combination vehicle (LCV) freeze enacted in the 1991 ISTEA bill. Rep. Jim Oberstar, (D-MN), the ranking member of the Transportation & Infrastructure Committee has introduced H.R. 551, the Safe Highways and Infrastructure Preservation Act of 1997, which would freeze existing state truck weight laws and limit the length of a single trailer to 53 feet, the current industry standard. There is strong bipartisan support in both the House and Senate for this legislation.
- ✱ Despite the enormous investments in highway infrastructure (well over \$100 billion) as a result of ISTEA 1, FHWA's "Critical Highway Needs Study" shows a growing backlog of unmet needs. The study indicates a steady increase in sub-standard roads and a substantial increase in the level of funding necessary to adequately address the problem. The study indicates that combining the reported highway and bridge requirements yields an annual \$54.8 billion cost just to maintain current conditions and a \$74 billion cost to improve conditions.
- ✱ DOT's own data strongly suggests that large trucks cause abnormally higher damage rates to highways, accelerate the deterioration of pavement and bridges, consume more fuel and pollute more than other modes of transportation, create more congestion than rail, resulting in more air and noise pollution. At a time when the domestic discretionary budget is shrinking, it is imperative that the Department take a stance that is fiscally responsible, protects the environment and enhances safety. DOT should ensure that steps are taken to protect the investment that has been made to the priority national highway system (NHS.) The pressure to increase spending on transportation infrastructure while at the same time trying to achieve a balanced budget by 2002 only reinforces the need to protect the investments that have been made on the most important part of the national highway system.
- ✱ Only the Federal government has capacity to protect the public safety and the taxpayer investment in the face of economic pressure from powerful and well-financed special trucking interests. There has been a consistent erosion of truck safety standards across the board since ISTEA was passed as a result of a series of exemptions, permitting, pilot programs and demo projects. The TSW freeze would set the current system in place, allow no further erosion of safety standards and protect the Clinton Administration's highway infrastructure investment.

PROPOSED NHTSA ISSUES IN ISTEA II

1. PASSENGER VEHICLE ROLLOVER

◆ Crashes in which a vehicle rolled over accounted for 30 percent of passenger vehicle occupant deaths in 1995 (53 percent of single-vehicle crash deaths and 10 percent of multiple-vehicle crash deaths). Single-vehicle crashes involving rollover accounted for 41 occupant deaths per million registered passenger vehicles in 1995 compared with 9 deaths per million in multiple-vehicle crashes. Small utility vehicles are disproportionately involved in fatal rollover crashes. Single-vehicle rollover crashes accounted for half of occupant deaths in utility vehicles in 1995, compared with 36 percent of deaths in pickups and 19 percent of deaths in cars. Source: IIHS.

◆ Consumers Union's dynamic performance test for rollover (evasive maneuver) shows potential for a different approach to ensuring passenger vehicle rollover resistance determinations.

◆ Current approach in rulemaking on rollover consumer labeling may not provide sufficient discriminating or correct rollover tendency information for buyers.

Recommendation: *Require NHTSA rulemaking to establish a clear pass-fail consumer information statement on new light truck and van rollover propensities based on an evasive maneuver test.*

2. ROOF CRUSH & HEAD INJURY PROTECTION

◆ Current roof crush strength standard has not been changed since first issued in 1971.

◆ In the head injury prevention rulemaking required by ISTEA, NHTSA did not address roof crush strength standard or central roof area of vehicles.

◆ Dynamic roof crush strength test is needed for all roof areas rather than only at the front roof structure of vehicles.

◆ Dynamic roof crush strength standard is needed to ensure roof integrity in full passenger vehicle rollover crashes and to complement the recent NHTSA standard for improving upper vehicle interior head impact protection.

Recommendation: *Require NHTSA rulemaking to establish a dynamic test for roof strength based on the need for a passenger vehicle to resist roof collapse and penetration in full rollover crashes.*

3. BUILT-IN CHILD RESTRAINTS

◆ Rulemaking on built-in child restraints can be linked to emphasis on properly restraining children in rear seat.

◆ Built-in restraints would make use of such restraints more convenient.

◆ NTSB recommended that manufacturers increase the production of built-in child restraints to promote putting children in the back seat and using restraints correctly.

Recommendation: *NHTSA rulemaking requiring that any motor vehicle with a full back seat have a built-in child restraint seat in the middle position.*

4. INTEGRATED SEATS

- ◆ Integrated seats are now only available on expensive passenger vehicles and consist of safety belts included as part of the seat design rather than independently mounted on separate vehicle structural components, such as pillars and floorpans.

- ◆ Integrated seats have multiple safety benefits: they can increase belt use rates by improving safety belt comfort and fit, and they can enhance air bag safety performance through better accommodation of a wider range of occupant sizes.

- ◆ Integrated seats also permit desirable improvements in currently inadequate designs of head restraints and provide the occasion for seat back and seat track strength improvements.

Recommendation: *Require NHTSA rulemaking on integrated seats to improve safety belt fit, to promote better vehicle crash response to a wider range of occupant sizes, to improve seat back and seat track strength, and to ensure the redesign of head restraints for the prevention of neck injuries.*

5. PASSENGER VEHICLE IMPACT PEDESTRIAN SAFETY

- ◆ 5,585 pedestrians died in 1995, up slightly from 1994. Since 1975, 13 to 17 percent of motor vehicle deaths each year have been pedestrian fatalities. The most serious injuries often result from pedestrian impacts with the hoods, fenders, and cowls of passenger vehicles. Deaths and, in particular, serious injuries to people's heads, pelvises, and legs are common, and injury severity could be substantially mitigated by introducing "forgiving" designs of the major front-end features of cars, vans, and light trucks. Source: IIHS.

- ◆ The number and percentage of elderly citizens has grown rapidly over the last decade. People age 65 and older have more than twice as many pedestrian deaths per 100,000 people as younger age groups. Elderly pedestrians are especially prone to severe injury and deaths even in relatively low speed impacts with passenger vehicles. Source: IIHS.

- ◆ Front-end passenger vehicle aggressivity can be mitigated for pedestrian safety.

Recommendation: *Require NHTSA rulemaking for reduction in passenger vehicle front-end impact deaths and injuries of pedestrians by reducing front-end passenger vehicle aggressivity.*

6. TRUCK/BUS RETREADED/REGROOVED TIRES

- ◆ There is a current NHTSA standard for passenger vehicle tires less than 10,000 pounds gross vehicle weight rating (GVWR), but none for vehicles greater than 10,000 pounds GVWR.

- ◆ State of Pennsylvania has petitioned NHTSA to do rulemaking.

- ◆ There is widespread anecdotal information and consistent press reports of crashes caused by tire retread/recap failures on medium and heavy trucks.

Recommendation: *Require NHTSA rulemaking for medium/heavy vehicle retread/recap/regroove standard that will ensure tire integrity under real-world operating conditions.*

7. LARGE TRUCK/BUS FRONT-END AGGRESSIVITY REDUCTION

- ◆ Thousands of passenger vehicle deaths are due to the predictable effects of crashes involving the high, unmitigated mass differentials between passenger vehicles and medium/heavy commercial vehicles. A passenger vehicle impacting a commercial vehicle which is heavier than about 10,000 pounds produces a radically increased risk of severe injury or death to the passenger vehicle occupants.
- ◆ NHTSA proposed a strong effort to redesign/alter truck/bus front ends to reduce these deaths in 1987, but gave up under intense industry pressure.
- ◆ NHTSA has reopened research on this issue, but needs a regulatory deadline to convert ongoing research to regulatory action.

