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OA/ID Number: 17413

FolderID:

Folder Title:
TEA - 21 [Transportation Equity Act of the 21st Century] [Folder 1]: ISTEA [Intermodal Surface Transportation Efficiency Act] - Green Issues

Stack:	Row:	Section:	Shelf:	Position:
S	15	5	8	3

THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

The Honorable Thomas A. Daschle
The United States Senate
Washington D.C. 20510

Dear Senator Daschle:

The Administration strongly supports the use of alternate fuels as a meaningful way to address some of the Nation's air quality, energy conservation and balance of payment problems. The future of U.S. transportation will depend heavily on alternative fuels. For these reasons, the Administration is firmly in favor of continuing an ethanol excise tax exemption.

The Administration believes that the ethanol exemption does not reduce needed investments in roads, bridges and transit. Furthermore, given the current balances in the Highway Trust Fund and projected revenues, continuation of the exemption will not affect future Federal spending on transportation projects.

The extension of the tax exemption for ethanol use as a highway motor fuel is part of the Administration's surface transportation reauthorization proposal, S. 468, the National Economic Crossroads Transportation Efficiency Act (NEXTEA). Our proposal would extend the current exemption provision through September 30, 2006, because of the many benefits that domestic ethanol production provides to the Nation.

Sincerely,

Rodney E. Slater

U.S. Enviro mental 'rotection Agency

Office of the Assistant Administrator for Policy, Planning and Evaluation

FASCIMILE TRANSMITTAL FORM

FAX RECIPIENT:	Sally Katzen
FAX NUMBER: ( )	456-1605
VOICE NUMBER: ( )	
ADDRESS:	

SENDER NAME:	David Gardiner
VOICE NUMBER: ( )	
DATE:	
COMMENTS:	Here is a summary of our major ISTEA concerns. I will call you tomorrow to discuss. Thanks.
NO. OF PAGES (INCLUDING THIS SHEET)	

Return Fax Number: (202)260-0275

cc: Drothy

March 2, 1998

Possible Senate ISTEA Environmental Amendments/Issues of Concern to EPA

National Ambient Air Quality Standards -- Possible amendment (Inhofe) on NAAQS implementation. EPA vigorously opposes amendments that delay or undermine the President's new NAAQS regulations and implementation plan. (We have talking points and briefing materials on this issue).

- EPA also opposes other possible NAAQS amendments (Inhofe) that would eliminate or modify highway sanctions or the conformity process.

National Environmental Policy Act -- EPA does not object to the provision in the Senate bill (Sec.1225 by Graham and Wyden) that would streamline the NEPA review process without amending NEPA.

- EPA would strongly oppose streamlining language that amends or undermines NEPA similar to the House ISTEA bill (Smith, NH, may offer such an amendment).
- An amendment (Lautenberg) may be offered to strengthen the NEPA public participation requirements, which EPA would support.

Congestion Mitigation and Air Quality Program -- Amendments may be offered to seriously undermine the CMAQ program, which EPA would oppose:

- eliminate CMAQ (Inhofe)
- flex money out of CMAQ to highways or allow construction of Single Occupancy Vehicle (SOV) lanes (Inhofe, Sessions)
- Some of the budget scenario could also undermine CMAQ if contract authority is much higher than outlays (Domenici would increase contract authority by $18 bil. and outlays by $13 bil.). This could result in states spending their CMAQ money on highway construction.
- Any budget agreement should reflect a proportionate increase for CMAQ

Transit -- The Byrd-Gramm proposal would increase spending by $5 billion per year, however, all of this money would be targeted to highways, and none to transit. EPA believes that transit should get its traditional 20% of any major ISTEA budget increases.

Sustainable Transportation -- We would oppose any amendments that would eliminate the $20 million per year "Transportation and Community and System Preservation Pilot Program" (Sec.1604), which is very similar to the Administration's "Sustainable Transportation Initiative." An amendment may be offered to eliminate this program.

Wetlands -- The Senate bill includes a $100 million wetland restoration pilot program. EPA would oppose amendments to weaken or eliminate this program.

NAME	ORGANIZATION	PHONE	FAX
WESLEY WARREN	CEQ	456-6224	456-2710
Ray Clark			
PETER UMHOFER	DOI/FWS	208-3011	501-8539
GARY FRAZER	USFWS	208-6502	"
JASON LIEBER	OST/DOT	366-4450	366-7127
Nadine Hamilton	OST/DOT	366-9714	366-3675
Roy Kienitz	STPP	974-5138	
Dorothy Robyn	NEC	456-2801	456-2223
Elizabeth Cummings	EPA/Air	260-3049	260-3465
John E Reeder	EPA/Cong	260-5512	260-5185
Camille Mittelholtz	DOT/OST	366 4861	366 7127
Carrie Jelsma	OMB/Env.	395-4727	395-5836
Ken Adler	EPA	260-6925	260-2300
Diane Montgomery	OMB	395-3834	395-4797
DAVID TORNQUIST	OMB	395-3257	395-4797
Craig Crutchfield	OMB	395-3715	395-6899

Total Pages: _ __

LRM ID: JAB378

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
Washington, D.C. 20503-0001

Wednesday, March 4, 1998

LEGISLATIVE REFERRAL MEMORANDUM

TO:	Legislative Liaison Officer - See Distribution below
FROM:	James J. Jukes (for) Assistant Director for Legislative Reference
OMB CONTACT:	James A. Brown PHONE: (202)395-3473 FAX: (202)395-3109
SUBJECT:	**REVISED Transportation Report on S1173 Intermodal Surface Transportation Efficiency Act of 1997 [REVISED GRAHAM AMENDMENT on Integrated Environmental Decisionmaking]**
DEADLINE:	**4:00 P.M. TODAY Wednesday, March 4, 1998**

In accordance with OMB Circular A-19, OMB requests the views of your agency on the above subject before advising on its relationship to the program of the President. **Please advise us if this item will affect direct spending or receipts for purposes of the "Pay-As-You-Go" provisions of Title XIII of the Omnibus Budget Reconciliation Act of 1990.**

COMMENTS: Senator Graham has revised his amendment on Integrated Environmental Decisionmaking. Accordingly, Transportation has revised its letter. This amendment could be considered as early as this afternoon. If we do not hear from you by the deadline, we will therefore assume that you have no objection to clearance.

DISTRIBUTION LIST

AGENCIES:
19-Council on Environmental Quality - Michelle Denton - (202) 39/5-5750
33-Environmental Protection Agency - Chris Hoff - (202) 260-5414
61-JUSTICE - Andrew Fois - (202) 514-2141
117 and 340-TRANSPORTATION - Tom Herlihy - (202) 366-4687

EOP:
Edward R. Clark
Jefferson B. Hill
David J. Worzala
Diane R. Montgomery
David E. Tornquist
Michael Deich
Mark J. Schwartz
Kenneth L. Schwartz
Edward H. Clarke
Carline M Jelsma
Cheree D. Desimone
Dorothy Robyn

Jeff Forbes
Alice E. Shuffield
Linda Lance

LRM ID: JAB378 **SUBJECT:** REVISED Transportation Report on S1173 Intermodal Surface Transportation Efficiency Act of 1997 [REVISED GRAHAM AMENDMENT on Integrated Environmental Decisionmaking]

RESPONSE TO
LEGISLATIVE REFERRAL
MEMORANDUM

If your response to this request for views is short (e.g., concur/no comment), we prefer that you respond by e-mail or by faxing us this response sheet. If the response is short and you prefer to call, please call the branch-wide line shown below (NOT the analyst's line) to leave a message with a legislative assistant.

