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Series/Staff Member: Dorothy Robyn

Subseries:

OA/ID Number: 17413

FolderID:

Folder Title:

TEA - 21 [Transportation Equity Act of the 21st Century] [Folder 1]: ISTEA [Intermodal Surface
Transportation Efficiency Act] II Debate

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ISTEA-Misc.

ISTEA
March 7, 1998

- Q:** Will the additional money that the Senate approved for transportation last week cut into the funding needed to pay for the Administration's priorities in education, the environment, etc.?
- A:** The President was on record as saying he would support spending on surface transportation (highways, highway safety and transit) above that in his budget if and only if it could be done within the budget caps. We are pleased that the Senate's recent action appears to stay within the budget caps. We will discuss further with Congress how the increased transportation spending will be offset to ensure that the President's other priorities are preserved.

Speaking of the President's priorities, I want to applaud the Senate for its 58-to-37 vote on Friday to preserve the Department of Transportation's Disadvantaged Business Enterprise (DBE) program, which provides expanded economic opportunity for people who have been effectively shut out of the construction contracting process until recently. The Senate's vote reaffirms the President's "mend it, don't end it" approach to affirmative action and promoting equal opportunity.

Background:

The Senate agreed last week to provide \$173 billion (contract authority) over 6 years for highways -- \$38 billion more than the President's budget request and \$26 billion more than S. 1173, Sen. Chafee's ISTEA II reauthorization proposal. The Senate also agreed to provide \$5 billion (budget authority) more for transit than what was in S. 1173 (and \$17 billion more than the President's request).

There is no agreement yet on the obligation limitation or outlays that will be included in the Budget Resolution. Domenici is "committed" to finding offsets for this added spending, but they have not been identified.

Sen. Gramm's amendment, Gramm-Byrd, provided for a conditional increase in highway spending equal to the highway account share of the 4.3 cent per gallon tax (3.45 cents). It would have raised spending on highways by \$32 billion above the level in S. 1173.

ISTEA: As you know, the McConnell amendment to repeal DOT's DBE program was defeated this morning by a lopsided 58-to-37 vote! With a cloture vote aimed at limiting additional amendments scheduled for Monday, the Senate could finish ISTEA as early as Friday (Daschle is shooting for a Wednesday completion). The big remaining fight is over transit. Although D'Amato and Domenici announced a deal yesterday that would give transit a \$5B boost over 6 years, there is widespread support for a "transit minimum allocation" amendment that would reallocate approximately \$400M of transit funds from urban to rural states based on state highway use. (This perverse amendment would allow rural states to divert half of these funds, or \$200M, to highways, which cost \$50M per mile to build. So supporters would cripple DOT's \$6B transit program for 4 miles of new highway!) White House and DOT staff met with several hundred transit supporters this afternoon to assure them of our commitment to transit, and Secretary Slater will be sending Congress a very strong statement of opposition (similar to what he sent on DBE) to the minimum allocation amendment.

Slater released today DOT's 1997 Conditions and Performance report, showing that highway and bridge conditions are improving while congestion is growing worse. Highway safety also continues to improve, although the rate of improvement is slowing.

Early next week, I will bring together key principals (Slater, Raines and Stein) to assess the Senate's action on ISTEA funding (which added \$38B above what's in our budget), what it means for competing Administration priorities, and how we can protect those priorities.

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Diane R. Montgomery

03/06/98 02:36:01

PM

Record Type: Record

To: Michael Deich/OMB/EOP

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

Subject: STPP ISTEPA Summary, 3/6

The Surface Transportation Policy Project (STPP) met today to share the latest intelligence on what is happening on the Hill related to the surface transportation reauthorization bill. The following is a summary of highlights from today's meeting:

General News

The Disadvantaged Business Enterprise (DBE) program amendment to repeal the DBE program was defeated 58-37 this morning. It is expected that the Senate will recess after the vote until Monday.

Senators Lott (R-MS) and Daschle (S-SD) are calling for a cloture vote on Monday (3/9) at 5:15 pm or so. All amendments must be filed by 1 pm on Monday. Then Senators will have till 5 pm to file any second degree amendments. By Monday evening, we should know what amendments will definitely go forward. Even if there is not a cloture vote, there may be an agreement to limit debate to 2-4 more days and prohibit any new amendments from being offered. Consequently, STPP believes that the Senate bill could be done as early as next Friday (3/13). Daschle has indicated that he would like the bill completed by Wednesday.

The House Task Force assigned to evaluate surplus spending options, of which Representative Shuster (R-PA) is a member, has been meeting more regularly and appear to be making progress regarding surface transportation spending.

Secretary Slater will be meeting with the National League of Cities (NLC) on Sunday and with the American Public Transit Association (APTA) on Monday where he will carry the pro-transit spending, anti-minimum allocation message.

The Secretary will also release the 1997 Conditions and Performance report today and speak to it at the Sunday NLC meeting and on Monday to APTA. In general, the report indicates that highway pavement and bridge conditions are continuing to improve while congestion continues to worsen. Transit systems are growing and transit speed of service has increased. The condition of light rail equipment has improved, but there has been a slight decline in the condition of buses and heavy rail equipment. Highway safety also continues to improve, however, the rate of improvement is slowing.

Problematic Amendments

1) Transit Minimum Allocation. This amendment would reallocate approximately \$400 million of transit funds from urban to rural States based on State highway use. Senators Thomas (R-WY), Allard (R-CO), Johnson (D-SD), and Levin (D-MI) are sponsoring the amendment, which would also allow 25% of the reallocated funds to be used for "other uses," presumably highways. DOT and STPP believe that the funding charts, circulated by proponents, illustrating that most States win in FY1999 are misleading. This is because earmarking impacts the formula in the outyears;

therefore, the same States do not benefit each year. DOT is working on funding charts that reflect outyear funding impacts.

2) CMAQ Amendments. Senator Inhofe (R-OK) may still offer two problematic amendments related to the Congestion Mitigation and Air Quality Improvement (CMAQ) program: 1) single-occupancy vehicle eligibility and 2) transferability of CMAQ funds to highway construction program categories. While Inhofe has not addressed either issue lately, there is concern that he may revisit one or both issue (s) now that agreement has been reached on the air standards implementation language (discussed below). *While I believe it is doubtful, I have a call into EPA to determine if the air quality standards agreement between EPA and Inhofe included that he would not offer any CMAQ amendments.*

3) Enhancements vs. Railbanking. Senator Brownback (R-KS) has put his amendments to make the enhancements program optional on hold pending outcome of his amendment to attack railbanking. If he succeeds on eliminating railbanking, it is unclear whether he will drop the enhancements amendment. Railbanking preserves abandoned rail corridors for future rail use rather than return the property to land owners. In the interim, many corridors are converted to pedestrian and bicycle trails. The Kansas agriculture coalition is behind the railbanking amendment. Representative Moran (R-KS) may offer a similar provision in the House once the House bill begins moving again. Senators Bumpers (D-AR) and McCain (R-AZ) have objected to the railbanking amendment because it amends two laws, the National Trails System Act and the Interstate Commerce Act, under the jurisdiction of the Energy and Commerce Committees.

Possible New Amendments

1) Program Distribution. Senate Environment and Public Works (EPW) staff are reportedly working on an amendment to require that States fund programs proportionately in the event that the appropriators provide obligation limitation less than the authorization level. Currently, the discrepancy between contract authority and obligation limitation would allow States sufficient flexibility fund non-environmental programs first.