Recommendation: *Require NHTSA rulemaking for performance standard and/or equipment standard to improve commercial vehicle front-end crash energy management in a way that will substantially reduce passenger vehicle occupant deaths and injuries.*

Joan Claybrook, Greg Andrews, Jackie Gillan
2-21-97

~~21~~

ISTEA II is weak on safety, compared to magnitude of problem

bill developed from financial & the pol. pt. of view

Rodney Critical for:

- 55 mph
- w/crsh helmets
- truck size & wt.

NHTSA has been up & down

DOT should take hit good

- pol. popular

Cong. support: NHTSA bill -

- dispersed at w. helmets
- Chafee MNTB &
- Warner - friend from beginning
- went up ago

- Lautenberg - great friend of safety
- had effort to get H.R. 21 for drinking
- approved by alcohol and restaurants

In NHS bid, even though we lost as
helped: —, we got £140 difference for

House:

Operates

Pol., & have POTUS come forward helps

But current bid doesn't do the trick —

Same ISTE A

in Rodney's promotion; air bag controversy
there hasn't been a focus on it

focus on financial side — Most was
head of budget in Carter Admin.

Safety can be controversial

but not w/ public

Low Harris poll

"has taken about by level of support
for ~~and~~ safety issue

What is issue for public

Qual of life issue in BTEX is safety

Track safety

LCU freeze has worked very well

Trucking ind. very well as yet

Best way was freeze & issue later if

58 sec's & 228 M's of House
debate time

our pos:

— leave freeze in place

— ~~expand~~ from F&D to NPS

— " " " " — ~~expand~~
bill

We want ISTEA to

① continue the freeze

② ^{part} some limits on truck size & wt.

ISTEA I - \$150B

larger trucks & problem
of road/bridge deterioration

\$120B spent on h/ways

FWWA study - ~~continuous~~ need for

Take noted down truck size & wt on
state h/ways

the trucking ind. always wants to
do that

DOT coming out w/ study of truck ^{size}
weight ~~and~~ later this yr.

Will have some + elements, hard

Why we need a freeze in 1993?

Truckers plan is to go to individual
states & rack up state limits - Then
go to Congress & get state preemption

hours of service

~ 30% of crashes due to fatigue, etc

To ~~be~~ exempt from FLD

up to 70 hrs of service/wk,

(Comparison to pilots
working ind. wants to ↑

ISTEA was

- freeze on C/Vs

- funds for NHTSA auth.

(- work

- "

- incentive for states to enact

In 2 yrs, we got lots of states

Partly repealed in
NHTA

Ex of Md.

50% ↓ in
injury & deaths

excepted & repeal
in 1992

Initially -

We got 50% of what we want

ISTEX II

- nothing in it on safety
- NHTSA auth. bill ~~is~~ not attached
 - will be controversial
 - bill needs to be attached to \$
 - ! NHTSA doesn't have the \$ to buy off people

DOT's bill is so stupid

(Why should POTUS take flack for ISTEA,
not bring pre-safety b/c it's 1st)

What did we of Cap on state speed
limits portend?

MADD

Nader

insurance ind

Moytikan

Ciebertian

Landerberg

Just's supported RTD's veto of NKS

—
THE WHITE HOUSE
WASHINGTON

Obama
Mogutka
—

They're advocates to an extreme

We have dodged ^{issue of} truck fees; weight in the bill

They are bitter; They want us to at least embrace the freeze

Our friends - Oberstar, Lautenberg - will embrace the freeze.

We ran out of time, frankly.

ISTEA

-
- support freeze but close the gap
 - I don't think I'd oppose it
 - One place
-

Safety bill

- perf. p/ships

-
-

- Study gets done in 4-5 mos.

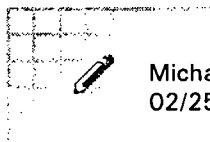
- we w/d work w/ Congress

- Oberstar vs Thurston w/ us as broker

AGENDA FOR NEXTEA MEETING WITH MD

- A. REVIEW PROCESS AND STATUS
- B. WALK THROUGH SIDE BY SIDE ON MAJOR ISSUES AND CONCERNS [30 min]
 - 1. Eligibility
 - 2. Apportionments
 - 3. National Highway System
 - 4. Surface Transportation Program - guarantees.
 - 5. Bridge
 - 6. Congestion Mitigation and Air Quality/Environment Concerns
 - 7. Federal Lands
 - 8. Definition of Capital Expense
 - 9. Planning
 - 10. Access to Jobs and Training
 - 11. Innovative Finance - SIBs/Credit/Tax
- C. OTHER ISSUES - [if time]
 - 1. Enhancements
 - 2. I4R
 - 3. Financial Plan
- D. STRATEGY/NEXT STEPS [15 min]
 - 1. Resolution of outstanding issues
 - 2. OMB Comments to DOT
 - 3. NEC Letter/Rollout

G:\istea2\MDAGENDA



Michael Deich
02/25/97 06:10:08 PM

Record Type: Record

To: Dorothy Robyn/OPD/EOP
cc:
Subject: Amtrak meeting

fyi

----- Forwarded by Michael Deich/OMB/EOP on 02/25/97 06:09 PM -----



Mark J. Schwartz

02/25/97 05:33:45 PM

Record Type: Record

To: See the distribution list at the bottom of this message
cc:
Subject: Amtrak meeting

I spent several hours over at Amtrak this afternoon for a meet and greet. Sandy Brown handed me a copy of the letter Tom Downs should have faxed to Michael this afternoon. I will circulate copies.

Our discussion focused on vague generalities for the most part, but the following is worth noting:

* I told Sandy and others that one of my tasks was to come up with a way to include firm, fixed, measurable guidelines to determine how Amtrak is doing in staying on its purported glidepath. Specifically, I analogized Amtrak's situation to D.C. I said that if Amtrak was expecting long term assistance (and I did not promise any such assistance) we would need some way to see if they are meeting their promises. I told them that although the financial markets may very well be a better judge (?) than OMB about the viability of Amtrak, that politically, any long term commitment in legislation (which, I again note, I did not promise) would have to be measured. Amtrak recognizes that the way the Amtrak title is now drafted FAILS to include any such measures or ways to assure us that they have a plan which is on target.

One of the alternatives Sandy raised was the "Amtrak Reform Council" proposal which was included in Senate language last year. She said this language offered an oversight board and reports and that if, after 3 years, Amtrak was not meeting their targets, dissolution of Amtrak was possible. (I have read the ARC proposal and it does not appear to be as Sandy promised.)

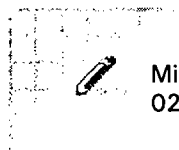
Other alternatives which have been circulated in the past include a "base closure" approach to route reductions. Amtrak may put forth additional ideas on how to provide measures, perhaps through FRA at the meeting tomorrow.