You may also respond by:
(1) calling the analyst/attorney's direct line (you will be connected to voice mail if the analyst does not answer); or
(2) sending us a memo or letter
Please include the LRM number shown above, and the subject shown below.

TO: James A. Brown Phone: 395-3473 Fax: 395-3109
Office of Management and Budget
Branch-Wide Line (to reach legislative assistant): 395-3454

FROM: ______________________ (Date)

______________________ (Name)

______________________ (Agency)

______________________ (Telephone)

The following is the response of our agency to your request for views on the above-captioned subject:

_____ Concur

_____ No Objection

_____ No Comment

_____ See proposed edits on pages _____

_____ Other: ______________

_____ FAX RETURN of _____ pages, attached to this response sheet

THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

Draft

The Honorable Bob Graham
United States Senate
Washington, D.C. 20510

Dear Senator Graham:

I am writing in response to your request for the Administration's views on section 1225, the integrated decisionmaking provision of S. 1173, the Intermodal Surface Transportation Efficiency Act of 1997 (ISTEA II). This provision reinforces several of our administrative initiatives to integrate the National Environmental Policy Act (NEPA) process with transportation decisionmaking. As you are aware, the Administration's proposal for ISTEA reauthorization did not propose legislative revisions in this area because we are committed to pursuing opportunities for integrated decisionmaking under existing statutory authority.

I commend you and Senator Ron Wyden for your leadership and responsiveness in proposing an amendment to section 1225, which defines "concurrent processing," and "assures early consideration of alternatives," consistent with Council on Environmental Quality and Department of Transportation requirements and makes other improvements.

The Department and the Council on Environmental Quality (CEQ) have been working together for some time to make the transportation/NEPA process more efficient and more effective. We believe your integrated decisionmaking provision parallels these efforts and, with the addition of the refinements you have now proposed, is a positive initiative. It would continue to emphasize integration of transportation and NEPA decisionmaking without amending NEPA or affecting implementing regulations. We will oppose amendments to ISTEA II that would undermine NEPA protections.

We look forward to working with you and other Members on this initiative, as S. 1173 moves forward. Section 1225, as improved through your proposed amendment, is a positive step towards making the NEPA and transportation decisionmaking process more efficient, without compromising environmental protection. An identical letter has been sent to the provision's cosponsor, Senator Ron Wyden, and to the leadership of the Senate Environment and Public Works Committee.

Sincerely,

Rodney E. Slater

3/2/98 6:45 P.M.

PROPOSED AMENDMENTS TO SECTION 1225

On page 162, after the end of line 25, insert the following:

"(5) CONCURRENT PROCESSING.— The term, 'concurrent processing' means to the fullest extent practicable, and to the extent otherwise required, agencies shall prepare environmental impact statements and environmental assessments concurrently with and integrated with environmental analyses and related surveys and studies required by the Fish and Wildlife Coordination Act (16 U.S.C. 661 et seq.), the National Historic Preservation Act of 1966 (16 U.S.C. 470 et seq.), the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.) and other environmental review laws and executive orders."

On page 163, lines 10 -12, strike "with the requirements" through the end of the sentence, and insert "for surface transportation projects at the earliest possible time, including, to the extent appropriate, at the planning stage with the agreement of the cooperating agencies."

On page 163, lines 17-18, strike "with the planning, predesign stage, and decisionmaking".

On page 164, lines 17 -18, strike "with the transportation planning and decisionmaking of the", and insert "for surface transportation projects by".

On page 166, line 2, delete "(rather than sequential)".

On page 167, line 7, insert "and the public on request" after "cooperating agencies".

On page 168, line 11, strike "grant", and insert "take action on".

On page 169, after the end of line 10, insert the following:

"and assure early consideration of alternatives to a proposed project, including alternatives that address transportation demand consistent with 23 U.S.C. 134(i)(3)."

On page 169, strike lines 20 through page 170, line 2.

[On page 170, line 15, after "agreement", insert "that has been developed with public involvement".]

On page 172, line 3, after "APPROACHES.— ", insert "In addition to existing formal public participation opportunities,".

On page 174, line 9, after "subsection (a)", insert "consistent with Part 1501, et seq., of Title 40 of the Code of Federal Regulations."

On page 171, line 9 after "by law and agreement" add "that has been developed with public involvement"

CEQ Mtg. - Envir. Issues in ISTEA
3-4-98

Inhofe - CAA - deal

Smith - NEPA - now off table

Rail Banking statute

B/bach - make TE optional - give locals zero auth. over rail abandonment
corridor preservation

he's realized he can't win on TE;

Inhofe - use CMAQ $ for road building

STPP thinks it can defeat

D'Amato - get proportionate share of new $ ($26B) for transit

"Transit Minimum Allocation"

1/2 of $ CR be used for other purposes

Craig Thomas Johnson - Levin - Allard?

- reallocate transit $ acc. to contrib's to gas tax
i.e., how much people drive

9 states lose
41 " win

Clear ratio on Transit piece of HTF

- transit is needs-based program

VP
urban commitment

Would redist.

NY - 100M/yr
NJ - 40M
Conn - 15M

$400M/yr. (out of $6B)

Arguments Against

Report on New Starts

Retaliation Moynihan
- D'Amato has other a's that hurt 10 states & benefit 40; let's not get into war...
- Stants

Talking pt's

DOT
with DO
pkg.

Bumpers - CAFE
long history of offering CAFE amendments that don't work

[illegible]

Transit:

Moynihan

Slater & Moynihan meet today

Dorgan wants Hr. Hom Secretary

Moynihan wants Hr.

Discussion

MAJOR AMENDMENTS TO S. 1173

Highway Trust Funds Off-Budget--Pro: Hutchison; Anti: Chafee, Domenici

Byrd-Gramm--Pro: Byrd, Gramm, Warner, Baucus; Anti: Chafee, Domenici

Minimum allocation applied to transit--Pro: Johnson, Allard, Thomas, Faircloth, Inhofe, Levin; Anti: Sarbanes, D'Amato, Moseley-Braun, Durbin, Lautenberg, Torricelli, Moynihan

.08 BAC--Pro: Lautenberg, DeWine; Anti: Ashcroft, Bob Smith, Kempthorne, Graham, Thompson, Campbell

Alter or Eliminate DBE Program--Pro: McConnell, Sessions, Ashcroft; Anti: Kennedy, Moseley-Braun, Baucus, Daschle

Repeal Davis-Bacon and other labor protections--Pro: McConnell, Sessions, Nickles, Warner; Anti:Kennedy, Wellstone, Dodd, Harkin

Funding for Appalachian Highways--Pro: Byrd; Anti: Sessions, Chafee

Truck Exemptions--Pro: Burns, Breaux, Allard; Anti: Lautenberg, Chafee

Enhancements--Pro: Chafee, Moynihan; Anti: Brownback

4/24/98
Larry Stein
ISTEA

mtg tomorrow: Lott & trans group
- veto $
- if deal taken, will go to floor Thurs.
- way to bring camp. fin. reform
  └ Lott thinks that's unlikely

- 1st amend. will be McConnell - an alt. to DBE; Kathy Ruffalo thinks we don't have the votes

- Domenici has been proposing the Veterans offset ($16.5 B over 5 yrs.) (CBO scored at only $9 B)

- we used as offset for some of our mand & discretionary spending

- Dem. plucked it

- This will put them on record for using mandatory offsets to pay for disc. $

- downside:

- once Vets figure this out, they'll go

- Daschle is big Vets supporter, so he'll be upset, but he doesn't have all alt.