2) Rural Planning. Senator Levin (D-MI) will reportedly offer an amendment to incorporate rural areas into the metropolitan planning process. While it does not appear to grant rural areas membership in the Metropolitan Planning Organization (MPOs), it would allow them to participate in the process. The National Association of Counties (NACO) supports this amendment.

3) Bridge Funding. NACO is looking for a sponsor to offer an amendment to ensure that the Bridge program receives proportionate funding increasing in the future. The Senate bill currently eliminates a separate Bridge program, makes it a setaside within the Surface Transportation Program, and requires that funding for bridges be no less than actual funding provided in FY 1997. The NACO amendment would change the minimum Bridge spending requirement to be the same as the percentage of total funding in FY 1997.

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March 4, 1998

Senate ISTEA Reauthorization

Spending

- Senate highway agreement. Provides \$173 billion over 6 years for highway and highway safety programs. This is \$38 billion more than the President's Request and \$26 billion more than the original S. 1173. No additional funding was provided for transit.
- Agreement spends approximately \$4 billion more than CBO's estimate of receipts into the highway portion of the Highway Trust Fund over 6 years.
- No agreement yet on the obligation limitation or outlays that will be included in the Budget Resolution. Domenici is "committed" to finding offsets for this added spending, but they have not been identified.
- Additional funding allocated as follows:
 - \$18.9 billion in additional Federal-aid highway grants to States,
 - \$1.9 billion to ensure States receive at least 91% of their payments to the HTF,
 - \$1.8 billion for High Density States primarily serving 10 Northeast States,
 - \$1.8 billion for Appalachian Development Highways,
 - \$850 million for Federal lands Highways, and
 - \$450 million for border infrastructure and trade corridors.
- Vote on adding the \$173 billion likely to be today. It is expected to be adopted by a large margin.
- Transit. No agreement on adding additional funding for transit. Banking Committee Chairman D'Amato is seeking another \$4.5 billion over 6 years above the \$36.3 billion included in the committee reported transit title. If D'Amato is successful, total transit spending would exceed the President's request of \$28.5 billion by \$12.3 billion.

Blood Alcohol Level/Drunk Driving

- Senate adopted today by a 62-32 vote the Lautenberg amendment to require States to establish .08 Blood Alcohol levels for drunk driving as a prerequisite for receiving Federal highway funds.

Disadvantage Business Enterprise (DBE)

- The Senate is expected to consider the McConnell DBE amendment following the vote on funding.
- McConnell would eliminate the current 10 percent nationwide goal for women-owned and minority-owned firms of Federal-aid highway funded contracts. The set-aside would be replaced with an education and outreach program targeting "emerging businesses" without regard to race or gender of the owner. States would be required to target recruitment efforts to women and minority owned firms.
- Experience from States that have eliminated the set-aside on State contracts shows that it results in contracts to women and minority-owned firms effectively drying up completely.
- Vote will be close. Cabinet Secretaries and others calling Senators.

PM/Ozone

- An Inhofe amendment on PM/ozone also will be considered today or tomorrow.
- Inhofe would require three years of monitoring before an area could be designated as non-attainment for either particulate matter or ozone. It would also require additional research on health effects of particulate matter and ozone.
- EPA, through Chafee and Baucus, are negotiating with Inhofe to add the following 2 amendments: (1) establish a date certain for terminating the 3 year monitoring requirement and (2) permit reimbursement to States for monitoring costs.
- Inhofe has votes to win on the Floor without these changes. A floor fight to add these changes would split the Democratic caucus.
- Depending on the outcome of the negotiations, a decision will be required as to whether to fight this on the Floor or seek an agreement with Inhofe and Senate leadership that (1) Inhofe will not seek further Clean Air Act changes on other legislative vehicles and (2) the Senate will not accept further changes in conference with the House.



David J. Worzala

03/03/98 12:33:15 PM

Record Type: Record

To: Michael Deich/OMB/EOP

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

Subject: ISTEA - Senate Markup

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

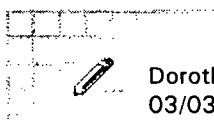
The amendment increases the contract authority for highway programs by \$26 billion in contract authority to bring the total to \$173 billion over 6 years (1998-2003). The increase is above the original Senate bill and that bill's program structure and formulas remain the same. The additional funding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

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

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

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

Message Copied To: _____



Dorothy Robyn
03/03/98 01:18:30 PM

Record Type: Record

To: Russell W. Horwitz/OPD/EOP, Charles R. Marr/OPD/EOP, Jake Siewert/OPD/EOP

cc:

Subject: ISTE A - Senate Markup

----- Forwarded by Dorothy Robyn/OPD/EOP on 03/03/98 01:18 PM -----



David J. Worzala

03/03/98 12:33:15 PM

Record Type: Record

To: Michael Deich/OMB/EOP

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

Subject: ISTE A - Senate Markup

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Message Copied To:

Jacob J. Lew/OMB/EOP
Janet Himler/OMB/EOP
Jill M. Blickstein/OMB/EOP
Charles E. Kieffer/OMB/EOP
Dorothy Robyn/OPD/EOP
James J. Jukes/OMB/EOP
James A. Brown/OMB/EOP
Jeffrey A. Forbes/WHO/EOP
Kim C. Nakahara/OMB/EOP
Diane R. Montgomery/OMB/EOP
Mark J. Schwartz/OMB/EOP
David E. Tornquist/OMB/EOP

Record Type: Record

To: See the distribution list at the bottom of this message
cc: See the distribution list at the bottom of this message
Subject: STPP ISTE A Summary

The Surface Transportation Policy Project (STPP) has reconvened its Friday morning meetings to share the latest intelligence on what is happening on the Hill related to the surface transportation reauthorization bill. The following is a summary of highlights from Friday's (2/27) meeting:

1) Transit Funding Share. Senator D'Amato (R-NY) is trying to convince Senate leadership that transit should receive a fair percentage of any funding increases. While transit has received a 20% share of funding increases since the 1980s, STPP does not believe that D'Amato will be successful in negotiating this percentage. D'Amato reportedly believes that he does not have enough support on this issue. The American Public Transportation Association (APTA) noted that Senators Gorton (R-WA) and Bond (R-MO) might be likely Republicans to support increased transit funding. On Monday (3/2) and Friday (3/6), meetings with the Senate Banking Committee are scheduled to discuss transit strategy. Administration officials (Forbes, Palmer, etc.) are expected at the Friday meeting. STPP also noted that Senator Byrd (D-WV) is expected to funnel any funding increases through the Surface Transportation Program, while Senator Chafee (R-RI) wants to see funding increases across all ISTE A programs. STPP maintains that any increases should be provided across all ISTE A programs.

2) Welfare to Work. It does not appear that there are any amendments to eliminate or weaken the Welfare to Work initiative. Nevertheless, the STPP coalition is preparing a letter to confirm its support of this provision in the Senate bill.

3) Transit Minimum Allocation. Proponents of transit minimum allocation are selling the provision as pro-transit, i.e., areas currently receiving little or no transit funding will receive more funding. APTA is working on a report, that will be available soon, outlining the policy arguments against this provision. However, APTA notes that more States will receive more funding under than provision than will lose funding, so while the report will be useful to opponents of the provision, it will not sway proponents. The report also states that this provision would jeopardize about \$2 billion in transit projects to come on line in the next 2-3 years. In addition, Senator Allard (R-CO) may include a provision that would distribute the transit minimum allocation funding through the Congestion Mitigation and Air Quality Improvement (CMAQ) Program. It is anticipated that this allocation method would direct funding to areas with no air quality problems.