* I told them that I would be anxious to get out and see whether they were on track for the 1999 implementation of High Speed Rail in the Northeast Corridor. Before we sign on to any assistance we would need to be shown that 1999 implementation is realistic.

* I told them that we were anxious to work with them and FRA and DOT on addressing any legislative priorities they may have which do not entail any MONEY or any political carnage (this excludes tort reform but could include things such as a proposal to sanction truck drivers (by revoking their licenses) who abandon trucks at rail crossings.)

Message Sent To:

Michael Deich/OMB/EOP
Kenneth L. Schwartz/OMB/EOP
David E. Tornquist/OMB/EOP
Daniel M. Tangherlini/OMB/EOP
Jonathan C. Ball/OMB/EOP



Michael Deich
02/25/97 06:09:48 PM

Record Type: Record

To: Dorothy Robyn/OPD/EOP
cc:
Subject: Feedback on ISTEAM Meeting with DOT

fyi

----- Forwarded by Michael Deich/OMB/EOP on 02/25/97 06:09 PM -----



David E. Tornquist 02/25/97 04:57:07 PM

Record Type: Record

To: Michael Deich/OMB/EOP
cc: See the distribution list at the bottom of this message
Subject: Feedback on ISTEAM Meeting with DOT

The meeting was cordial. I had a follow up call with Jane, her only real concern is the credit program. We are setting up a meeting with DOT/Treasury/EXOP for tomorrow at 1:30. Her initial reaction, without talking to staff, was that FHWA could probably live with the rest.

FRA is upset about our rejection of freight rail eligibility. Mort apparently told Jolene Molitoris that she should take her concerns directly to us. Her office has called to set up a meeting with me for tomorrow.

On transit, the big concerns seemed to be limiting the use of capital funds for only capital-related ADA projects and expanding the definition to only preventative maintenance and not asst maintenance. I do not consider these to be showstoppers.

We offered to meet with DOT whenever they want to discuss issues further, Jane thought another meeting Friday would be useful. Jim Jukes also walked through the next steps in the clearance process and the need for DOT to get us revised bill language for review asap. I think they now understand that it is likely to take 2 weeks to clear the bill, although they would like to do it faster if possible.

Message Copied To:

Kenneth L. Schwartz/OMB/EOP
Mark J. Schwartz/OMB/EOP
David J. Worzala/OMB/EOP
Jonathan C. Ball/OMB/EOP
Diane R. Montgomery/OMB/EOP
James J. Jukes/OMB/EOP
James A. Brown/OMB/EOP

Roy

STPP

2-24-97

- Overall, we think it's a good bill
- Pretty + it will still be well rec'd. on Hill
- & we are in camp saying get bill up to Hill

IND: Pressure shld be on EPS, etc. w/ the CMB

Issues

(1) CMXQ

- initial resistance to put bridge into bill

- total CMXQ \$ in bill be spread over auth. of bill, so that as to hold harmless.

- silver lining for comm's lost by particulate
- older areas

(2) Welfare to work

- not just a transit program

out of
transit
program

{ in bill, it's a \$100M program, a la
Bridges to work
that's nice, but not sufficient

- other half is reinvestment:

making it so when city infraz
to make it more attractive

- ~~What~~ e.g., Livable Communities program

e.g., joint devel. programs around transit sta's
child-care

city use infra. to **buy** down cost of devel.
in inner cities

Short vs. long-term

If ↑ in transit program shld be in next years;
but \$600M is good #.

MD:

- None of us knows what to do here - trying to give meaning
to phrase "effort to work"

- But your idea may put too much burden on this
1 1/2 program (\$100M buys 1/3 mi. of L.A. —)

- Your broader goal might better be done thru MPB
process

- ^{In sum,} Fear of program being hijacked

Roy:

- Reinvestment is expensive

- But need pilots with help, before we go big w/ this
at later time.

- I'd argue for ↔ eligibility - say, to include a
de/marketing/de/commuting proj. (?).

MD:

- Were trying to get HUD; DOT to better integrate their programs.
- ~~If~~ we succeed, we may get at your concern.

(3) SIBs

DBA

EPA's fuel economy

(4) Performance grant

- put tracking systems into law that will allow you to do perf-based budgeting

• You need at least to explore feasibility of such a system

MD: Where to put such a Research program so as to be best visible - DOT, Census, EPA?

Key - DOT needs to be involved.

~~watermark~~

You can use all of K \$ for prevention maint.

You get rid of red flag - "op sub's" -
while giving smaller comm's w/ ex.

Op. sub's have been captured by union wages

- we're no longer letting them be a pass - then

DMB
2-24-97

Mark Schwartz
Jonathan Ball

Eligibility

- Passenger rail vs ~~freight~~ freight
- Publicly-owned .. priv.-owned
- Ports

Apportionment

- DOT has ^{small} D.C. factors:
 - gas tax -
 - use how much states contribute - as a factor.
 - But have kept other factors
- i.f. NAF - 75%
STP -

Equity

- 90% of payments
- hold harmless — 90% of what you got ^{last yr.}
- state ^{to} guarantees — 95% " " " " in last ISTEA

Options:

1. leave alone
2. grandfather / transition - ~ 2 yr. program
3. Eliminate

ensure ADA is not created in state guar. formula

NATS

elig. Δ's are broad, incl. priv. rail

but you're using gas tax \$ to subsidize private rail, which competes w/ trucks

— they pay gas tax

ports — if you provide better ^(private) rail service, you make the ports more competitive

Alameda

we paid for e of rail Xings

we justified based on current eligibility —
i.e., rail Xing

We wld be subsidizing particular ports in the competition among ports for a Δ pie

Ports have access to tax-free debt

If we leave this in, it adds that all ↔ of eligibility ↔

(Why did DOT do this then? To get ports/MARAD on board. And b/c they're accused of insuff. attn. to intermodalism.)

Transfer of funds from NHS to STP made more noticeable

OMB staff wants to

- Redundant - happens anyway in planning process.
- one-sided - Cs but not Bs of transfer
- symbolically bad - & fix.

STP

OMB: enhancements - have fixed pot w/ STP with set-aside

We're concerned that you'd have set-aside from Enk's but not safety

Want a strong safety story

Reversionary rights

Need to have CEO ^{DOJ} look at this, in light of our policy on takings, etc.

OMB language w/d require (it currently allows) use of STP \$ to compensate ~~people~~ people w/ ~~legitimate~~ legitimate rights...

Bridge Prog.

- We measure bridged w/1 - we know how many are deficient, etc. The more there are, the more \$ you get.
- Problem is states can transfer \$ out of bridge prog. That way, they get more next yr.



CMAQ

DOT adds factors, consistent w/ NH5

global warming

(Ray - pushed this for May 1st)

- says we don't have data

-

- have few million \$ R&D program
- Piggyback on brownfield R&D program.

Fed. Lands

- This program views its client as the other agencies. They're trying to be more solicitous. Don't realize their pockets getting picked.

Truck size ; wt. study
cost allocation "

rail

~~air~~

motor carrier / 24 hr

rail

"

} later this yr,

Title II NHTSA

Title III Transit

304

EPA?