- So Larry supports it & he thinks Frank does as well

- relieves pressure w/in caps

- sets right precedent

30-40% chance it will hold up
- if they can do it, we shouldn't ~~support~~ oppose it

- Carolyn Frederickson -
Daschle
- Michael -
EMK

Problems/Amend's

(1) DBE

- McConnell amend.

- previous amend. all have ~ altogether

- this is scaled back

- Murray, etc - 2nd degree

Thurs. vote unlikely

Lott wants to close vote to try to get off campaign finance

HTF off budget

- needs 60 votes
- won't come to floor unless cut a deal/50

Byrd - Gramm

- explicit commitment to Byrd for ARC
- $280 m in '99

(- he got $400 last yr)

Lott won't cut deal that gives Byrd zero $ and lets him bring his amend. to floor

Lott will say - here's $; take it or lose it

that won't allow
Byrd to go to floor on Byrd-Gramm

Byrd may ask for - over help on ARC

Lott's people are nervous at having been put in this position

Minimum allocation

Jonathan Adelstein - D
(Where are votes on this?
Chafee

D'Amato will filibuster
N/east coalition

Enough opposition to force compromise

Sarbanes (Steve Harris) complaining that we're not doing enough

(He's helping ~~us~~ a lot on IMF)

Give up the enviro's

~~[illegible]~~

Rodney's strat. for dealing w/ Kasich's wk-by-wk, assuming stretched out schedule

If bill moves quickly, will need to.

.08

Lautenberg wants to do event before vote

- BOTS declined before so as to focus on educ.

DBA

CMAQ

defensive - delay til after budget res'n

offensive - vets $/move fast
- move fast before vets catch on
- " " " what they're trying to figure out what they want

Can we use support for vets $ in ex △ for DBE?

- Worth a try

- they may see it's an idle threat, b/c we need to get out from under Gramm-Byrd

ARC

we're stuck

TE

Brownback wld walk back

Stern - Problems

~~DBE~~
DBA
Min alloc. (deal likely)
(we have to swallow ARC)

☆ - Safety folks : .08

- Want us to make calls
- they want ~~all~~ event

- DPC

- Shalala

Wisconsin

- 22 co-sponsors

- 17 Ranking

22-23 Republicans

☆ 4 drinks, empty stomach, 1 hour

3½ " " " (for women)

They haven't resolved funding issue

Another mtg. tomorrow morning

Leadership is saying - we'll deal w/ non-$ issues 1st

But JL doesn't

- Domenici was grumpy abt DETs $

- Byrd wants more;

- Appeared that Domenici was cooking up something else.

- Transit still hasn't been cut in.

The New York Times

Founded in 1851

ADOLPH S. OCHS, Publisher 1896-1935
ARTHUR HAYS SULZBERGER, Publisher 1935-1961
ORVIL E. DRYFOOS, Publisher 1961-1963
ARTHUR OCHS SULZBERGER, Publisher 1963-1992

The Threats to Mass Transit

In agreeing to provide an extra $26 billion for the nation's highways this week without a commensurate increase for mass transit, the Senate has thumbed its nose at a majority of the American population, the nearly 55 percent of all Americans who live and work in more than 40 major metropolitan areas. Boosting the share of spending for roads and bridges without providing a reasonable increase in aid for commuter trains, subways and buses ignores the complexity of mobility in metropolitan America. Moving workers to their jobs depends on a network of decent roads and reliable mass transit. Without rapid transit, many of these metropolises would be parking lots at rush hour.

In this decade, spending for mass transit has generally amounted to 20 percent of the total Federal aid for highways, bridges and mass transit. To maintain this 80-20 ratio, transit spending, mostly for capital programs, has to rise whenever highway aid does. But this modest approach has come under attack as power in Congress has continued to shift to the South and West. Some Southern and Western states, which got back substantially less than a dollar in aid for every dollar in gasoline taxes sent to Washington, resented the way existing aid formulas tied to energy and environmental goals and aging systems gave Eastern and Midwestern states more than a dollar in aid for each dollar of gas taxes.

The Senate is currently crafting a $171 billion highway spending bill for fiscal years 1999 through 2003, including the $26 billion added this week. But pending mass transit legislation, sponsored by Senator Alfonse D'Amato, would set aside only about $36 billion for transit, or about 17 percent of total highway and transit spending. The short-term task Senator D'Amato and his colleagues have set themselves is to win $5.2 billion more for mass transit. If they are successful, even that amount will not cover transit's capital needs, which are roughly $13 billion to $15 billion a year. As a matter of long-term economic self-preservation, members of Congress who represent metropolises should organize to push for a higher level of aid.

States with transit systems face other threats as well. Under several legislative proposals, each state, regardless of need, would be guaranteed a level of mass transit aid equal to 70 to 90 percent of the Federal gas tax revenue it contributed for the mass transit account of the Highway Trust Fund. That would divert money from vital projects to secondary ones. When the highway and transit bills are merged to form the new Intermodal Surface Transportation Efficiency Act, the Senate should insure that it does not undermine the transportation networks of the nation's metropolises. Reliable rapid transit remains an effective tool for cutting congestion.

U.S. Environme ıta ʾrotection Age ıcy

Office of the Assistant Administrator for Policy, Planning and Evaluation

FASCIMILE TRANSMITTAL FORM

FAX RECIPIENT:	Sally Katzen
FAX NUMBER: ( )	456-1605
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Return Fax Number: (202)260-0275

c: Dorothy

March 2, 1998

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Wetlands – The Senate bill includes a $100 million wetland restoration pilot program. EPA would oppose amendments to weaken or eliminate this program.

PROPOSED ADDITION TO NEPA AMENDMENT

On page 175, line 6, insert the following new subsection and redesignate the following subsections accordingly:

(c) Section 112 of title 23, United States Code, is amended by adding at the end the following new subsection:

"(g) SELECTION PROCESS.— It shall not be considered to be a conflict of interest, as defined under section 1.33 of title 23, Code of Federal Regulations, for a State to procure, under a single contract, the services of a consultant to prepare any environmental assessments or analyses required, including environmental impact statements, as well as subsequent engineering and design work on the same project, provided that the State has established an independent multi-disciplined ~~scientific~~ review ~~team~~ that assesses the objectivity of any analysis, environmental assessment or environmental impact statement prior to its submission to the agency that approves the project.

For Immediate Release:
Tuesday, March 3, 1998

CONTACT: Niki Mitchell,
Environmental Media Services,
(202) 463-6670; Valerie Holford,
Fenton Communications, (202)

822-5200

Environmental Leaders Re-State Emphatic Commitment to 'Friendly' Transportation Bill

Anti-Environmental Amendments Threaten ISTEA As Senate Floor Debate Heats Up

As Senate floor debate on ISTEA heats up, the nation's top environmental leaders today re-stated their commitment to the passage of a federal transportation spending bill with strong environmental provisions intact.