4) Revocation of New Clean Air Act Standards. STPP believes that a Senator Inhofe (R-OK) amendment (S. 1084) to revoke the new air quality standards promulgated last July may be brought to the floor early this week. Reportedly, Senator Chafee has indicated to Senator Inhofe that if he wishes to offer this amendment on the transportation bill, it should be done early. However, Inhofe's staff have reportedly indicated that he may wait to bring up this amendment on another piece of legislation. The amendment would reinstate the previous standards. New standards could not be implemented for at least 4 years until the EPA completed a thorough review of the standards.

Per a WHLA/CEQ/EPA/OMB meeting this morning, Inhofe will not bring S. 1084 to the floor. Rather, it is expected that Inhofe will offer an amendment that only addresses implementation of the particulate matter standards portion of the rulemaking promulgated last July. The expectation is that Inhofe would create a research program to collect additional data on particulate matter for three years and would not allow particulate matter nonattainment areas to be designated until collection and analysis of the data is completed. In the meeting this morning, the EPA has given a preliminary indication that should this be the case, then it would not object to this amendment because it reflects their implementation plan for the particulate matter standards. EPA is suspicious of this new provision, however, because it purportedly legislates what EPA is already planning to complete administratively.

5) Single-Occupancy Vehicle Eligibility under CMAQ. STPP also expects that Senator Inhofe will offer an amendment to allow highway widenings for single-occupancy vehicles eligibility under the CMAQ program.

6) Enhancements Option. Senator Brownback (R-KS) has reportedly filed an amendment to allow State departments of Transportation the ability to opt out of the Enhancements program.

7) NEPA Amendment. Senator Smith (R-NH) is expected to offer an amendment that would weaken the Federal environmental review process under the National Environmental Policy Act (NEPA). While details of the amendment are not yet available, STPP believes that Senator Smith's amendment would contain objectionable provisions similar to those include in the House bill, i.e., delegation of oversight authority, exclusion of environmental agencies from defining project purpose, etc.

STPP is preparing a letter to the Senators outlining their opposition to the problematic provisions and issues.

Thanks,
Diane

Message Sent To:

Michael Deich/OMB/EOP
Charles Konigsberg/OMB/EOP
Linda Lance/CEQ/EOP
Dorothy Robyn/OPD/EOP
Edward R. Clark/CEQ/EOP

Message Copied To:

Kenneth L. Schwartz/OMB/EOP
David E. Tornquist/OMB/EOP
David J. Worzala/OMB/EOP
Mark J. Schwartz/OMB/EOP
Kim C. Nakahara/OMB/EOP
James A. Brown/OMB/EOP
Carline M Jelsma/OMB/EOP

Diane R. Montgomery 03/01/98 02:33:40
PM

Record Type: Record

To: Dorothy Robyn/OPD/EOP, Linda Lance/CEQ/EOP

cc:

Subject: FHWA Field Report

FYI

----- Forwarded by Diane R. Montgomery/OMB/EOP on 03/01/98 02:31 PM -----

Diane R. Montgomery 03/01/98 02:33:19
PM

Record Type: Record

To: David E. Tornquist/OMB/EOP@EOP, David J. Worzala/OMB/EOP@EOP

cc: Mark J. Schwartz/OMB/EOP, Kim C. Nakahara/OMB/EOP@EOP

Subject: FHWA Field Report

The attached is a FHWA report that FHWA HQ's sends to its field offices. Please note the reference to a wetlands banking mitigation amendment. I will get more information on this amendment.

drm

FIELD REPORT 27 FEBRUARY 1998

Several sources report that Senator Domenici, Senate Budget Committee Chairman, has offered to support an additional \$18 billion in budget authority over five years. This amount is about half of the \$30 billion increase sought by Senators Bird and Gramm in the amendment they plan to offer. A series of meetings of Senate leaders was begun Wednesday, February 25, to determine if there is sufficient agreement within the Senate to accept the Domenici proposal or to reach compromise with Bird. If 50 or more members were to agree to the proposal, a time consuming and contentious funding fight will be avoided.

Unconfirmed reports are that discussions are centering on additional funding authority approximately halfway between the two numbers. It is expected that these meetings will continue until agreement can be reached. Participants in these meetings include, among others, the majority leader, the Democratic leader, Senator Daschle, Senator Domenici, Budget Chairman, Senators Bird and Gramm and representatives of the Environment and Public Works Committee.

The bill was taken up on the floor on Thursday afternoon and is expected to take several weeks. While the leadership continues searching for a spending compromise, other amendments will be offered, debated and voted on. One amendment was offered and passed by unanimous consent on Friday to modify the wetlands banking mitigation program by promoting private sector wetlands. No details are available but the language of the amendment will be in Monday's Congressional Record. No other amendments were offered and the Senate has adjourned for the week. The Senate is scheduled to return to the bill on Monday morning.

The National Governor's Association held their winter meetings over the last several days and made a unified push for reauthorization with more funding. The President spoke to the governors and said he supports prompt reauthorization and increased funding, as long as the budget caps are honored. In other words, increased highway funding will require reduced spending in other programs as an offset. Congressman Shuster, Chairman of T&I and Oberstar, ranking Democrat on T&I, wrote a letter to the governors urging them not to accept the Domenici compromise but to push for more funding.

House Budget Chairman, Kasich, told the National Governor's Association that he, too, would support more transportation funding but the offsets would have to come from discretionary spending programs, not from the projected surplus or from mandatory spending programs.

According to Congress Daily, House Majority Leader Arney expects the House to wait until after the April 2 - 20 recess to develop their budget resolution. Four major issues need to be resolved by the budget task force appointed by the Speaker in order to proceed on the budget:

1. Maintaining the budget caps;
2. Agreeing on a tax cut;
3. Agreeing to begin paying the federal debt; and
4. Reaching agreement on an increase in the level of transportation spending authority.

Arney told a press conference that the current focus of the task force is to agree on a level of transportation spending.

DOT leadership remains actively engaged with the Hill and FHWA staff are continuing to provide timely Technical Assistance.



David E. Tornquist

02/27/98 06:43:26 PM

Record Type: Record

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

cc:

Subject: Senate EPW ISTEA Markup of Funding Levels

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

----- Forwarded by David E. Tornquist/OMB/EOP on 02/27/98 06:41 PM -----



David E. Tornquist

02/27/98 06:41:27 PM

Record Type: Record

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

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

Subject: Senate EPW ISTEA Markup of Funding Levels

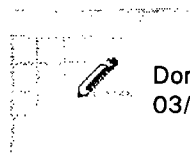
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Domenici's offer would spend all the CBO estimated receipts into the Highway Trust Fund over 5 years, including the one-year bump up in 1999 due to the timing shift in deposits included in the Taxpayer Relief Act. In terms of outlays, the Budget Committee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

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

As of now, none of these additional funds are directed towards transit programs. Domenici offered D'Amato additional General Fund authorizations, but D'Amato is now seeking CA instead. However, this has been a very low key effort. Staff think the highway problem will be solved first and then transit will be addressed separately. (In the Senate, transit and highways are authorized by different committees. The Banking Committee plans to move its transit bill later in the session.)