3 agencies (DOL, DOT, HUD) said they don't like current make up of MPOs

(unrep. of current stakeholders)

We want to make it easier to redesignate - by going from 75% to 51% of affected population

should we ask that MPOs are selected bodies?

JB: Took planners etc. 6 yrs. to figure out how MPOs work. So they're looking for incremental Δ .

321 - Access to Jobs & Training

To: Michael Dooty

For your info

any comments?

—gs

TO G Spelling / cell Slater

32

energy into expanding the frontiers of knowledge. Fantasy College would hire with the understanding that its professors are being paid to teach. They can research and write on their own time.

■ **It's a school, not a resort.** Let's say you were planning a vacation, and you heard about a hotel that offers three gourmet meals a day, an Olympic-size swimming pool, an 18-hole golf course, indoor tennis courts, a skating rink, a first-class health club, spectator sports, free movies, ISDN phone lines, E-mail, voice mail, free Internet access in every room, lectures and concerts by nationally renowned figures and unlimited medical care, including psychotherapy. Wouldn't your first thought be, "I couldn't possibly afford such a fancy place"?

Much or all of the above is standard fare at colleges, and, because it's such a buyer's market, the amenity level is getting higher, not lower, even as everyone grumbles about tuition increases.

Fantasy College would be a relatively spartan place: simple dormitories, decent food, a few playing fields and a good library. The extreme example of the direction we'd move in is Cooper Union, a first-rate, bare-bones architecture, art and engineering school in New York City where students' modest tuitions are totally paid for out of the college's endowment. We'd jettison, in other words, the resort function of higher education. If our students want to belong to a health club, they can go join one—providing it isn't our job to run it.

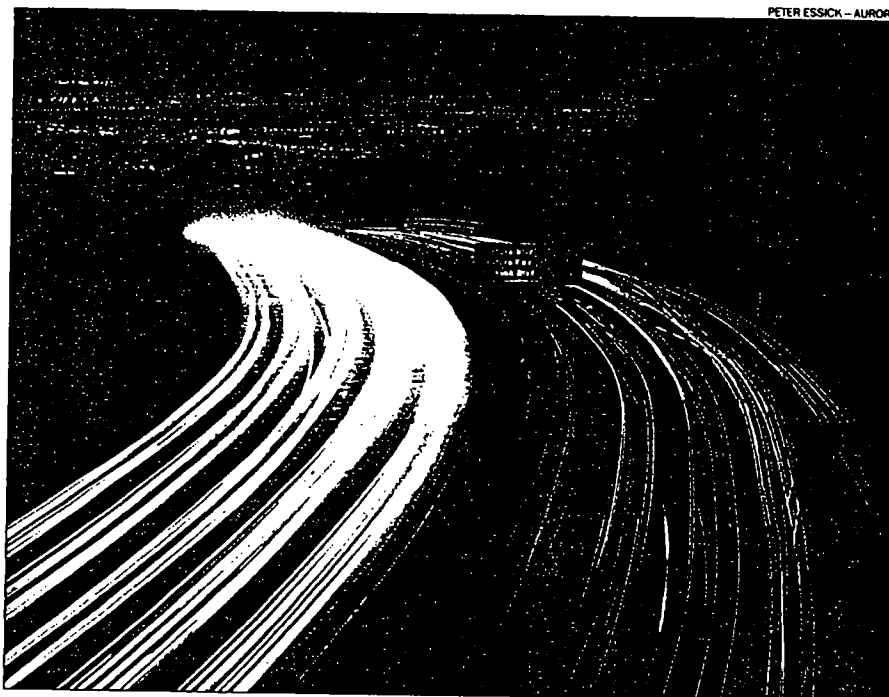
■ **Gold-plate the placement and admissions offices.** There are hundreds of colleges that fit the basic design principles of Fantasy College. But they can't compete for students with the high-priced schools because they lack prestige. At Fantasy College, we'd win the prestige wars in guerrilla fashion. We'd work fanatically to get the best possible students and then, when they are seniors, to get them the best jobs and grad school slots. By so doing, we'd convince consumers that we could provide the main benefit that people expect from \$25,000-a-year schools, without charging for extras.

If you truly believed that your future would be as enriched by attending Fantasy College as it would be by attending Williams, wouldn't it diminish your willingness to pay an arm and a leg to support a tennis complex and faculty monograph-writing? If the honest answer is no, then stop complaining about college costs: The truth is that it costs that much because you want to pay that much. ■

BY NICHOLAS LEMANN
Lemann, of the Atlantic Monthly, is writing a book about education.

THE PRESIDENT HAS SEEN

Message in a bottleneck: It's time to start charging rush-hour commuters



PETER ESSICK - AURORA

Where gridlock rules: rush hour on the San Diego Freeway in Los Angeles

It's not your imagination. Every year, your commute to work probably is taking longer. Since 1986, car travel has increased almost 40 percent, while highway capacity has barely grown. As a result, most interstate routes in major metropolitan areas are jammed during rush hours. Gridlock costs Americans roughly the equivalent of \$51 billion a year in lost wages and wasted fuel. And the situation is only going to get worse.

But there may be a way to avoid total gridlock: "peak-period pricing," or, in

plain English, tolls. Now, the government gives away precious road space for free, virtually guaranteeing backups. Charging drivers during peak times would naturally reduce the traffic.

This simple idea isn't new. But it hasn't been adopted on a single public road because politicians know it would be career suicide to force Americans to pay for something they've long had for free. Instead, they embrace solutions that are more politically palatable than they are effective. They include:

■ **Building more roads.** Sounds good. But additional roads inevitably produce what traffic expert Anthony Downs in his book *Stuck in Traffic* calls "triple convergence." More commuters come—from other roads, from mass transit and from new developments. Soon, the new roads are as crowded as the old. Los Angeles is a monument to this phenomenon.

■ **Bolstering mass transit.** Even if Americans could learn to rely on buses and trains—and that's a huge if—work-

**At last count,
Americans were idling
in traffic to the tune of
\$51 billion in lost
wages and fuel.**



Speed for sale. Can you guess which of these lanes has the toll?

ices are now so spread out in the suburbs that connecting all the dots with buses or other transports in affordable and convenient routes is nearly impossible. This makes perfect sense. Suburbs were designed with drivers in mind. If the number of mass-transit users miraculously doubled, they still would constitute only 10 percent of commuters.

■ **Developing "smart cars" and highways.** The federal government is spending millions a year to develop an intelligent-vehicle highway system. It would involve a network of road sensors and computers that would feed traffic information to car TV screens, warning of trouble spots. Sounds impressive, in a Jetsons sort of way. But its limitations are obvious: Drivers will head for open roads, relocating but not reducing congestion.

Which brings us to the more drastic solution of putting a price on the rush-hour commute. Peak-period pricing would turn all major metropolitan arteries into toll roads, with prices high enough to keep traffic moving steadily. During slow times, tolls would be cut or eliminated. Tolls could be collected easily, thanks to new technology that lets sensors read signals from small transponders inside the car. Fees would be debited from prepaid accounts. In theory, drivers who didn't want to pay would change their commuting hours, car pool or use mass transit.

