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Collection/Record Group: Clinton Presidential Records

Subgroup/Office of Origin: National Economic Council

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Folder Title:
TEA - 21 [Transportation Equity Act of the 21st Century] [Folder 2]: [Budget]

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

THE WHITE HOUSE
WASHINGTON

- 18.4 ¢

- '98 - 26.1 [illegible] 31

- '99 - 38.6 ~~[illegible]~~

- 2000 - 33.2

- 2001 33.8

- 2002 34.4

- 2003 35.1

THE WHITE HOUSE
WASHINGTON

$22B

$11B

'57-'96

39.3 B

THE WHITE HOUSE
WASHINGTON

Oct 1, '95, 2.5¢

began going to ~~NTF~~

They'll need 60 votes

in Sen. to put this

off budget

Melissa G. Green
04/03/98 08:52:10 PM

Record Type: Record

To: Dorothy Robyn/OPD/EOP

cc:
Subject: 1998-04-03 President's Remarks on the Economy

--------------------- Forwarded by Melissa G. Green/OPD/EOP on 04/03/98 08:53 PM ---------------------------

Peter A. Weissman

04/03/98 01:15:09 PM

Record Type: Record

To: Melissa G. Green/OPD/EOP

cc:
Subject: 1998-04-03 President's Remarks on the Economy

--------------------- Forwarded by Peter A. Weissman/OPD/EOP on 04/03/98 01:08 PM ---------------------------

SUNTUM_M @ A1
04/03/98 12:02:00 PM

Record Type: Record

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

cc:
Subject: 1998-04-03 President's Remarks on the Economy

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release April 3, 1998

REMARKS BY THE PRESIDENT
ON THE ECONOMY

The Rose Garden

10:08 A.M. EST

THE PRESIDENT: Thank you very much. Before I read my statement, I'd like to make a brief comment on a momentous event which occurred during my trip to Africa, back here. The Vice President turned 50, and I hope all of you noticed the increased gravity and maturity of his aura. (Laughter.) I personally am greatly relieved. Not long before he turned 50, as I told him when I called him, an elderly lady came up to me and she said, I think you and that young man are doing such a good job. (Laughter.) And it's nice to have a middle-aged team now at the White House.

THE VICE PRESIDENT: She was very elderly. (Laughter.)

THE PRESIDENT: Let me say, Hillary and I are delighted to be back from what was a wonderful trip to Africa. We are working hard to strengthen the bonds of the African continent that I am convinced is in the midst of a renaissance, where political and economic liberty is on the rise.

I only wish every American could have been with me every step of the way to see, first, Africa, not only its problems, which are profound, but the energy and intelligence and determination of the people. I also wish every American could have had yet one more opportunity to see how a very important part of the world see America -- still as a beacon of equality and freedom and hope for opportunity.

Today we learned that the unemployment rate in the first quarter of this year, averaging 4.7 percent, is the lowest it's been since 1970, 28 years. While there will be ups and downs, our economy continues to be one of the strongest in history. Over the past year we've seen the strongest wage growth in 20 years; inflation is still low; homeownership now at a record level. As we approach the longest peace-time expansion in our history, this is a springtime of hope and opportunity for the American people.

Our economy is the product of the hard work, the creativity, the innovation of our citizens, and the ingenuity and drive of our businesses. But also it is the fruit, as the Vice President said, of the comprehensive economic strategy we have pursued since 1993, a strategy for the new economy.

The coming months will now test our nation. It will determine whether we will maintain our discipline and pursue our priorities to strengthen our country for the new century. We can make this a time of action as well as a time of abundance, to secure our prosperity well into the future, to widen the circle of opportunity so that all Americans have a chance to reap the rewards of economic growth.

First, we should go and balance the budget this year and do it in a way that continues our investment in our people and their future. With projected budget surpluses of $1 trillion over the next decade, I am pleased that members of Congress of both parties have

joined my call to reserve every penny of the surplus until we save Social Security first. This is very significant. I compliment the leadership of both parties. It will strengthen our nation.

At the same time, as we live within a balanced budget, we must invest to create prosperity for the future. Many times I have said that in the new economy, education is the leading economic indicator. We will continue to lead the world only if our children receive the world's best education. In that context, I am very concerned that the budget plan now working its way through the Senate will squeeze out critical investments in education and children.

I believe America must address the challenges before us. Class size for our children -- we must hire 100,000 new teachers so that we can reduce those class sizes. We must spur school modernization to make our classes smaller and our schools safer. We must invest in path-breaking scientific research that will lengthen our lives and promote prosperity into the 21st century. And we must make those investments which will make credible our call for higher standards and higher performance in our schools. The budget now being drafted by Congress simply does not meet these urgent national priorities.

I'm also determined that highway spending, though it is quite important, and though our budget provides for a very impressive increase in investment in highways and mass transit, must be -- such spending must be within the balanced budget, and should not crowd out critical investments in education, child care, health care, or threaten our budget discipline.