Message Copied To: _____



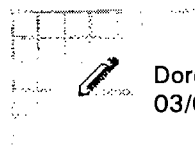
Dorothy Robyn
03/05/98 10:51:48 AM

Record Type: Record

To: Gene B. Sperling/OPD/EOP, Sally Katzen/OPD/EOP, Jake Siewert/OPD/EOP
cc: Jonathan A. Kaplan/OPD/EOP, Brian A. Barreto/OPD/EOP, Charles R. Marr/OPD/EOP, Emil E. Parker/OPD/EOP
Subject: ISTEА: report on 10 am call

1. There's apparently a deal to provide \$5B over 5 yrs. for transit. There's a press conference at 11:15 on this, presumably w. D'Amato and Domenici, among others. No details yet.
2. Vote on the Dorgan amendment (no open containers), which Slater endorsed with our approval, and the Bingaman amendment (no drive-thru purchases of alcohol) at 10:30 this morning.
3. Senate will probably then go back to ISTEА funding amendment. Donor states are still unhappy. The deal approved in committee would apparently only give them .89 cents rather than the reported .91 cents. DOT formula folks are working with them to find a solution.
4. DBE amend. expected to come up later today, although there's no time agreement yet. Daschle's office yesterday said we had 56 votes, but Jeff Forbes thinks that's overly optimistic. Slater and Moynihan met yesterday, and Moynihan said he thought the votes were there, but, again, Leg. Affairs is still VERY nervous.
5. If the deal on transit sticks, we can then focus on the "minimum allocation" amendment, which wld give states a minimum allocation for transit based on their contribution to the HTF (i.e., how much they drive), rather than based on need, as it's currently done. This is the #1 issue to the enviro/sustainable development community. The amendment has support from Levin, Daschle, Johnson and many others; 41 states would benefit. It would redistribute about \$400M a year (out of a \$6B program), \$100M of that from New York. DOT is putting together talking points. VP's office is going to work it, and VP may make some calls.
6. On other environmental issues, there appears to be a deal on the Inhofe amendment to gut EPA's tighter clean air standards, so EPA is happy. Inhofe may offer another amendment to allow use of CMAQ funds for road building, but the enviro's think they have the votes to defeat. And Brownback may offer an amend. giving communities veto authority over "rail banking" -- preservation of abandoned railroad lines for some kind of corridors (?), which is near and dear to the enviro community. Admin. will communicate its opposition to this informally. Finally, a Smith amendment to fiddle with NEPA standards is now off the table.

In short, if there's a deal on transit, the major remaining issue will be minimum allocation. We're in decent shape otherwise on green issues.



Dorothy Robyn
03/05/98 09:12:36 AM

Record Type: Record

To: See the distribution list at the bottom of this message
cc: Jonathan A. Kaplan/OPD/EOP, Brian A. Barreto/OPD/EOP
Subject: Dorgan amendment on open alcohol containers

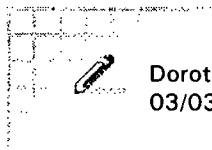
Sen. Dorgan (who is leaning yes on supporting our position on DOT's DBE program) yesterday asked Secretary Slater for a letter supporting an amendment he, Lautenberg and Bumpers will offer today urging states to adopt laws prohibiting open containers of alcohol in motor vehicles. This amendment would carry the same sanctions as the .08 BAC amendment.

DOT Asst. Secretary for Legis. Affairs Steve Palmer called me last evening requesting WH sign off on such a letter by 9 am this morning. Michael Deich, Chuck Kieffer and I made a command decision to approve DOT's request. I could not reach anyone from OIRA or DPC at that late hour.

I will circulate the bill language, letter from MADD, etc.

Message Sent To:

Gene B. Sperling/OPD/EOP
Sally Katzen/OPD/EOP
Jake Siewert/OPD/EOP
Donald R. Arbuckle/OMB/EOP
Bruce N. Reed/OPD/EOP
Jerold R. Mande/OSTP/EOP



Dorothy Robyn
03/03/98 07:55:48 PM

Record Type: Record

To: Gene B. Sperling/OPD/EOP, Sally Katzen/OPD/EOP
cc: See the distribution list at the bottom of this message
Subject: ISTE A

\$36?

1. Senate EPW met this morning and approved, 17-0, an amendment to increase the levels of contract authority for highways to \$173 B in contract authority over 6 yrs. (98-03). This is \$26B in contract authority above the original senate bill, S. 1173, and ~~\$36B more than what's in the President's budget~~. The Senate agreement does not yet indicate the amount of outlays that will be provided for these programs, and therefore the obligation levels are unclear. The Budget Resolution will identify the outlays and, presumably, the necessary offsets to stay within the caps.

2. Today's debate on the Senate floor was devoted largely to the .08 amendment. Debate will resume on that tomorrow morning, with a vote scheduled for 10:30. The debate will then turn to the funding amendment.

3. The DBE amendment is expected to come up next -- tomorrow afternoon, although the vote may not occur until the following day. We do not have good intel on what McConnell's DBE amendment will do: the latest theory (based on intel from Sen. Stevens) is that it would strike any earmark based on race, gender or nationality, based on the 1964 Civil Rights Act; that would be a clean approach -- designed to eliminate the 10% goal and thereby gut the program -- and thus easier to fight than something more moderate. There has been some concern that McConnell would strike a deal with Sen. Hutchison that would peel off GOP women, but that has not yet materialized. Cabinet secretaries have been making calls (Gene: I sent Peter a list of target Senators; do you feel comfortable calling any of them?). The vote count is looking better, but it is still very iffy. The best news of the days was that, when Daschle put the question to them at today's Caucus lunch, no Democrat expressed the need to offer a second-degree amendment (staff for Boxer and other vulnerable D's had raised that specter).

4. I've instituted a 10 a.m. daily conference call, beginning tomorrow morning, to share info. and help coordinate action while the bill is on the floor. Leg. Affairs will continue to organize issue-specific calls and meetings.

Message Copied To:

Russell W. Horwitz/OPD/EOP
Jonathan A. Kaplan/OPD/EOP
Charles R. Marr/OPD/EOP
Emil E. Parker/OPD/EOP
Brian A. Barreto/OPD/EOP

Yes - will call.
need background



Dorothy Robyn
03/01/98 02:56:59 PM

Record Type: Record

To: Gene B. Sperling/OPD/EOP, Sally Katzen/OPD/EOP
cc: Jonathan A. Kaplan/OPD/EOP, Charles R. Marr/OPD/EOP, Emil E. Parker/OPD/EOP, Russell W. Horwitz/OPD/EOP
Subject: ISTEА

I will forward separately to you David Tornquist's (OMB) nice summary of where things stand in terms of ISTEА funding: bottom line is that there's no deal yet in the Senate, but Republicans feel confident enough that they have scheduled a markup of ISTEА funding levels for Tuesday, March 3 at 9:30 am.

Following markup, the bill will go to the floor for non-funding amendments. First up will be Inhofe's amendment to vitiate EPA's efforts to tighten clean air rules (PM/ozone). Next will be a repeal-Davis Bacon amendment, followed by McConnell's amendment to repeal DOT's DBE program (it may be somewhat scaled back, making it harder to defeat). Kennedy is leading the fight against McConnell on DBE, and the civil rights and women's groups are mobilizing. (Richard Hayes met with those same groups and congressional staff on Friday to discuss the benchmarking rollout. There was unanimous agreement to delay the benchmarking rollout, so as not to create confusion between DOT's DBE program and the programs covered by the benchmarking exercise.) Larry Stein and Tracey Thornton have held several DOT-WH meetings to prepare for the DBE amendment (and another is scheduled for Mon. at 11:30), and we met with congressional staff last week. As of Thurs., the whip count was 38 supporting DBE, 14 leaning yes, 9 undecided (Byrd and Lieberman are the only Dem's), 10 leaning no, and 29 opposed. If McConnell moderates his earlier amendment, this count could overstate support for DBE.