Think of the benefits. Congestion and pollution would be reduced. Use of

mass transit would increase. Productivity would grow. Corporations would take even greater advantage of flextime. Governments would save zillions in no longer needed road-expansion projects.

OK, that's utopia. The reality is that commuters would blow their gaskets—at least initially. The effects on surrounding free roads could also be devastating, as motorists sought to drive around the tolls. Even advocates like Downs acknowledge that a complete toll system—such as the one in practice in Singapore—is at best many years away in this country.

But the bugs of the system are being

Bumper-to-bumper crop

Here's how much time drivers waste each year sitting in traffic in the nation's most congested cities.

CITY	HOURS LOST
Washington, DC	70
San Francisco-Oakland	66
Los Angeles	65
Houston	60
Detroit	57
Atlanta	53
Boston	44
New York	39
Chicago	34
Philadelphia	23

Source: Texas Department of Transportation

worked out, and the criticisms of naysayers answered on a new road in Southern California. About a year ago, a 10-mile, four-lane, fully automated toll road (the nation's first) replaced the median on the 91 Freeway in Orange County, one of the busiest roads in the country. With a peak one-way toll of \$2.50, the privately operated 91 Express Lanes are some of the most expensive 10 miles of road to travel in the United States. Yet they attract roughly 30,000 cars a day and have produced some surprising results.

Rather than becoming "Lexus Lanes" for well-off commuters, as expected, express lanes are a mirror of the freeway as a whole, attracting drivers from all income brackets, according to surveys by the California Private Transportation Co., which built the \$126 million road. For many working parents, a \$2.50 toll is preferable to steep overtime charges for day care. The fast lanes also are popular with independent contractors and other

workers who are paid by the job. True, some low-income workers can't afford the toll. But if the system were public, the government could subsidize their commutes with deposits into their toll accounts drawn from toll proceeds.

CPTC also found that commuters use the toll road even when the free lanes are uncongested. Apparently, drivers like knowing they won't encounter a backup around the next bend—or if they do it will be cleared quickly. They also like the security of being heavily monitored by the closed-circuit cameras set up to nab cheaters. (An easy sentiment to understand in Los Angeles, land of freeway terrorism.) Several local companies have endorsed the system by footing the bill to get their employees to work faster. (A smart move, since drivers are more inclined to use the toll roads to get home faster.)

The pay lanes on 91, which are free to car pools of at least three and to handicapped drivers, have helped ease congestion on the adjacent free lanes. That's made the regular commute a little easier, though those lanes are still among the most maddeningly crowded stretches of pavement in the country. Yet, as commuters sit paralyzed in bumper-to-bumper traffic, watching toll payers whoosh by, their resistance to the notion of paying for the right to drive diminishes. Slowly. ■

BY BETSY STREISAND IN LOS ANGELES

EPA

rec. Rails

- (EPA w/d prohibit motorization of any rails that aren't now motorized
- (If new motorized rails.....

Parking cash out:

Brownfields:

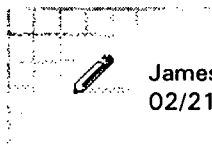
- Jan. 17 DOT
- Memo is unsatisfactory

Wetlands:

- ↑ in elig. of wpl for restoration from NTF

Justice

- Cheim in w/ EPA ran a lot of stuff
- disadvantaged entrepreneurs



James A. Brown
02/21/97 05:14:59 PM

Record Type: Record

To: Janet Himler/OMB/EOP, David J. Worzala/OMB/EOP, Dorothy Robyn/OPD/EOP

cc:

Subject: DOL Views on ISTEA Reauthorization

Advance copy via e-mail. Hard copy will be in package I will send out this evening or first thing Monday. (Janet--re the next to last bullet, I see what Labor gains by applying 13(c) labor protection to light rail pilots, but the other two statutes seem to be research/planning and relocation.) [P.S., if you are interested in quickly reading any of the code provisions cited by DOL--or anyone else--there is a wonderful USC search facility at <http://law.house.gov/uscsrch.htm>]

----- Forwarded by James A. Brown/OMB/EOP on 02/21/97 04:52 PM -----



JAGreene @ dol.gov
02/21/97 12:33:00 PM

Record Type: Record

To: James A. Brown

cc:

Subject: DOL Views on ISTEA Reauthorization

I have been authorized to transmit the attached document as the views of the Department of Labor on ISTEA Reauthorization.

[[ISTEAREV.WPD : 3129 in ISTEAREV.WPD]]

ISTEA Reauthorization Draft Bill
Department of Labor General Concerns and Proposed Revisions

General Concerns

- **State Infrastructure Banks (SIBs).** The Department of Labor is very concerned regarding the long-term effect these innovative financing mechanisms may have on the Nation's workforce, because Federal requirements (such as Davis-Bacon, Section 13(c), and civil rights) will apply only to the first use of Federal funds. Capital repaid to SIBs would in most cases no longer have a Federal identity, and could be reobligated without Federal requirements. The important labor protections we administer could be undermined over time by the SIB process, and we oppose the SIB provisions, as currently drafted.
- **Metropolitan Planning Organizations (MPOs).** The Department of Labor is concerned that there be greater mechanisms for participation of affected stakeholders in the MPO process.
- **Waiver Authority.** The Department of Labor is very concerned that the authority provided to the Secretary of Transportation to waive Federal requirements may be exercised to waive the application of Federal labor standards, civil rights requirements, or employee protective arrangements. We oppose such authority unless the draft legislation is amended to expressly preclude waiver of the programs we administer.
- **Application of Department of Labor Programs.** The Department of Labor is concerned that the legislative package, as intended, maintains the present application of the programs we administer, and that it applies Davis-Bacon coverage to all new federally assisted construction. We are proposing revisions that are necessary to implement the Department of Transportation's intention, as well as revisions that will apply coverage by the Section 13(c) Program to newly authorized mass transit programs.

Proposed Revisions

1. Title I, section [103], National Highway System. We propose revising this section to further amend 23 U.S.C. 103 to add the following language:

"Notwithstanding any other provision of this title, the Secretary of Transportation may not waive the application of Federal labor standards, civil rights requirements, or employee protective arrangements."

2. Title I, section [104], Apportionments. Subsection (c) amends 23 U.S.C. 104 to add a new subsection (k). We propose revising new subsection (k)(3) as follows:

“(3) Funds made available under chapter 53 of title 49, United States Code, or this title for National Railroad Passenger Corporation projects shall be transferred to and administered by the Secretary in accordance with the requirements of subtitle V, part C, of title 49, United States Code, except that the respective non-Federal share provisions of chapter 53, of title 49, United States Code, or this title shall apply to the transferred funds, and except that 49 U.S.C. 5333(b) shall apply to any funds transferred under this section that are utilized for the operation or construction of mass transit facilities. ”

3. Title I. We propose adding a new section to amend 23 U.S.C. 113 by striking subsection (a) and inserting the following new subsection (a):

“(a) The Secretary shall ensure that laborers and mechanics employed by contractors and subcontractors in construction work authorized under this title be paid wages not less than those prevailing on similar construction in the locality, as determined by the Secretary of Labor under the Act of March 3, 1931 (known as the Davis-Bacon Act) (40 U.S.C. 275a--276a-5). The Secretary of Transportation may approve the use of funds for such construction work only after being assured that required labor standards will be maintained on the construction work. For a labor standard under this subsection, the Secretary of Labor has the same duties and powers stated in Reorganization Plan No. 14 of 1950 (eff. May 24, 1950, 64 Stat. 1267) and section 2 of the Act of June 13, 1934 (40 U.S.C. 276c). This subsection shall not apply to construction work undertaken on highways classified as local roads or rural minor collectors or on transportation enhancement projects as defined in section 101 of title 23.”