In a clear display of unity, the leaders repeated a message they delivered to Congress last year during extended, contentious debate over aspects of the Intermodal Surface Transportation Efficiency Act (ISTEA): especially regarding clean air protections such as those contained in the Congestion Mitigation & Air Quality (CMAQ) program. There is a proposal on the table to increase spending by $18 billion and all have agreed that **any** transportation spending increase must be equally distributed through the ISTEA structure, including a guarantee that transit receive a fair share of any funding hike.

"ISTEA is one of the most important pieces of environmental legislation Congress will consider this session," said leaders in the joint statement. "Americans have said they favor strong environmental safeguards. The highway construction lobby and other interests are attempting to mount a stealth attack on the environment through efforts to gut ISTEA. We repeat that we consider ISTEA a critical piece of environmental legislation and will not see it weakened under any circumstances."

Among the signatories to the statement are **Deb Callahan**, president, League of Conservation Voters; **Ken Cook**, president, Environmental Working Group; **Richard Moe**, president, National Trust for Historic Preservation; **Carl Pope**, executive director, Sierra Club; **John Adams**, executive director, Natural Resources Defense Council; **Brent Blackwelder**, president, Friends of the Earth; **Fred Krupp**, executive director, Environmental Defense Fund; **Howard 'Bud' Ris**, executive director, Union of Concerned Scientists; **Gene Karpinski**, executive director, U.S. Public Interest Research Group (U.S. PIRG); **Hank Dittmar**, executive director, Surface Transportation Policy Project; and **Blake Early**, The American Lung Association.

Leaders are most concerned about the following proposals:

- Anti-Transit amendments proposed by Senators Faircloth (R-NC); Allard (R-CO); and Johnson (D-SD), which would eliminate a need-based approach to transit funding and discretionary programs that ensure communities can make new investments in bus and rail transit.

--more--

- The anti-Enhancements amendment proposed by Senator Brownback (R-

KS) which would allow state departments of transportation (DOTs) to opt out of the enhancements program, the only dedicated source of funding to make transportation systems safer for bicyclists and pedestrians.

- Attacks on the Congestion Mitigation & Air Quality (CMAQ) program by Senator Inhofe (R-OK) that would allow state DOTs to direct scarce, air-quality dollars into expanding lane capacity on existing highways. This amendment defeats the purpose of CMAQ. New roads do not make the air cleaner, but they can make it worse.

- Attacks by Senator Bob Smith (R-NH) on National Environmental Protection Act (NEPA) provisions would seriously undermine NEPA in the name of "streamlining" environmental reviews. In fact, the proposed amendment would limit the participation of environmental agencies in oversight of transportation projects.

- Attacks on new air quality standards from Senator Inhofe would prevent the Environmental Protection Agency (EPA) from implementing needed health- based standards to reduce air pollution.

Not since radicals in the 104th Congress sought to rollback every environmental protection put in place over the last 25 years has there been such a demonstration of solidarity against an assault on the environment. ISTEA recognized the link between transportation and the environment by dedicating funds to address environmental problems caused by transportation. Examples of environmental impacts range from toxic air pollution to emissions of greenhouse gases (automobile exhausts account for about one-third of greenhouse gas emissions in the U.S.) to the many impacts of suburban sprawl including run-off that contaminates community water sources. A leading contributor to solid waste and natural resource consumption, sprawl---which is partially addressed by transit---is a voracious consumer of wetlands, farm lands and open space.

In addition to other environmental provisions and funding for mass transit, fairer funding formulas for states and cities are under attack. Arguably of most concern however, is the funding for hard-won clean air provisions which members are aiming to raid for diversion to politically popular road projects in this election year.

Originally passed in 1991, ISTEA for the first time freed federal transportation money from the stranglehold of highway builders. A landmark law, it democratized the decision-making process and replaced highway-only funding with programs that allow flexible use of money for community-determined transportation needs. ISTEA dictates all federal transportation spending for highways, bridges, pedestrian and bicycle facilities and mass transit.

The re-authorization of ISTEA has been delayed since its expiration last year. The bill gained steam during a lull in Senate proceedings and has moved to the floor with unexpected speed.

United States Senate

WASHINGTON, DC 20510

March 4, 1998

Dear Colleague,

We write to solicit your support for an amendment we plan to offer to S. 1173, "ISTEA II," that would help most states meet their transit challenges and achieve a more balanced and fair distribution of transit program funds.

Since 1982, when the current transit formula was last updated, the distribution of funds under the federal transit program has been focused on a few states. In recent years, demand for transit services has increased throughout the nation, especially in growth areas, rural regions and for service to the poor, elderly and disabled. However, the current transit formulas do not respond to these changes. S. 1173, as currently written, would give just eight states over 60 percent of all transit funding.

Our amendment, the "Transit Modernization Act" meets these new demands by making a modest adjustment to the current allocation of funds. In fact, over 90 percent of transit funds would continue to be distributed under current formulas. However, some modernization of the funding formulas are long overdue. This amendment would create a "minimum guarantee" that will increase each state's share of key transit programs up to 70 percent of the state's contributions to the transit account of the Highway Trust Fund, up to a maximum of $12.5 million per year. Under this approach, the vast majority of America's cities and smaller communities would receive more transit funds.

As you can see from the attached chart, this amendment would ensure a wider distribution of funds throughout the nation. In an individual year, approximately 30-35 states would benefit from this amendment. This more equitable distribution is accomplished, however, without substantially harming the systems currently receiving the bulk of the funding. ***All states, including political subdivisions, which are currently substantial donees under the program would remain substantial donees.*** In fact, the funds for this minimum guarantee would come almost entirely from growth in the program over Fiscal Year (FY) 1997 levels.

The bottom line is that this amendment is fair and pro-transit. It would transform the program from one focused on a handful of recipients to one that could receive wider support in the future. To cosponsor the amendment or to receive more information about it, contact Chris Jahn (Thomas) at 4-6441 or Sarah Dahlin (Johnson) at 4-5842.