Sally, I will check w/ DOT Monday to see if they are too crazed to take time out for your 3 pm ISTEА deputies meeting. If they are, we should probably cancel it; if not, it will be a good opportunity to get other agencies up to speed on where things are and what they can do to help.

Dorothy Robyn
03/01/98 02:56:59 PM

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To: Gene B. Sperling/OPD/EOP, Sally Katzen/OPD/EOP
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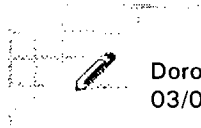
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DR: 3/1/98

Thomas. Need
more updates on meeting that
you & Sally are attending.

Cover



Dorothy Robyn
03/01/98 02:57:53 PM

Record Type: Record

To: Gene B. Sperling/OPD/EOP, Sally Katzen/OPD/EOP
cc: Jonathan A. Kaplan/OPD/EOP, Charles R. Marr/OPD/EOP, Emil E. Parker/OPD/EOP, Russell W. Horwitz/OPD/EOP
Subject: Senate EPW ISTE A Markup of Funding Levels

As promised.

----- Forwarded by Dorothy Robyn/OPD/EOP on 03/01/98 02:56 PM -----



David E. Tornquist 02/27/98 06:43:26 PM

Record Type: Record

To: Jeffrey A. Forbes/WHO/EOP, Dorothy Robyn/OPD/EOP
cc:
Subject: Senate EPW ISTE A Markup of Funding Levels

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

----- Forwarded by David E. Tornquist/OMB/EOP on 02/27/98 06:41 PM -----



David E. Tornquist 02/27/98 06:41:27 PM

Record Type: Record

To: Michael Deich/OMB/EOP@EOP, Charles E. Kieffer/OMB/EOP@EOP
cc: See the distribution list at the bottom of this message
Subject: Senate EPW ISTE A Markup of Funding Levels

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Message Copied To:

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

 Dorothy Robyn
02/26/98 09:02:54 AM

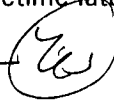
Record Type: Record

To: Gene B. Sperling/OPD/EOP, Jonathan A. Kaplan/OPD/EOP, Sally Katzen/OPD/EOP
cc: Russell W. Horwitz/OPD/EOP, Emil E. Parker/OPD/EOP, Charles R. Marr/OPD/EOP, Jake
Siewert/OPD/EOP
Subject: ISTEА

The rpt. from DOT, consistent w. what's in today's Post, is that Lott still hasn't been able to work a deal on the funding side, but he has another mtg. today to try to do so. Repub's are saying that they'll start dealing w. non-funding aspects of ISTEА in the meantime, starting w/ DBE, but many are skeptical that the leadership can generate the momentum to do that lacking a deal on funding.

I will learn more at 10 am, when Larry Stein is convening a small group on the DBE amendment; Sally Katzen will be attending, as well as me. There's another mtg. this afternoon on DBE w. Senate staff, and Richard Hayes is bringing in outside groups tomorrow on the same issue.

The safety community would very much like us to do a POTUS event on the Lautenberg/Lowi amendment to lower the per se blood alcohol level to .08. (Although we didn't include that as part of our original NEXTEА bill, we have subsequently endorsed it, and it has a good chance of passage.) Apparently, this was raised some time earlier w. the President, and he opted for an education event instead, but didn't rule out a .08 event sometime later. Gene and Jake: could you raise this w. Rahm and others? Could it be a radio address?

 Tuesday

need feedback

on DBE

mtg

Sept.

GS 2/24/98



Record Type: Record

To:

cc:

Subject: ISTE A may move quickly

I attended small mtg. today w. Larry Stein, Michael Deich and the DOT Asst. Secretary for Legis. Affairs. According to Larry Stein, Sen. Lott is meeting tomorrow morning w. the key transportation folks (Chafee, Baucus, Lautenberg) to try to work out a deal that would allow the ISTE A bill to move quickly to the Senate floor -- as soon as Thursday. Lott will apparently propose use of the VA/tobacco offset, which OMB scored at \$16.5B over 5 yrs. (CBO scored it at only \$9B). Larry supports use of the VA offset for ISTE A (and he thinks Raines does as well) for several reasons, including that it relieves pressure within the caps, sets the precedent for using mandatory offsets to fund discretionary programs, and eliminates the threat of Gramm-Byrd.

If the deal takes, we will have to scramble to fend off a host of problematic amendments. The most problematic will be McConnell's anti-DBE (disadvantaged bus. enterprise) amendment, which he has scaled back from an earlier one calling for total repeal and which will therefore be harder to fight successfully. Larry plans to try to make our support for using the VA offset for ISTE A contingent on getting some help from Lott on the DBE amendment, but Lott may view that as a hollow threat.

Next worst are the expected amendments to repeal Davis-Bacon -- Larry believes organized labor can muster the support to block that -- and an amendment that would give every state a minimum allocation of transit money, thereby hurting urban, transit-dependent areas (although 33 states stand to benefit, Larry thinks there's enough opposition to force a compromise).

Secretary Slater has been following a schedule of events and meetings designed to build support for our position on DBE and other threatened programs, but that schedule has been premised on ISTE A coming to the floor in April. In preparation for possible floor action this week, DOT is drafting an omnibus letter, and Leg. Affairs is organizing an effort on DBE, Davis-Bacon and minimum allocation.

Message Copied To: _____

15 TEX C. call

3-6-98

Ms

will prob. scatter after DBE vote; no votes on Mon.

Tues - subtraction amendment

if covered by b-no. ext. will be subtracted

Hoping to persuade Ms not to offer other a's

Brownback - Rail banking - ^{right of way} preserved as open corridors - rails to ports, transit, etc.

- House held 2 hearings in Summer '96
- Dr. Paul Switzer testified as did STPP
- STPP putting out letter

2pm mtg. w/ Steve Harris -

to discuss
- min. alloc.

- Larry Stein has asked us to draft 1/2 of M.A. saying we will have real problems

(- Noline: FTX wrote 1/2)

- Inmate V. 22 Penning

↳ JTC has stuck Pen w/ ^{paygo} ~~an~~ ~~afford~~ problem

- John ~~Reeder~~

- ~~not apt. in~~ ~~Cond. Trans~~ ~~in~~ ~~by~~ ~~ways~~ ~~f~~ ~~Pen~~ ~~it~~

~~Reeder~~

- men release today

- speech at ~~APSA~~

we're able to halt deterioration; we're not
slipping behind

- State speaking Sun. at Natl. League of
Civics
panel w/ Pena & Daley

no outlays associated

- \$5B over 6 yrs. - \$4.3 BA over 6 yrs.