4. Title 1, section [105], Project Approval and Oversight. We propose revising 23 U.S.C. 106(c)(1) as inserted by section 105(a)(3) of the draft bill as follows:

“(c) SPECIAL RULES FOR PROJECT OVERSIGHT.--

“(1) NHS PROJECTS.--The Secretary may discharge to the State any of the Secretary’s responsibilities for the design, plans, specifications, estimates, contract awards, and inspection of projects under this title on the National Highway system, except that responsibilities for the enforcement of Federal labor standards, civil rights requirements, or employee protective arrangements may not be discharged under this paragraph. The Secretary and the State shall reach agreement as to the extent the State may assume

the Secretary's responsibilities under this subsection. The Secretary may not assume any greater responsibility than the Secretary is permitted under this title as of September 30, 1997, except upon agreement by the Secretary and the State."

"(2) NON-NHS PROJECTS.--For all projects under this title that are off the National Highway System, the State shall assume the Secretary's responsibility for the design, plans, specifications, estimates, contract awards, and inspection of projects under this title, except that responsibilities to enforce Federal labor standards, civil rights requirements, or employee protective arrangements may not be assumed by the State."

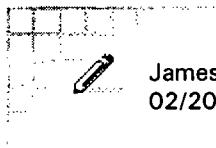
5. Title I amends chapter 2 of title 23, United States Code to add section 206, which establishes the Recreation Trails Program. Section 206(h)(3), as presently drafted, exempts projects funded thereunder from 23 U.S.C. 114, which generally prohibits the use of convict labor and convict produced materials on the construction of highways or portions of highways located on a Federal-aid system except under certain circumstances. We propose that new section 206(h)(3) be revised to delete the exemption from 23 U.S.C. 114, because this could permit actual convicts to be employed by third parties in carrying out projects under this program, and because it raises serious labor standards concerns. In addition, removing the prohibition on prison labor raises foreign policy concerns because it may detract from positions we are taking in relation to the use of prison labor by other countries. Therefore, we recommend that the State Department be consulted on this provision.

6 Title III, section 323, General Provisions on Assistance. Subsection (a)(2) appears inconsistent with its corresponding language in the explanatory statement on page 21 (461). Moreover, section 323(a)(2) should be revised to delete reference to 49 U.S.C. 5311.

7. Title III, section 331, Labor Standards. This section amends 49 U.S.C. 5333(b). We propose striking section 331 as presently drafted, and inserting in lieu thereof an amendment to 49 U.S.C. 5333(b)(1) that would add 49 U.S.C. 5313, 5320 and 5324 as provisions of chapter 53, title 49 to which the Section 13(c) Program would apply. We further propose amending 49 U.S.C. 5333(b)(1) so that it would apply to any funds transferred under section 104(k)(3) of title 23, United States Code that are utilized for the operation or construction of mass transit facilities.
Section 104(k)(3) is a new paragraph added by section [103] of title I of NEXTEA (ISTEA II).

8. Title III, section 332, Administrative. We propose revising section 332 to further amend 49 U.S.C. 5334 to add the following language:

"Notwithstanding any other provision of this chapter, the Secretary of Transportation may not waive the application of Federal labor standards, civil rights requirements, or employee protective arrangements."



James A. Brown
02/20/97 06:53:43 PM

Record Type: Record

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

cc: James J. Jukes/OMB/EOP

Subject: HIGHWAY REAUTHORIZATION BILL: AGENCY RESPONSES AT A GLANCE

**DEPARTMENT OF TRANSPORTATION DRAFT HIGHWAY REAUTHORIZATION
BILL: AGENCY RESPONSES AT A GLANCE**

(Note: An update of this table, and a table indicating sections of the bill which have raised agency concerns will be provided tomorrow .)

NOC = Agency has officially responded that it has no comment on bill.

NOB = Agency has officially responded that it has no objection to bill

NOB a/a = Agency has requested changes in the bill, but changes are either non-controversial or raise no issues which cannot be resolved at the staff level.

Problem(s) = Agency has raised issues which must be raised to PAD level or above.

Army Corps of Engineers **NOC 2/20**

Department of Education

Small Business Administration

Department of Agriculture **NOC 2/20**

Appalachian Regional Commission **NOB a/a**

Department of Commerce **NOB a/a**

Department of Defense **NOB a/a**

Department of Energy

Environmental Protection Agency **Problems 2/20**

Federal Emergency Management Agency **NOC 2/20**

General Services Administration **NOC 2/19**

Department of Health and Human Services **NOB a/a 2/19**

Department of Housing and Urban Development [Comments promised by c.o.b. 2/21]

Department of the Interior [Comments promised by c.o.b. 2/21]

Department of Justice **Problems 2/20***

Department of Labor **Problems** [Comments promised by c.o.b. 2/21]

National Transportation Safety Board [Bypass agency]

Office of National Drug Control Policy **NOC 2/19**

Department of State **NOC 2/19**

Department of Treasury **Problems.** [Comments promised by c.o.b. 2/21]

US Trade Representative NOC 2/19

* Note: Justice's PAD level issues are similar to EPA's.

Message Sent To:

David J. Worzala/OMB/EOP
Jonathan C. Ball/OMB/EOP
Diane R. Montgomery/OMB/EOP
David E. Tornquist/OMB/EOP
Kenneth L. Schwartz/OMB/EOP
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Victoria Wassmer/OMB/EOP
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Michael Deich/OMB/EOP
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J C. Crutchfield/OMB/EOP
Janet Himler/OMB/EOP
MAZUR_M @ A1 @ CD @ LNGTWY
Linda Lance/CEQ/EOP
REGAS_D @ A1 @ CD @ LNGTWY
Ananias Blocker III/WHO/EOP
Barbara Chow/WHO/EOP
Henry C. Kelly/OSTP/EOP
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Winifred Y. Chang/OMB/EOP
Courtney B. Timberlake/OMB/EOP
Ellen J. Balis/OMB/EOP
Zach Church/OMB/EOP
Janet E. Irwin/OMB/EOP
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Arthur W. Stigile/OMB/EOP

Jay S Hogen

CMAQ π
enhancement $2\pi\pi$ π

↑ flex - Amtrak
freight rail

Mayors' concern:

If ~~we~~ AQSD's are Δ 'd, we need
to Δ CMAQ criteria/boundary issue

Historic Wetlands:

Should we brownfield
put in
our
bill?

- pilot program in 5 areas
- will give us a good data base

Chapman; others have cautioned

DG:

DOT policy: —

Should be reversed

That can be done administratively.