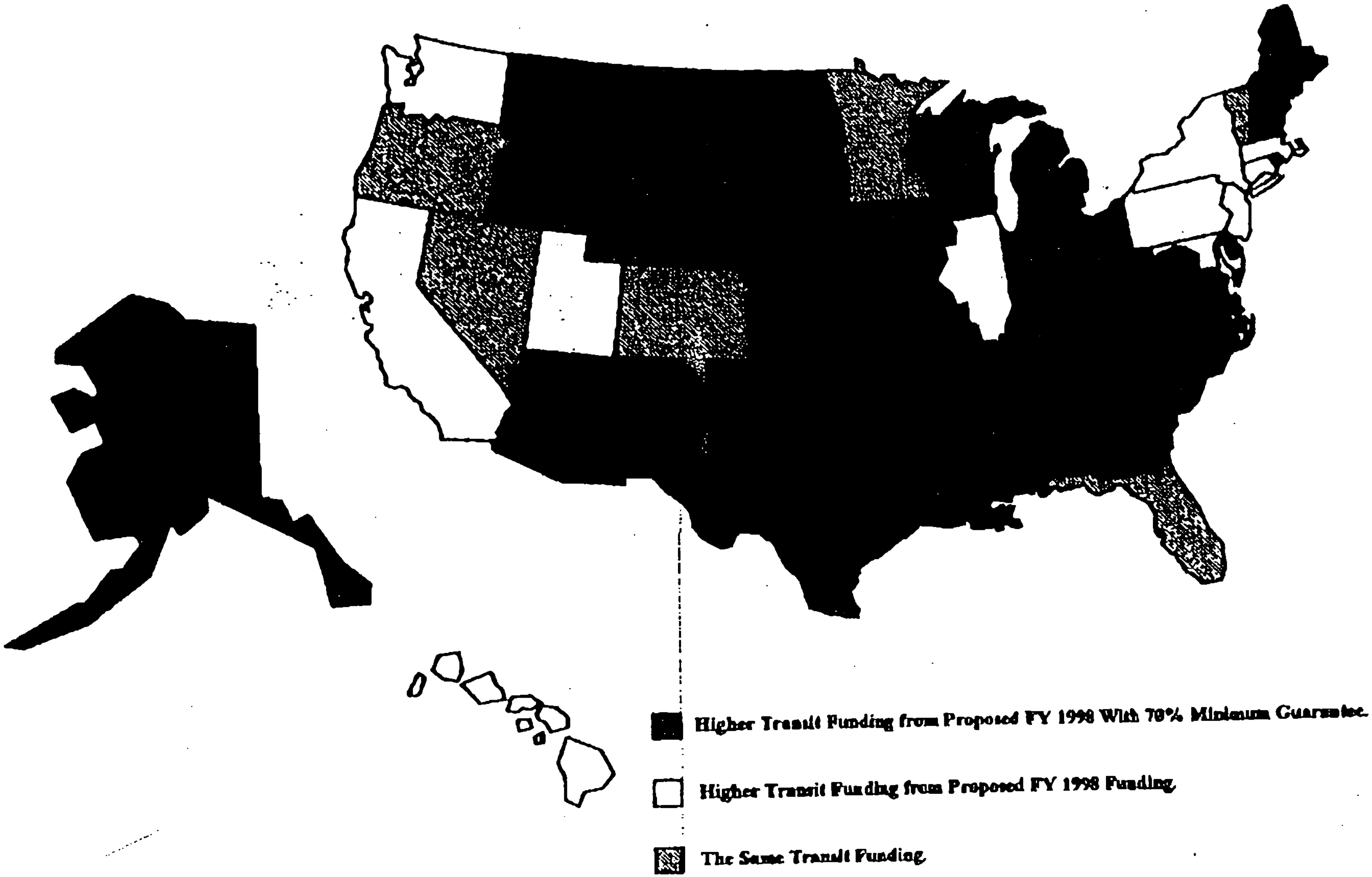
Sincerely,

STATE	Total Discretionary & Formula Funding FY 1997 (1)	Projected FY 1998 Total Formula & Discretionary Funding FTA	Total Adjusted FY 1998 Formula & Discretionary Funding With 70% MG 90% of FY 97
Alabama	13,390,000	40,217,000	52,717,000
Alaska	8,490,000	2,555,000	7,272,762
Arizona	25,843,000	38,960,000	51,460,000
Arkansas	11,994,000	7,383,000	19,863,000
California	529,972,000	633,575,000	562,080,961
Colorado	78,251,000	61,787,000	61,787,000
Connecticut	87,272,000	77,873,000	69,041,276
Delaware	11,708,000	6,653,000	9,404,454
Dist. of Col.	37,110,000	41,543,000	36,855,194
Florida	155,210,000	195,387,000	195,387,000
Georgia	115,291,000	109,670,000	118,648,153
Hawaii	17,505,000	24,056,000	71,341,466
Idaho	3,273,000	3,782,000	16,282,000
Illinois	276,434,000	278,874,000	248,790,600
Indiana	43,925,000	47,041,000	59,541,000
Iowa	21,445,000	14,155,000	26,655,000
Kansas	11,011,000	10,063,000	22,563,000
Kentucky	18,982,000	17,383,000	29,883,000
Louisiana	50,133,000	48,417,000	54,515,053
Maine	3,084,000	3,534,000	16,034,000
Maryland	117,306,000	117,806,000	105,856,400
Massachusetts	188,288,000	200,840,000	178,182,082
Michigan	61,598,000	60,973,000	73,473,000
Minnesota	30,807,000	51,866,000	51,866,000
Mississippi	16,200,000	12,244,000	24,744,000
Missouri	86,471,000	78,714,000	79,008,473
Montana	2,579,000	2,975,000	13,892,670
Nebraska	7,148,000	8,169,000	20,669,000
Nevada	13,614,000	29,431,000	29,431,000
New Hampshire	3,450,000	3,988,000	14,165,594
New Jersey	300,402,000	308,278,000	275,761,800
New Mexico	8,050,000	14,795,000	24,697,813
New York	601,540,000	755,211,000	669,991,279
North Carolina	29,869,000	46,656,000	59,156,000
North Dakota	3,795,000	2,560,000	10,058,509
Ohio	111,669,000	105,433,000	115,468,465
Oklahoma	12,405,000	13,580,000	26,080,000
Oregon	102,282,000	90,598,000	90,598,000
Pennsylvania	229,639,000	241,024,000	314,358,600
Rhode Island	8,078,000	9,138,000	9,468,615
South Carolina	12,890,000	20,122,000	32,622,000
South Dakota	2,027,000	4,375,000	10,072,937
Tennessee	24,550,000	31,477,000	43,922,000
Texas	192,785,000	222,770,000	236,270,000
Utah	62,732,000	92,527,000	82,086,044
Vermont	8,521,000	9,049,000	9,049,000
Virginia	57,985,000	60,031,000	72,531,000
Washington	81,443,000	112,672,000	99,957,836
West Virginia	12,340,000	21,947,000	24,875,754
Wisconsin	38,863,000	45,582,000	58,062,000
Wyoming	2,372,000	1,582,000	11,543,151
Territories	40,167,000	53,880,000	47,600,039
Total State Appon.	4,031,113,000	4,494,961,000	4,494,961,000

Notes.

(1) Source: FTA February 1998

Comparison of Formula & Discretionary Transit Funding
Proposed FY 1998 Funding With and Without 70% MG



FY 1998 Appropriations from FTA February 1998

AMENDMENT NO. ____ Calendar No. ____

Purpose: To provide for a minimum allocation of transit program funds to each State.

IN THE SENATE OF THE UNITED STATES—105th Cong., 2d Sess.

(no.) ______

(title) ______

Referred to the Committee on ______ and ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT intended to be proposed by Mr. JOHNSON (for himself, Mr. THOMAS, Mr. LEVIN, and Mr. ALLARD)

Viz:

At the appropriate place, insert the following:

SEC. ____. MINIMUM GUARANTEE OF TRANSIT PROGRAM FUNDS.

Section 5338 of title 49, United States Code, is amended by adding at the end the following:

"(o) MINIMUM GUARANTEE OF TRANSIT PROGRAM FUNDS.

"(1) SET-ASIDE REQUIRED.—For each fiscal year beginning after September 30, 1997, after providing for any allocation or set-asides under subsection (g) or (h) of this section, but before completing distribution of other amounts made available or appropriated under subsections (a) and (b) of this section, the Secretary shall set aside, and shall distribute to each State, in addition to amounts otherwise distributed to the State (or to its political subdivisions) to carry out sections 5307, 5309, 5310, and 5311, the amount described in paragraph (2)(B).

"(2) CALCULATION.—

"(A) DEFINITION OF MINIMUM GUARANTEE THRESHOLD AMOUNT.—In this subsection, the term 'minimum guarantee threshold amount' means, with respect to a State for a fiscal year, the amount equal to—

"(i) total amount made available or appropriated to all States and political subdivisions under sections 5307, 5309, 5310, and 5311 for that fiscal year; multiplied by

"(ii) 70 percent of the percentage contribution of estimated tax payments allocated to the Mass Transit Account under section 9503(e) of the Internal Revenue

Code of 1986 in the latest fiscal year for which data are available, that are attributable to highway users in the State.