(in this yr's bill would set aside \$5B in BA,
not CA)

Each yr., @ Don has said hell
is the outlays

B/c of that statement & b/c

Wie concerned they're taking

Raines

Steen

Slater

Sperry

Rubin

DP
Rahm

Yesterday - generalized sense of
~~anxiety~~ that this is it
 Wk & up the

But no action plan

SP Were going to get asked
 about this

Budget Res'n:

Down trying to find ways to
 shift priorities to

Will be key to out year
 priorities too

It's a different problem if he
does it yr-by-yr vs
multi-year

transit - slow outlays

ISTEA Call

3-5-98

- 10:30 vote re Dorgan / Benjamin

- deal worked out on transit

(\$5B over 5 yrs
pers Conf. at 11:15

↳ D'Amato - Dornenici

Levin

N/ord

Thomas

Johnson - SD

- Secy mtg. w/ ~~the~~ Daschle today - min. alloc.
- DBE

- Lynn Coker: Secy shld remind Daschle we
included Tribal govt's in exel. order.
Daschle has

- DBE:

Sketee - Mayntan mtg

Jonathan Adlstein - 56 votes

That's

10:30 AM

Next w. 11 probably be pending

- No time afwent for DBE/MC

- Gann:
 Were upgrading Volker pt 5 on transit

Ken Adler - we'll send Volker I.

Running WMAH

door states upset

- want \$91; deal only gives them .89

streamlining

↳ Wyden; Chafee

Baucus

new ^{issue} dealing w/ conflict of interest

- EA needs to talk to CFP

Brownback a an Rail Banking

- Cld come up late Wed. (Thurs.?)

- DOT ^{has} testified - Shuster pushed this a few yrs ago

- We'll communicate preferentially

VP

- make calls on transit (infra. allocation)

VP going to NY tomorrow; phone time late today.

15TEN Call
3-4-98

- DBE will come up ^{at} before
- 8-hr. trial agreement
- 8 months to 1 year
 but add language to target out

- 1. Kiehlman }
 2. Hollings }
 3. Boyd }
 Probably not gettable

- were scratching dirt among moderate GOPs:

Campbell
Collins
Stevens
Snow
Chapin
Warner

KBY - No? but still need to work for

Domenici
Jeffords

NCAI

366 4702

Nancy McFadden

DOC -

DOD -

- ~~Call~~ call to StevensLegan Butler - Call Rep. Koblitz

Did Secy. Riey call Hollings

Dogson	} Oramendi?
Stevens	
McLean	
Campbell	

Keep Moore - keep working him

D'Amaro - Can Daley call?

.08 - we picked up a couple of notes

- pretty close to split / tie vote

i.e., signs are good

No Jim. Ask them to speak against

Inhofe

Chafee
Baucus
Tub

negotiating with
- when neg. will end - date certain
- reimburse states for # for
monitoring

As of this am

↑
E

EPX w

(1) Inhofe will ~~put~~ a as is w/out 2 parts

(2) He cld offer

(3) ^{He will} offer his original amendment - w/d strongly
oppose

TT: Even on (1), I have votes

If 2nd degree amend -

w/d split Dems

We don't have votes to get the old H. 2
provisions

End of Chafee / Baucus

At end of day,

- 4.
- As of last night,
we thought we didn't have a lot to lose by
~~continuing~~ continuing to resist

Chafee & Brewer spoke last night - we don't
know what happened - how far Chafee is willing
to go; if C & B are willing to maintain a united front.

Chafee & Brewer don't want to have a fight
over this. (But neither does Inhofe.)

- Inhofe is trying to get some support today ??

- Check on Brewer-Chafee vote.

- Keep negotiating

Committee:

Looks like may

- Inhofe ~~will~~ come up right after .08

Wesley Warren

6-6224

NEXTEA AND OTHER FUNDING PROPOSALS UNDER CONGRESSIONAL CONSIDERATION

Department of Transportation
Office of Budget and Programs
February 18, 1998

SURFACE TRANSPORTATION PROPOSALS

ADMINISTRATION -- NEXTEA

\$175.0 Billion TOTAL

--	Highways	\$136.3 Billion
--	Transit	\$30.8 Billion
	[WMATA	\$0.25 Billion] *
--	Safety	\$2.4 Billion
--	Amtrak	\$5.5 Billion

HOUSE -- BESTEA

\$218.4 Billion TOTAL

--	Highways	\$179.2 Billion
--	Transit	\$36.7 Billion
--	Safety	\$2.1 Billion
--	Rail	\$0.4 Billion

SENATE -- ISTE II

\$183.7 Billion TOTAL

--	Highways	\$145.9 Billion
--	Transit	\$36.3 Billion
--	Safety	\$0.5 Billion
--	Rail	\$1.0 Billion

* Included in Transit total. Provides funding for completion of Federal commitment to Metro construction.
Final funding in FY 1999.

OTHER FUNDING PROPOSALS

BYRD / GRAMM

o If enacted, it would:

- Provide for a conditional increase in Highway program equal to the value of the 4.3 cent per gallon tax, transferred from the General Fund to the Highway Trust Fund.
- Value: could average \$5.5 billion per year more in contract authority than NEXTEA.

o Trigger

- Savings in total spending from the FY 1998 Budget against Baseline.

o Fund Increases

- Would only increase the contract authority (not outlays).
- Appropriators would continue to control outlays by obligation limitations.
- Provides additional funds for the Appalachian Highway Program.

DOMENICI / CHAFEE

o If enacted, it would:

- Provide for increased authorization in the Highway and Transit programs.
- Value, if any, is determined year-to-year in the Budget Resolution.