3 issues

(1) Current policy
condemned

If rt. of way, stay away

We want to reverse that, if we think
we can get it ad in - via guidance

(2) We do an assessment of [↑] I decide
we want to build a rt of way over
it, what can BTEX fund?

- rt of way
- parking garage

(3) Some Commercial things are pretty far
out - h

Pilot prog's

- What qualifies? ^{make our definition}

March -

^{to announce}

Broadfields announcement of strategy

^{to announce}
We want commitment by Dec

We'd use ISTEA to clean up the program.
if it's w/in the rts of way

We think few states that now; but b/c
of existing guidance/policy, that's currently
discouraged.

DB: If it can be done admin, & \$ can be
found, good.

i.e.
state
action of
such a
program.

If not we shld put it in bill

good support in Gen: - Wld be support for
pilots
- Lautenberg (Mr. Brownfield)

More expensive to go thru the program
w/ th around it. How much more
expensive?

It's voluntary - states apply, & \$ is
awarded competitively.

DG:

Pilots will be broader than just rt. of way.

Therapy is if you can get "in ^{the} ~~field~~ ^{field}" level, you can avoid —

Pilots will test this theory

JG:

different distance

— You can define a rt. of way pretty broadly

— Central artery etc.

— So, pilots will be still w/in rt. of way, but pilot will, if you add the \$, you don't have to use your regular \$.

London's Q:

We can be more expensive if we go left, w/ the admin. costs. But it is worth it to go that route?

If it's been administratively, where will
the come from?

Jack: NPS, probably. \$10-25M/yr.

That's probably double (as opposed to taking
it out of STP).

If we go to HOU of 1000, that limits our
options.

LL: If we took this the rest of NPS, did we
draw on a broad category or did we need
a special category?

The former.

Jack: Want to check that we can
define etc. of way a bit more broadly
to satisfy David's desire to prob
envelope

Possible B/Frederick's announcement:

(1) Δ in policy

(2) pilot projects

DB: If can be low admin., that's OK.
But if we can't, we want to know
it before legis. train 10's sta.

LL: CEQ's b/f/d. person nervous abt
degree to which we publicize use of
Hav. \$ for b/fields cleanup.

Climate ▲

Emissions in U.S. growing dramatically!

Trans. is biggest sector

- auto efficiency stagnant
- 7 driving

- lots going on in other areas - e.g. elec.
dereg.

- best O in town.

- EPA wants to create a ^{incentive} group
to reward improvement

- DOT approach: We don't penalize you
if you improve

Joe:

we're dancing close to edges w/ some
core const. values

Let me understand:
#1.8B ^{time taking} we need stuff

price tracking h/way prog. by
#1.5B.

We don't want to be another S&P.

In part, we're not sure how to improve.

Can we take piece of R&D budgets &
try to

Joel:

New CMAQ will be treated as a hit

Joe:

Formula: ^{State's} share is partly based
to how much they put in

If state has to go to VMT, we
don't want to penalize them.

Suey Becker - I agree w/ JG

Drave:

- dep's gyp. on climate Δ
- this yr. is big yr.

DG:

NEC + CEQ:

- Don't look at fuel std's on Vol 1's
- So ~~it's~~ hard to get at transportation prob.

DK: Can we draw together the 2 processes?

DG:

Incentive is for states to drive
more. We need to Δ that

Sally Blocher:

Imp't for our bill to be creditable

Usually you have to pay your way in.

We chose not to do that — c/o our
is creditable.

~~There are also~~

There's a lpd. and they're going to
give us on the env'r.

Dinner for CD people together on Mon or Tues.

Mark - But that money is so much slower
back. It's very open now.

JG:

Outreach told us to simplify
We haven't.

But let's be careful not to
make it more complex / to
overreach

- talking w/ I/state
- value pricing

Sally Blocher:

~~the~~ from "now attainment"
If you wave into "maintenance", you can
still use CMAQ

we heard abt. this from mayors:

it's easy to step back if you don't keep
at it.

Some state DOTs don't want to keep using
CMAQ \$ for this —

best mayors do if they're on friends.

That went thru in Nov. '95
Chafee pushed hard for it.

Stietso can
use

CMAP to buy old cars. Need
to make clear we're not going to be
competing classic cars.

Extreme cold start

THE WHITE HOUSE
WASHINGTON

-EPA

-lengthy comments

-rep. on MPOs (DOL also
objects)

Don't language that
opens up process

-rec. trials

L

Clara D'Nea

Public Citizen

Barbara Fagan - Econ. Cost of
Vehicle Crashes
Economicist

Larry B. B. B.

Chapman Bond

use all \$ in trust fund

\$260/yr.

vehicle control system

broader program not w/d fund

Call Log for Dorothy Robyn

Time	Name	Number	Message
9:10 am	Jim Brown	5-3473	

Michael -

We'll have as much resolved as possible.

in

- EPA mtg. today

- DOT mtg w/ Treas. on Wed.

- [Thurs. = Dam OMB - Treas.] Will pick up on Tues.

- Other issues can be handled w/ examiners; tucked up for decision:

- Interior: budget #s

- EPA: Wetlands - using h/way \$ to resolve wetlands

NEC version

ISTEA. State Infrastructure Banks (SIBs) provide greater flexibility to support the financing of projects by using federal-aid funds for revolving loans and other forms of non-traditional financial assistance. Offering only a shallow federal subsidy, SIBs are designed for transportation projects that can be largely (but not entirely) funded by the private sector -- e.g., toll roads. The Administration is requesting \$150 million for SIBs in FY98.

Two years ago when OMB and NEC first proposed SIBs internally, the Department of Labor argued for permanent Davis-Bacon Act (DBA) coverage, whereas OMB wanted a complete exemption. The NEC proposed an approach used by EPA's Wastewater Treatment Revolving Fund, which provides a similarly shallow federal subsidy: namely, require the first round of projects funded by an individual SIB to comply with DBA requirements but exempt subsequent rounds. (If an existing SIB were to get subsequent federal dollars, that would count as a "new" SIB for purposes of DBA.) DOL and organized labor accepted this approach, recognizing that the SIB program, given the type of projects it supports, will never get very big.

The Department of Transportation's interpretation of the resulting legislation has been even more generous to labor. If a SIB project is funded or repaid even partly with federal dollars, ***regardless of the funding round***, it must comply with DBA. Thus, only SIB projects that are funded and repaid entirely with state dollars would be exempt under current DOT rules.

Despite the two-year old agreement, organized labor this year raised anew the issue of permanent DBA coverage for any and all projects funded by SIBs. (Labor's revised position seems to reflect the mistaken impression that the SIB program is due to expand significantly.) On policy grounds, labor's proposal is problematic: First, it would represent an expansion of existing DBA coverage, which could set a costly precedent for EPA and other federal agencies. Second, by raising the cost of purely state-funded SIB projects, it would reduce the number of such projects. The Administration has not yet resolved the issue.

If you get a question, you should emphasize, first, that the Administration is carefully considering labor's views. Second, you may want to reiterate that this program, by its very nature, will remain small. (Mort Downey spoke to the AFL-CIO on Saturday, and I will get you a copy of his Q&A on this issue tomorrow.)