In the coming months I look forward to working with Congress in cooperation with lawmakers of both parties so that America stays on the path of both fiscal discipline and targeted investment -- a balanced budget that is in balance with our values and our long-term interest in the future. That is what has brought us this far since 1993. We should not depart from that strategy now.

Finally, I am determined to seize this historic opportunity to pass bipartisan legislation to protect our children from the dangers of tobacco. This Congress can be the Congress that saves millions of children's lives. I want to say that we seem to be making some progress on that, with the vote in the Senate committee, but there is an enormous amount of work still to be done. And I hope during this working recess the lawmakers of both houses and both parties will be talking to the folks back home about the tobacco legislation and will come back here at the end of this month with a renewed determination to actually pass legislation that will get the job done.

Our economy is the strongest in a generation, our social fabric is on the mend, our leadership around the world as we saw on the trip to Africa, remains unrivalled. But our history and our heritage tells us that we can do better and that our success depends upon our constant effort to do better. The American people want us to use this sunlit moment not to sit back and enjoy, but to act. We were hired by the American people to act. If we do so, in the 21st century the American dream will be more powerful than ever.

Thank you.

Q Do you have any comments on reports that Kenneth Starr is being urged to indict Monica Lewinsky and name you as a co-conspirator?

Q On the tobacco deal, sir, how concerned are you that one or more of the tobacco companies might walk away from this proposed settlement? And do you believe that you need their cooperation both so that there is money for your budget priorities and
so that you can win restrictions on cigarette advertising?

THE PRESIDENT: Well, the latter is of greater concern. That is, their agreement, or lack of it, would influence the way Congress would have to raise the money, through raising the price of cigarettes to deter more consumption and to raise the funds for the health care costs of tobacco and the health research and the other things that I believe should be funded out of this settlement. But on the advertising, of course, that could be a concern because of the governing legal precedents.

But I still believe that the incentives are there for the tobacco companies to do this. With each new revelation of the strategies which have been vigorously pursued to market cigarettes to children, I think they have an enormous interest to reverse the record of the past to try to put this unforgivable chapter behind them and to start off on a new path. So I still believe that in the end we will achieve an agreement which will convince them, or which they will be convinced will be in their interest.

The advertising issue is the more important one from a legal point of view, but I think we'll get there because they have now -- with this evidence continuing to mount up about the deliberate strategy which was followed, they have a big interest in pursuing it.

On the other matter, you know, I'm not going to comment on that. I'm going to try to do what the Supreme Court said I should do, which is not to be in any way deterred by this, and I'm going on with my business; others will comment on that.

Q Mr. President, Moody's debt rating service earlier today issued a warning about Japan's sovereign debt. The United States has repeatedly urged Japan, with little apparent success, to try to jump start its domestic economy. Do you see any signs that the Japanese government is now ready to take actions that would help bring it into recovery?

THE PRESIDENT: Well, the Prime Minister keeps moving forward in ways that the market seems to believe are insufficient. And we have obviously urged aggressive action, because we want the Japanese economy to grow. We think the Japanese economy is the key to stability and growth in Asia, and we have always wanted a strong, healthy Japanese partner.

Japan is a great democracy, they've been a great partner for us, they've been a great engine of economic growth for many years until the last few years. There may be some momentary disruption because now you have some business leaders speaking out in Japan, but it appears to us on the outside of this that there is an ongoing struggle between what is now the articulated view not only of the United States and others, but of the business community in Japan about the direction that country should take and the entrenched resistance to that in the permanent government bureaucracy that followed a different strategy with great success in previous years. And I think we need to be both respectful, but firm, in urging the Japanese to take a bold course.

Prime Minister Hashimoto is an able man, and he understands the economy, and I believe he wants to take such a course. What has to be done is that the people within the permanent government there, which have always enjoyed great power, have to realize that the strategies that worked in the past are not appropriate to the present. They have to make a break now in some ways that's not so different from the break that we made in 1993. You simply can't stay with a strategy that is clearly not appropriate to the times and expect it to get the results that are needed for the country.

But Japan is a very great country full of brilliant people who have a great understanding of economics. And as I said, I think the Prime Minister understands this and is willing to take risks and wants to do it. And he's got this raging battle going on and I have to hope that the forces of the future will prevail.

Thank you.

END 10:20 A.M. EST

Message Sent To: ____

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Leanne I. Johnson

Jake Siewert
04/02/98 11:14:32 AM

Record Type: Record

To: Brian A. Barreto/OPD/EOP, Dorothy Robyn/OPD/EOP
cc:
Subject: POTUS Letter on BESTEA

---------------------- Forwarded by Jake Siewert/OPD/EOP on 04/02/98 11:15 AM ---------------------------

Megan C. Moloney 03/28/98 02:30:25 PM

Record Type: Record

To: See the distribution list at the bottom of this message
cc:
Subject: Text of a Letter from the President to the Speaker of the House

THE WHITE HOUSE

Office of the Press Secretary

(Johannesburg, South Africa)

For Immediate Release March 28, 1998

TEXT OF A LETTER FROM THE PRESIDENT
TO THE SPEAKER OF THE HOUSE OF REPRESENTATIVES,
THE MAJORITY LEADER OF THE SENATE,
THE MINORITY LEADER OF THE SENATE,
AND THE MINORITY LEADER OF THE
HOUSE OF REPRESENTATIVES

Johannesburg

March 28, 1998

Since taking office in 1993, my Administration has made a commitment to both fiscal discipline and the strategic investments we need to lay the foundation for a strong and healthy economic future. Our initiatives have helped produce economic conditions never imagined when I first took office. We have reduced the budget deficit from $290 billion in 1993, and may realize a potential surplus in 1998, reaching balance years before our target date. We now enjoy low unemployment, modest inflation, sustained economic growth and a level of prosperity that is a model for other countries.