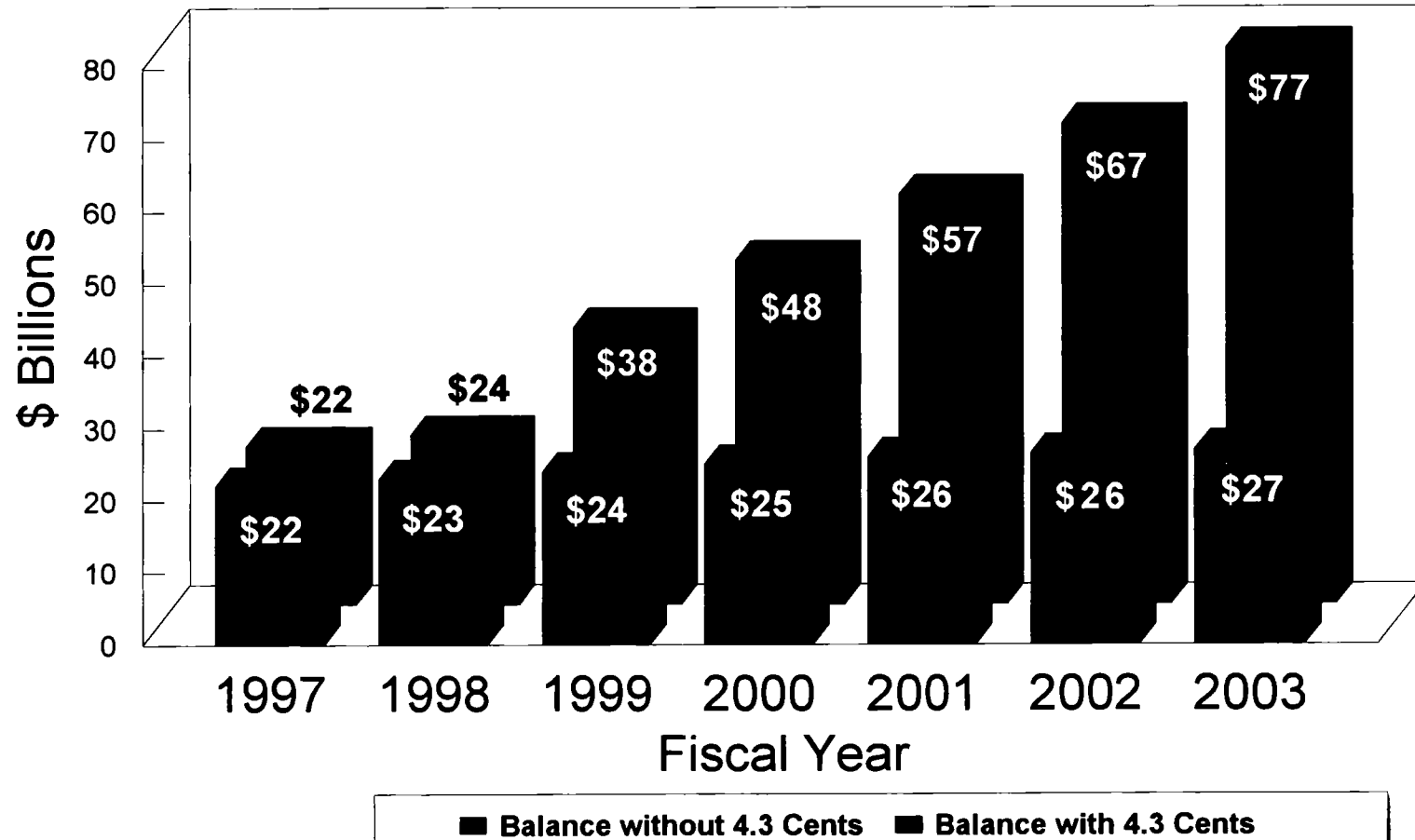
o Trigger

- If the Budget Resolution assumes higher budget authority and outlays compared to the FY 1998 Budget Resolution, they will be separately set aside for Highways and Transit programs.
- Uses expedited procedures to raise Highway and Transit authorizations. If additional authorizations are voted, then the Domestic Discretionary spending cap is increased to provide room for the authorizations.

o Fund Increases

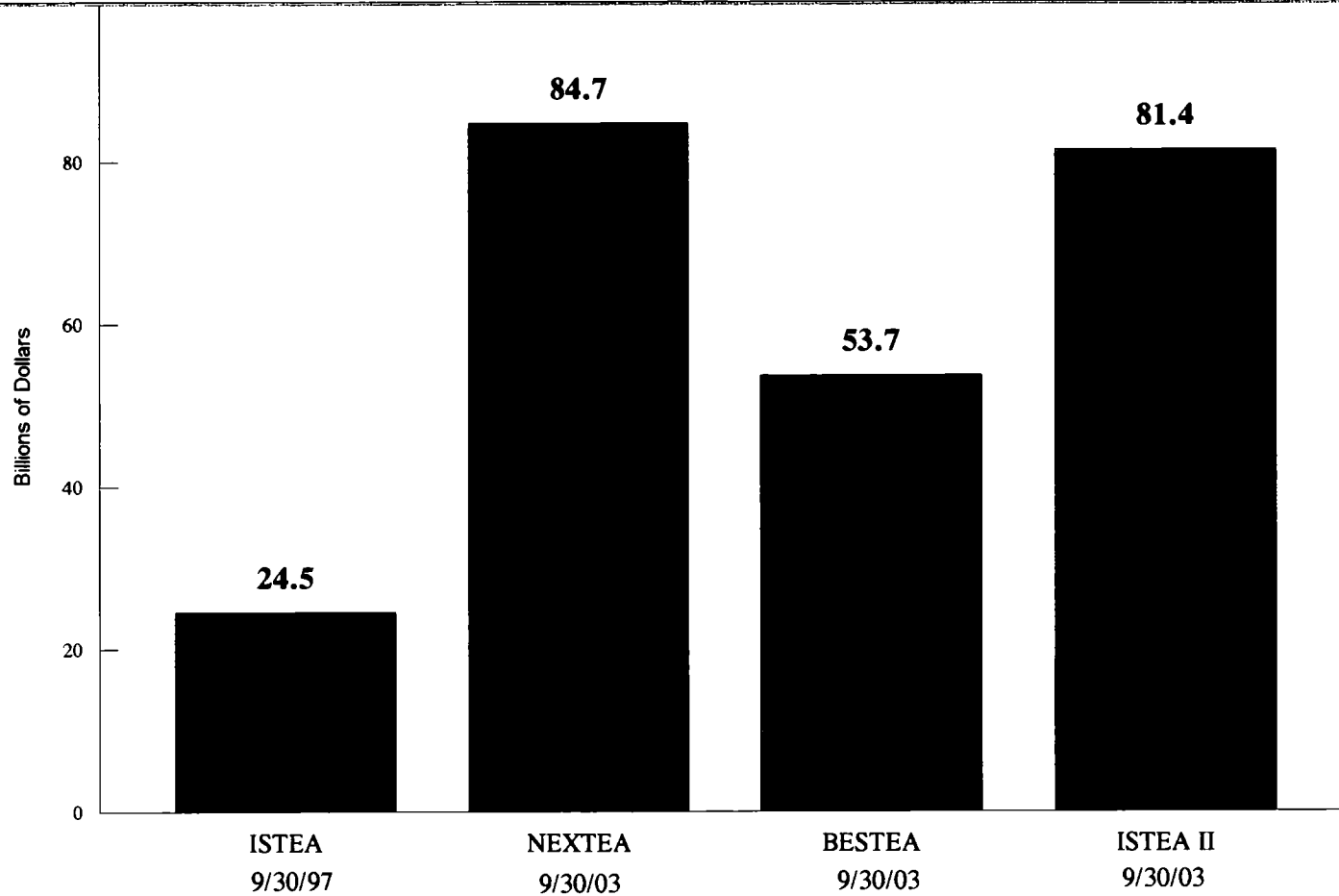
- Determined in the Congressional appropriations process.