American Airlines. The President's action to avert the strike of American Airline pilots does not seem to be a major issue with the AFL-CIO, according to the Vice President's staffer who has talked with union officials. The Allied Pilots Association (APA), which represents American pilots, is independent, having split off from the AFL-CIO's Air Line Pilots Association (ALPA) in 1963. Many ALPA pilots still resent that break in the ranks. Moreover, ALPA represents the 2,000 pilots at American Eagle, the company's commuter line, who are in a position to take jobs away from APA members if American expands the use of regional jets. APA is insisting that its pilots be given the right to fly the smaller planes, but American says it would lose money flying regional jets with the high salaries that APA pilots command. (American on Thursday rejected an APA proposal to have American pilots fly any American Eagle jets at salaries that would keep those flights competitive with other commuter airlines.)



U.S. Department of
Transportation

Office of the Secretary
of Transportation

400 Seventh St., S.W.
Washington, D.C. 20590

FAX COVER SHEET

Number of Pages: 2
(including cover sheet)

Date Sent:

2/18/97

Time Sent:

1:42

TO:

Dorothy Robyn
NEC

TELEPHONE NO. _____

FAX MACHINE NO.

4156-2223

FROM:

Jack Bennett
DOT, Policy Office

TELEPHONE NO.

366-6272

FAX MACHINE NO.

202-366-3393

REMARKS

Amtrak talking points
from James Lieber

AMTRAK FUNDING: TALKING POINTS

1. The Administration is committed to a long term vision of Amtrak as an important component of this nation's intermodal, intercity passenger transportation system. Amtrak must have the tools to develop into a self-sustaining competitive player. One tool that Amtrak must have is a reliable source of capital investment to address the previous lack of investment.
2. The Department is requesting that \$767 million be funded from the Highway Trust Fund for Amtrak. This includes:
 - ▶ \$423 million for capital (including investments in the Northeast Corridor). This represents an increase of \$25 million from \$398 million in FY 1997 (excluding one-time costs of \$80 million in FY 97 for high-speed trainset acquisition); and
 - ▶ \$344 million for operating, up \$2 million from \$342 million in FY 1997 (excluding one-time 1997 operating costs of \$22.5 million, which were appropriated in the Continuing Resolution to allow States 6 months to pick up routes that Amtrak had planned to eliminate).
3. The Department is committed to working with Congress, Amtrak management and labor, State governments, and other interested parties in the coming year to develop an affordable long range plan that eliminates Amtrak's dependence on Federal operating subsidy.

BACKGROUND:

Transportation unions are concerned that the levels of capital and operating funding proposed for Amtrak are not sufficient. FY 1998 funding levels were made public in the budget process. However, OMB is still reviewing DOT's proposed authorization levels beyond FY 1998 - as opposed to the spending levels determined in the budget - to be included in ISTEA. The unions are also concerned about the viability of our proposal that Amtrak funding come from the Highway Trust Fund.

THE WHITE HOUSE
WASHINGTON

New credit instrument -

- They can

guar's tax -
Exempt debt

Will Treas. go along w/
a pilot

- Lines of cred. ~~to be~~

DW likes

- In fact, DOT is not proposing to *weaken* labor protections under the SIB program -- only to maintain the current approach, which organized labor agreed to two years ago. Under that approach, DOT requires any SIB project that is funded with any federal dollars whatsoever to comply with Davis Bacon and other federal labor protections. Only projects that are funded entirely with state dollars are currently exempt. Organized labor now wants to require even fully state-funded projects to comply. DOT, OMB and NEC oppose that, because it would expand current coverage of Davis-Bacon -- thereby setting a costly precedent for EPA and other federal agencies -- and also raise the cost of fully state-funded projects.
- Organized labor mistakenly believes that the \$150 million a year SIB program is going to expand significantly. It will not, because of its very nature -- providing a very shallow federal subsidy for infrastructure projects that the private sector can largely (but not entirely) finance. If the SIB program were to expand significantly, **then** (and only then) would it make sense to revisit the issue of labor protections.

- In fact, DOT is not proposing to *weaken* labor protections under the SIB program -- only to maintain the current approach, which organized labor agreed to two years ago. Under that approach, DOT requires any SIB project that is funded with any federal dollars whatsoever to comply with Davis Bacon and other federal labor protections. Only projects that are funded entirely with state dollars are currently exempt. Organized labor now wants to require even fully state-funded projects to comply. DOT, OMB and NEC oppose that, both because it would expand current coverage of Davis-Bacon and also raise the cost of fully state-funded projects.

366-3244
FAX

366-2240
ph.

D. Garvey
2-17-97

At any pt., if a proj. is tied w/ fed \$s,
there are fed strings attached

~~If built w/~~

If loan is repaid w/ all state \$s

If out of state portion...

If there's a fed \$ attached to

the proj. at all - either then
building

If we'll grow rent;

AFL-CIO

- Ed Witkon

- Ben James

Proposed

Amtrak & Con

HTF

- Retirement for all workers

- They propose that

- So if

If $\frac{1}{2}$ out of h/w + $\frac{1}{2}$ out
of transit



Drich
2-17-987

282

When

We proposed SIBs, one issue dealt w/

DMB - no DBA for anything

DOC - DBA forever

DOC accepted MD's suggestion to use
wastewater

EPA Revolving Fund

feds give ^{an outright grant} \$ to states

what states do

When states provide grant, etc. The 1st
time, it comes w/ all strings attached

it's considered fed act. w/ state
pass them

But when states pay back

366-2240

Jane Lowery - SIB god

Comprehensive FW. Those who want to give the
\$

SIBs have a very shallow subsidy, 5% to 50%

If you ~~don't~~ have DBA, you close off

SIBs make loans to - e.g., priv-sector toll roads

↳ so - we've said the priv. sector wants to build this

↳ If priv. developer is new subj. of DBA, it can't do as much

The class of proj's is

public roads

perhaps

roads built entirely w/

SIBs can do that - and more likely, they'd do things priv. ...

labor

ltd. class of proj. i

loan or credit assistance

- loan guarant
- subord. debt

Key is the nature of the projects

- (1) they'll never get big
- (2) by partnering w/ private sector,

if were

\$100M

It's a long process.

if it does get big, will rethink it.

All well doing is

\$2.15 program

Lick & Jane L.

AGENDA FOR NEXTEA MEETING WITH MD

- A. REVIEW PROCESS AND STATUS
- B. WALK THROUGH SIDE BY SIDE ON MAJOR ISSUES AND CONCERNS [30 min]
 - 1. Eligibility
 - 2. Apportionments
 - 3. National Highway System
 - 4. Surface Transportation Program
 - 5. Bridge
 - 6. Congestion Mitigation and Air Quality/Environment Concerns
 - 7. Federal Lands
 - 8. Definition of Capital Expense
 - 9. Planning
 - 10. Access to Jobs and Training
 - 11. Innovative Finance - SIBs/Credit/Tax
- C. OTHER ISSUES - [if time]
 - 1. Enhancements
 - 2. I4R
 - 3. Financial Plan
- D. STRATEGY/NEXT STEPS [15 min]
 - 1. Resolution of outstanding issues
 - 2. OMB Comments to DOT
 - 3. NEC Letter/Rollout

G:\istea2\MDAGENDA