"(B) AMOUNT.—Subject to subparagraph (C) and any other limitations set forth in this subsection, the amount described in this subparagraph is the amount, if it is a positive number, that, if added to the total amount distributed to the State (and its political subdivisions) under sections 5307, 5309, 5310, and 5311 for that fiscal year, is equal to the minimum guarantee threshold amount.

"(C) LIMITATION.—The maximum amount distributed to a State under this subsection shall not exceed $12,500,000.

"(3) SOURCE OF FUNDS.—

"(A) IN GENERAL.—Amounts required to be set aside and distributed to States under this subsection in any fiscal year—

"(i) may be obtained from any amounts under section 5309 that are made available or appropriated to the Secretary for funding this subsection or for distribution at the discretion of the Secretary in the fiscal year; or "(ii) if not, shall be obtained by proportionately reducing amounts that would otherwise be made available or appropriated under subsections (a) and (b) of this section, for sections 5307, 5309, and 5311, to those States and political subdivisions for which the total amount distributed under sections 5307, 5309, 5310, and 5311 in that fiscal year is greater than 1.05 times—

"(I) the total amount made available or appropriated to all States and political subdivisions under sections 5307, 5309, 5310, and 5311, in that fiscal year; multiplied by

"(II) the percentage contribution of estimated tax payments allocated to the Mass Transit Account under section 9503(e) of the Internal Revenue Code of 1986 in the latest fiscal year for which data are available that are attributable to highway users in the State.

"(B) PROPORTIONATE REDUCTIONS FROM DIFFERENT SOURCES.—The Secretary shall apply reductions under subparagraph (A) proportionately to amounts made available from the Mass Transit Account and to amounts appropriated or made available from other sources.

"(C) OTHER RULES ON APPLICATION OF REDUCTIONS.—

"(i) IN GENERAL.—Reductions otherwise required by subparagraph (A) may be taken against the amounts that otherwise would be distributed to any State or political subdivision thereof only to the extent that making those reductions would not—

"(I) reduce the total amount distributed to the State and its political subdivisions under sections 5307, 5309, 5310, and 5311 to less than the greater of—

"(aa) 90 percent of the total of amounts distributed to the State and its political subdivisions under those sections in fiscal year 1997; or

"(bb) the minimum guarantee threshold amount for the

State for the fiscal year at issue; or

"(II) reduce the total amount distributed to a State or political subdivision that, prior to application of this subsection, would receive a total amount less than the greater of the amount specified by item (aa) or (bb) of subclause (I).

"(ii) PROPORTIONATE REDUCTIONS.—In the event of the applicability of clause (i), the Secretary shall obtain the remainder of the amounts required to be distributed to States under the minimum guarantee required by this subsection proportionately from those States, including political subdivisions, to which subparagraph (A) applies, and to which clause (i) of this subparagraph does not apply.

"(D) PROPORTIONATE REDUCTION IN CASE OF INSUFFICIENT FUNDS.—If the application of subparagraphs (A) and (C) would provide funds in an amount less than the amount described in paragraph (2), the Secretary shall distribute to the State, in lieu of the amount that otherwise would be distributed under paragraph (2), an amount equal to—

"(i) the amount otherwise required under paragraph (2); multiplied by

"(ii) the quotient of—

"(I) the amount obtained by application of subparagraphs (A) and (C); and

"(II) the amount required under paragraph (2) to be provided to all States.

"(4) ATTRIBUTION OF AMOUNTS.—For the purposes of calculations under this subsection, with respect to attributing to individual States any amounts distributed to political subdivisions that are multi-State entities, the Secretary shall attribute those amounts to individual States, based on such criteria as the Secretary may adopt by rule, except that, for purposes of calculations made during the 12-month period beginning on the date of enactment of this subsection, the Secretary may attribute those amounts to individual States before adopting a rule.

"(5) USE AND AVAILABILITY.—

"(A) IN GENERAL.—Amounts distributed to a State under this subsection may be used for any purpose eligible for assistance under this chapter and shall remain available until expended. Notwithstanding any other provision of this chapter, up to 25 percent of the amount distributed to a State under this subsection for any fiscal year may be used by the State for any project or program eligible for assistance under section 130 or 152 of title 23.

"(B) CITY AND COMMUNITY TRANSIT FUNDING INCREASE GUARANTEE.—

"(i) IN GENERAL.—Fifty percent of the amount distributed to a State under this subsection shall be distributed by the State to each entity in the State, including the State itself, that, in the immediately preceding fiscal year, received funds directly from the Secretary under section 5307, 5309, 5310, or 5311.

"(ii) ALLOCATION. In carrying out clause (i), the Secretary shall distribute to each entity described in that clause an amount equal to the ratio between—

"(I) the total amount of funds received by the entity under sections

5307, 5309, 5310, and 5311 in the immediately preceding fiscal year; and

"(II) the total amount of funds received by all entities described in clause (i) in the State under those sections in that fiscal year.

"(iii) USE OF AMOUNTS BY STATE.—The portion of funds that the State distributes to itself pursuant to clause (ii), as a result of the receipt of funds directly from the Secretary under section 5311 in the immediately preceding fiscal year, may be used by the State only in areas and for purposes that are eligible under section 5311.

"(6) TREATMENT OF CERTAIN AMOUNTS.—For purposes of sections 5323(a)(1)(D) and 5333(b), amounts distributed to a State under this subsection that are, in turn, awarded by the State [illegible] grantees, shall be treated as if awarded by the Sec- [illegible]

"(A) under section 5311, if the subgrantee does not serve an urbanized area; and

"(B) directly to the subgrantee under section 5307, if the subgrantee serves an urbanized area.

"(7) REPORTING OF TRANSFERS.—

"(A) NOTIFICATION OF TRANSFER.—If a State exercises the authority in paragraph (5)(A) to transfer funds distributed to the State under this subsection for a project or program eligible for assistance under section 130 or 152 of title 23, not later than 30 days after the date on which that transfer is made, the State shall notify the Secretary of—

"(i) the transfer;

"(ii) the amount transferred; and

"(iii) the type of project or program to which the transferred funds were applied.

"(B) ANNUAL REPORT.—Beginning on January 1, 2000, and on January 1 of each year thereafter, the Secretary shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate, and the Committee on Transportation and Infrastructure of the House of Representatives, a report describing the extent to which each State has utilized the authority provided in paragraph (5)(A) to transfer funds distributed under this subsection for projects or programs eligible for assistance under section 130 or 152 of title 23.".

Possible Amendment — Guarantee Some Money For Cities and Communities

The National League of Cities has come out against "minimum allocation" amendments and the Community Transportation Association of America has been looking for a way to guarantee a program increase for small communities. One way to gain support of the CTAA and to gain the support of cities in the States which would benefit from the amendment is to make it clearer that those constituencies would benefit. Unfortunately, the relationship between some state governments and their cities is not ideal, and the individual cities, erroneously, would not assume that they would benefit from an infusion of transit funds to the state.

On page 7, line 21, insert "(A) General." immediately before the word "Amounts".