Highway Trust Fund Cash Balance



Highway Trust Fund Status under NEXTEA, BESTEA, and ISTE II

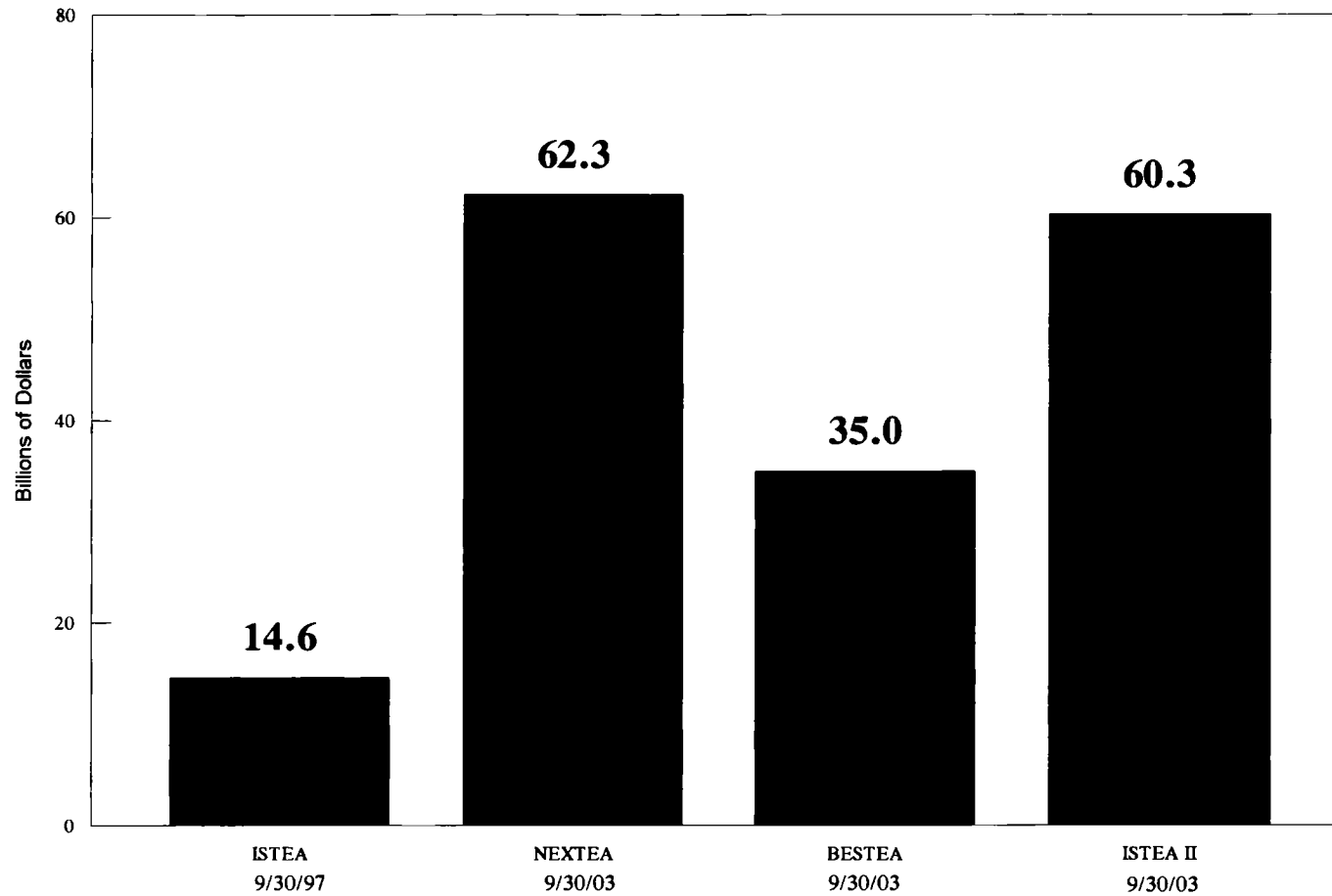
Cash Balance



Balance is cash on hand at end of authorization period.

Highway Account Status under NEXTEA, BESTEA, and ISTEA II

Cash Balance



Balance is cash on hand at end of authorization period

Expanding PIR ^{by using} these mank. effects
to pay for discretionary spending

Whose ox gets good - where are
the offsets (from educ, etc.) to

pay for the rest/keep under
the discretionary cap

~~\$26.4~~

\$26

\$38B

173.4

136.3

\$37.1

Gramm-Byrd (w/2 have been)
\$6B
\$32B

extension

$$\$1.9 + 26 = \$28$$

cred. I = the highway account share
of the 4.3 $\rightarrow$ 3.45.

NEXTEA

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

*BRIEFING
SALLY KATZEN
DEPUTY ASSISTANT TO THE PRESIDENT
FOR ECONOMIC POLICY*

February 18, 1998

SHAPING AMERICA'S TRANSPORTATION SYSTEM FOR THE 21ST CENTURY

THE PRESIDENT'S FY 1999 TRANSPORTATION BUDGET

The President's FY 1999 Transportation Budget reinforces this Administration's commitment to surface transportation, providing \$23.18 billion for the Federal Highway Administration, \$4.8 billion for the Federal Transit Administration and \$406 million for the National Highway Traffic Safety Administration.

NATIONAL ECONOMIC CROSSROADS TRANSPORTATION EFFICIENCY ACT (NEXTEA)

Reauthorizing the federal highway, transit, and highway safety programs is one of the President's top legislative priorities. Last March, he announced the National Economic Crossroads Transportation Efficiency Act (NEXTEA), a six-year, \$175 billion plan to rebuild America's highways, bridges, transit systems, and railroads; lower the toll from motor vehicle crashes; protect the environment; and support mobility and economic prosperity.

NEXTEA would increase transportation funding by \$18 billion, or 11 percent, over current levels while still balancing the budget. Many of the features of this proposal are included in the bills currently being considered by Congress.

The President's priorities include:

■ "REBUILDING AMERICA" -- \$175 BILLION INVESTMENT WHILE BALANCING THE BUDGET

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

■ **EMPHASIZING SAFETY**

- Provides \$2 billion in increased safety funding.
- Includes programs to increase the proper use of safety belts and child restraints, to increase truck safety, and to reduce drunk and drugged driving.

■ **PROTECTING THE ENVIRONMENT**

- Provides a 30 percent increase, to \$1.3 billion annually, in Congestion Mitigation and Air Quality Improvement (CMAQ) program funding.
- CMAQ eligibility is expanded to include areas failing to meet new air quality standards.
- Provides a 35 percent increase in Transportation Enhancements funding for bike paths, walkways, and other community-oriented transportation projects.

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

- Includes flexible, innovative transportation alternatives to get people to jobs.
- Includes incentives for states and localities to provide job training at federally-funded technology and construction projects.

■ **STRENGTHENING URBAN COMMUNITIES**

- Prioritizes investment in maintaining existing facilities.
- Provides more funding for transit.
- Makes Amtrak and intercity rail eligible for funding.
- Continues and increases funding for Intelligent Transportation System technology and other new and improved technology is promoted as a way for people to travel more efficiently.
- Strengthens role for cities in planning and simplifies planning processes.

CONTROVERSIAL ISSUES FOR REAUTHORIZATION OF THE SURFACE TRANSPORTATION PROGRAMS

TIMING AND FUNDING LEVELS:

Funding levels and timing of the bill are two of the most critical issues. Because of the budget situation, there is significant pressure to raise the transportation spending caps or otherwise create more room for investment. Resolution of this issue could delay reauthorization.

States cannot obligate any surface transportation funds after May 1, 1998. If we do not have reauthorizing legislation by that date, this could jeopardize safety programs, slow down or halt highway construction and make less available for transit.

OTHER SUBSTANTIVE ISSUES:

Safety:

- Selective exemptions from federal truck safety standards could compromise safety on our nation's highways.
- Requiring .08 blood alcohol content (BAC) laws is controversial.

Transit Funding:

- Requiring a minimum allocation for transit funds would distort funding and could result in significantly reduced funds for major cities across the country.
- Limiting amounts spent on transit preventive maintenance would make it difficult for transit agencies to use federal funds to improve their operations.
- Cities and states should be able to use federal transit funds for paratransit services to comply with the Americans with Disabilities Act.

Flexibility to Meet Local Priorities:

- States and localities should be able to use Surface Transportation Program funds for publicly-owned intercity freight rail infrastructure.

Environment:

- CMAQ funds should not be used for projects that increase capacity for single-occupant vehicles.
- Some environmental "streamlining" provisions under consideration could weaken current environmental protections.
- Weakening current planning provisions, for example by removing fiscal constraint requirements, could undermine responsible planning, including transportation-air quality planning.
- The Transportation Enhancements program should continue to be mandatory rather than making it optional, to ensure that money is available for these important projects -- often ones that contribute to improving and enhancing the environment.

Access to Jobs:

- The Administration's proposal for \$600 million funding for access to jobs is necessary to help ensure that transportation service is available to meet national welfare-to-work goals.

Disadvantaged Businesses:

- Disadvantaged Business Enterprise goals and the current uniform certification provisions should be retained so that women and minority-owned firms can reach their full potential.