On page 8, after line 4 and before line 5, insert a new subparagraph (B) as follows:

"(B) City and Community Transit Funding Increase Guarantee. Fifty percent of the amount distributed to a State under this subsection shall be distributed by the State to each entity in the State, including the State itself, which, in the previous fiscal year, received funds directly from the Secretary under either sections 5307, 5309, 5310, or 5311 of this title. The distribution of the funds reserved under this subparagraph to each such entity in the State shall be in the ratio equal to the total funds received by such entity under sections 5307, 5309, 5310, and 5311 in the previous fiscal year to the amount of funds received by all entities in the State under those sections in the previous fiscal year. The portion of funds which the State distributes to itself pursuant to the previous sentence, as a result of the State's having received funds directly from the Secretary under section 5311 in the previous fiscal year, may be used by the State only in areas and for purposes eligible under section 5311."

Surface Transportation Policy Project

1100 17th Street, NW
Tenth Floor
Washington, D.C. 20036
phone: 202.466.2636
fax: 202.466.2247
email: stpp@transact.org

TO: STPP Colleagues: (see below for distribution) Please Deliver Immediately

Kaid Benfield, NRDC	Elizabeth Humphrey, Congressman Blumenauer
Jeff Blum, Maryland Citizen Action	Jonathan Jones, State of Delaware
Jeff Boothe, Oppenheimer, Wolf & Donnelly	John Lagomarcino, LMRC
John Bosley, NARC	Janno Lieber, US DOT
Tom Bulger, GRI	Laurie Martin, Issac Walton League
Paul Carlson, APTA	Cheryl A. Maynard, APA
Brian Cohen, EWG	Kevin McCarty, US Conference of Mayors
Cathy Conner, Parsons Brinckerhoff	Diane Montgomery, OMB
Dan Costello, NTHP	Jody Newman, LAB
Dan Duff, APTA	Elizabeth O'Donoghue, Senator Lautenberg
Linda DuPriest, Bikes Belong	Jon Orcutt, Tri-State Transportation Campaign
Amy Ellsbree, AMTRAK	Tamar Osterman, NTHP
Robert Fogel, NACO	Ruth Ravitz, State of Conneticut
Marianne Fowler, RTC	Dorothy Robyn, The National Economic Council
Michelle Giguere, Ball Janik	Tim Rutten, Ball Janik
Allen Greenberg	Laurie Saroff, National League of Cities
Steve Shimberg, NWF	Robert Hicks, PTI
Hal Hiemstra, RTC	Elizabeth Thompson, EDF
Dave Hirsch, FOE	Polly Trottenberg, Senator Moynihan
John Horsley, US DOT	Susan West Montgomery, Preservation Action
	Daniel Wilson, AIA

FROM: Hank Dittmar and Roy Kienitz, STPP

DATE: February 26 , 1998

SUBJECT: ISTEA 2 Sign-on Letter for the Senate --

Immediate Attention Required

As many of you know, ISTEA 2 has been brought to the Senate floor. The attached letter will be sent to the entire Senate on Friday afternoon, February 27th. If your organization can sign-on, please call or email Grace Erb by Noon on Friday. Leave your name and organization. Thanks for your quick attention.

Phone: 202/466-2636 Email: gmerb@transact.org

February 27, 1998

Dear Senator:

The Senate ISTEA bill (S.1173) now being debated is of vital importance to our nation's environment as well as our infrastructure. In the six years since its passage, ISTEA has proved to be a major environmental success; helping local governments and citizens across the country create cleaner and safer transportation choices, implementing new programs to reduce air pollution, and providing affordable and energy-saving public transportation services to the millions of Americans who depend on it every day.

Yet there are a number of alarming threats -- in the form of amendments -- to both the balanced approach and the environmental provisions contained in ISTEA. These are being taken extremely seriously by community organizations, environmental groups, and local elected officials nationwide, just as they will by the American public as your votes approach. Specifically, we urge you to:

(1) Ensure that any increase in funding for ISTEA 2 (S.1173) is spread evenly across all ISTEA programs, including mass transit. Under every administration since the early 1980s, mass transit has shared in 20% of any increase in federal transportation funding. Any increase in ISTEA 2 spending should be treated exactly the same way and ensure fairness across all modes of transportation.

(2) Reject the anti-environment amendment, reportedly to be offered by Senator Inhofe (R-OK), to dismantle the administration's new air quality standards.

(3) Reject any anti-transit "minimum allocation" amendments that would literally cripple the federal transit programs, as well as cities and states across the country who depend on federal transit assistance to provide access to their residents as well as move people from welfare to work.

(4) Reject the anti-environment amendment, reportedly to be offered by Senator Smith (R-NH), that would severely weaken the federal environmental review process under the 1969 National Environmental Policy Act (NEPA).

(5) Reject the anti-environment amendment, reportedly to be offered by Senator Inhofe, to allow highway widenings to be funded from ISTEA's air quality program (CMAQ). This amendment negates the purpose of the CMAQ program by allowing expansion projects which research has shown attract more traffic, making air pollution even worse.

(6) Reject the anti-community and anti-local control amendment, filed by Senator Brownback (R-KS), to allow state departments of transportation to opt out of ISTEA's Transportation Enhancements Program -- its most locally-driven publicly popular program that has built thousands of new bicycling and walking facilities nationwide.

Since 1991, ISTEA has empowered local officials and citizens nationwide to make transportation decisions that have helped strengthen our communities while protecting precious natural resources and the public health. Make no mistake about it, ISTEA is an environmental bill and your votes on these amendments are votes on the environment. Your decision is of the utmost importance to the millions of Americans who are looking to the leadership of the 105th Congress to protect our nation's air, water and public health.

Sincerely,

With Us	Agin Us		Persuadable
1	2		3
Akaka	Abraham	Thompson	Bennett
Baucus	Allard	Thurmond	Bumpers
Biden	Ashcroft	Warner	Cleland
Bingaman	Bond		Domenici
Boxer	Breaux	~45	Glenn
Bryan	Brownback		Graham
Chafee	Burns		Gregg
Collins	Byrd		Harkin
Conrad	Campbell		Hollings
Daschle	Coats		Kerrey
Dodd	Cochran		Levin
Dorgan	Coverdell		Lugar
Durbin	Craig		McCain
D'Amato	DeWine		Moseley-Braun
Feingold	Enzi		Robb
Feinstein	Faircloth		Rockefeller
Inouye	Ford		Roth
Jeffords	Frist		B. Smith
Johnson	Gorton		G. Smith
Kennedy	Gramm		
Kerry	Grams		~20
Kohl	Grassley		
Lautenberg	Hagel		
Leahy	Hatch		
Lieberman	Helms		
Mikulski	Hutchinson		
Moynihan	Hutchison		
Murray	Inhofe		
Reed	Kempthorne		
Reid	Kyl		
Sarbanes	Landrieu		
Snowe	Lott		
Torricelli	Mack		
Wellstone	McConnell		
Wyden	Murkowski		
	Nickles		
~35	Roberts		
	Santorum		
	Sessions		
	Shelby		
	Specter		
	Stevens		
	Thomas		

Inhofe Amendment
3-2-98

3:30 - DOE Call

Inhofe -

- want to do 2 things:

(1) fully fund monitoring system ($13M)

(2) EPA would not deny any area Non-Attain w/out 3 full yrs of monitoring

- EPA has been saying it wld not not act....

They're trying to sell this to Chafee; or else,
ya [illegible] - which wld go back to old std's

Very different from what we were talking abt. Fri. afternoon

Need to get thru EPA: if it's drafted as described, wld be OK.

Not clear why he will do this.

- It delivers what we're promised
- Takes steam out of D—

(Petroleum guys are behind this.)

TT: We were told Jeffords was trying to work something out w/ Landrieu

But Landrieu's person said they haven't seen anything yet

- We don't want D's signing up to something before we've seen it.

we're w/
Jeffords
D'Amato - wants to be here to environ's
etc.

We'll get language to you - but probably not

Caucus w/ tomorrow/lunch at 12:30

- Slater will be here
- D's looking for their best mgr. event

EPA will let us know who we need to weigh in w/ make calls to —

What are groups doing?

- enviro. groups

- states
  but they're touchy

DBC

- Daschle feels cruise

Boxer
Dodd
Harkin

Dorothy Robyn
03/02/98 12:35:22 PM

Record Type: Record

To: Sally Katzen/OPD/EOP

cc:
Subject: Inhofe amendment

I just met w. EPA leg. guy (Joe Crapa) and others (shelley fidler, tracey thornton, etc.). As of today, it looks as if Inhofe is going to offer something we cld support: 1) full funding for monitoring ($13M); and 2) EPA would not designate any non-attainment area without 3 full years of monitoring. Joe is waiting for language, and wld have to vet in EPA, but if it's what he's hearing, he thinks EPA wld support. Shelley agreed. It's not clear why he wld do this, given that it delivers on something we've promised (part (2) above) and wld take steam out of his more extreme approach (which the petroleum folks are behind). But that's Joe's best info. He thinks he'll know more by end of day, and we'll do conference call then. EPA will also give us list of members to call -- fence sitters, or potential Dem supporters, to whom our message would be -- don't sign up until we've seen and vetted the language.

Call on DBE amendment today at 3:30. Looks now like that will be first up.

I am going to organize a daily conference call w. DOT, EPA, DOL and various parts of the white house so that people can stay on top of what's happening.

Total Pages: __

LRM ID: JAB370

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
Washington, D.C. 20503-0001

Monday, March 2, 1998

LEGISLATIVE REFERRAL MEMORANDUM

TO: Legislative Liaison Officer - See Distribution below

FROM: James J. Jukes (for) Assistant Director for Legislative Reference

OMB CONTACT: James A. Brown
PHONE: (202)395-3473 FAX: (202)395-3109

SUBJECT: **Transportation Report on S1173 Intermodal Surface Transportation Efficiency Act of 1997** [Revised]

DEADLINE: **10:00 A.M. Tuesday, March 3, 1998**

In accordance with OMB Circular A-19, OMB requests the views of your agency on the above subject before advising on its relationship to the program of the President. **Please advise us if this item will affect direct spending or receipts for purposes of the "Pay-As-You-Go" provisions of Title XIII of the Omnibus Budget Reconciliation Act of 1990.**

COMMENTS: A version of this letter was previously circulated to you. This revision reflects the results of an interagency meeting and subsequent discussions with Congresssional staff. If we do not hear from you by the deadline, we will assume that you have no objection to clearance of this letter.

DISTRIBUTION LIST

AGENCIES:
19-Council on Environmental Quality - Michelle Denton - (202) 39/5-5750
33-Environmental Protection Agency - Chris Hoff - (202) 260-5414
61-JUSTICE - Andrew Fois - (202) 514-2141
117 and 340-TRANSPORTATION - Tom Herlihy - (202) 366-4687

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Jeff Forbes

Alice E. Shuffield
Linda Lance

LRM ID: JAB370 **SUBJECT:** Transportation Report on S1173 Intermodal Surface Transportation Efficiency Act of 1997

RESPONSE TO
LEGISLATIVE REFERRAL
MEMORANDUM

If your response to this request for views is short (e.g., concur/no comment), we prefer that you respond by e-mail or by faxing us this response sheet. If the response is short and you prefer to call, please call the branch-wide line shown below (NOT the analyst's line) to leave a message with a legislative assistant.

You may also respond by:
(1) calling the analyst/attorney's direct line (you will be connected to voice mail if the analyst does not answer); or
(2) sending us a memo or letter
Please include the LRM number shown above, and the subject shown below.

TO: **James A. Brown Phone: 395-3473 Fax: 395-3109**
Office of Management and Budget
Branch-Wide Line (to reach legislative assistant): 395-3454

FROM: ______________________ **(Date)**
______________________ **(Name)**
______________________ **(Agency)**
______________________ **(Telephone)**

The following is the response of our agency to your request for views on the above-captioned subject:

_____ **Concur**

_____ **No Objection**

_____ **No Comment**

_____ **See proposed edits on pages** _________

_____ **Other:** _____________ _____________

_____ **FAX RETURN of ____ pages, attached to this response sheet**

The Honorable Bob Graham
United States Senate
Washington, DC 20510

Dear Senator Graham:

I am writing in response to your request for the Administration's views on Section 1225, the integrated decisionmaking provision of S. 1173, the Intermodal Surface Transportation Efficiency Act of 1997 (ISTEA II). The National Environmental Policy Act (NEPA) is one of the Nation's most significant environmental laws. The Administration is intent on preserving and strengthening environmental review under NEPA, while improving implementation. As you are aware, the Administration's proposal for ISTEA reauthorization did not propose legislative revisions in this area, because we believe that existing authorities afford sufficient opportunities for integrated decisionmaking. We will oppose amendments to ISTEA II that would undermine NEPA protections.

In many respects, Section 1225 reflects several of our administrative initiatives to integrate the NEPA process with transportation decisionmaking. The Department and the Council on Environmental Quality (CEQ) have been working together for some time to make the transportation/NEPA process more efficient and more effective. For example, the Department and CEQ cosponsored a workshop focusing on NEPA. Federal, State, and local officials and non-governmental representatives from across the country shared innovative ideas, discussed improvements for the NEPA process in general, and considered ways to reinvent NEPA analysis during transportation decisionmaking.

We believe your integrated decisionmaking provision parallels these efforts. Your provision would continue to emphasize integration of transportation and NEPA decisionmaking without amending NEPA or affecting implementing regulations. As you know, the Administration will oppose any amendment to NEPA. We will also oppose any amendment that would delegate Federal duties under NEPA to State government or would compromise the statutory responsibilities of other Federal agencies.

While the provision does not explicitly address alternatives analysis, we believe alternatives analysis is an integral component of NEPA implementation. NEPA and the CEQ regulations require both the transportation planning and NEPA processes on surface transportation projects to identify and assess a reasonable range of alternatives so that decisionmakers have the opportunity to fully compare the social, economic, and environmental impacts of various alternatives. It is particularly important to assure that the scoping process described in the CEQ regulations is an open and meaningful exercise to ensure that the public has an opportunity to help shape projects within their communities.

The Department and other federal agencies involved in NEPA implementation stand ready to work with you and other Members on this initiative, as S. 1173 moves forward. We appreciate your effort toward ensuring that the NEPA and transportation decisionmaking process is more efficient, without compromising environmental protection. An identical letter has been sent to the provision's cosponsor, Senator Ron Wyden, and to the leadership of the Senate Environment and Public Works Committee.

The Office of Management and Budget has advised that it has no objection, from the standpoint of the Administration's program, to the submission of these views for the consideration of Congress.

Sincerely,

Rodney E. Slater

ISTEA Meeting

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