Our economic policy has always demonstrated our commitment to public investments in our people to complement our commitment to private investments, fueled by successful deficit reduction. Our priorities have always included a combination of vital investments in education and training, environment, community empower-ment, research, infrastructure and transportation.

Certainly investing in a reliable, efficient, and a well-constructed system of highway and mass transit is an important domestic priority and critical to our economic success. In fact, the budget I sub-mitted this year asks for 40 percent more for transportation than the average annual expenditure in the previous administration.

However, I have serious concerns that the extent of proposed new spending in this transportation bill goes too far and could threaten both our fiscal discipline and our commitment to education and other critical investments in our future. Transportation is an important domestic priority, but we must strike a balance so that we do not allow one priority to squeeze out other critical investments such as education or undermine our fiscal discipline.

We should not and need not reject fiscal discipline or force cuts in critical programs on which our citizens and country rely to build a strong America in the 21st century. If we show a balance of our values as we reach a truly balanced budget, we can maintain fiscal discipline while maintaining strong investments in both our people and our physical infrastructure.

Sincerely,

WILLIAM J. CLINTON

# # #

Dear Mr. Chairman:

I am writing to convey the Administration's serious concerns regarding the spending implications of H.R. 2400, "The Building Efficient Surface Transportation and Equity Act of 1998." As reported by the House Committee on Transportation and Infrastructure, H.R. 2400 would increase surface transportation authorizations significantly above the President's request and, if not offset by new proposals, would force significant reductions in other discretionary programs. The bill also would move the Highway Trust Fund off budget.

Although Committee documents state that only $26 billion in offsets would be needed to fund the additional spending contained in H.R. 2400, OMB estimates that H.R. 2400 would increase surface transportation outlays during 1998-2003 by at least $33 billion above the amounts in the President's Budget. Yet H.R. 2400 does not offset <u>any</u> of this additional spending.

The Budget Resolution as reported by the Senate Budget Committee demonstrates how difficult it would be for the Congress to find acceptable offsets for the additional spending contemplated by H.R. 2400. The Senate Budget Resolution identified only $16 billion in mandatory offsets for transportation spending, offsets that the President had proposed for funding vital initiatives in education, research, veterans' benefits, food stamps, environmental programs, and other domestic discretionary programs. Like H.R. 2400, the Senate Budget Resolution does not cover the full cost of the transportation outlays authorized by the Senate-passed surface transportation reauthorization bill. Thus, the Senate Budget Resolution would require further severe cuts in other domestic discretionary spending programs -- to levels below those enacted in 1998 -- in order to realize fully the authorized levels of transportation spending.

In addition, the reported bill contains some $9 billion in Congressionally earmarked spending for some 1,400 projects. This level of earmarked spending is unprecedented and unwise.

H.R. 2400 will force unwarranted spending reductions in high priority domestic spending to be made during the fiscal year 1999 appropriations process, and will create the potential for complete Congressional gridlock as it becomes evident that neither the President's priorities nor Congressional priorities can be funded at acceptable levels. I urge the Congress to reject this effort to take the Highway Trust Fund off budget, and to reduce the spending levels in H.R. 2400 or fully offset the additional spending with acceptable new proposals.

leaders
Same to (Obey, Livingston)

Status of ISTEA Legislation
April 2, 1998

Last night the House passed HR2400, the ISTEA reauthorization bill, by a 337-80 vote. Three amendments challenging various funding issues in the bill were defeated by similar margins. (Rep. Graham, R-SC, offered an amendment to strike $18 billion in demonstration and other projects. Rep. Kasich's amendment would have turned back Highway Trust Fund dollars to the states to spend. And Rep. Spratt, D-SC, offered an amendment, supported by the Administration, to extend the current short-term ISTEA law to July 1, so as to allow for completion of the House budget resolution.)

The good news came in the form of 1) a 225-194 vote to defeat an amendment by Rep. Marge Roukema, R-NJ, that would have eliminated DOT's DBE program, and 2) House approval of an amendment by Rep. Danny Davis, D-IL, to increase annual funding for welfare-to-work transportation services from $42 million to $150 million (the Administration requested $100 million).

The leadership did not allow for a vote on Rep. Lowey's amendment to lower the legal blood alcohol content to .08. (At a Roosevelt Room event last Friday with Rep. Lowey, Secretary Shalala read a letter from the President supporting the amendment.)

The conferees will begin work following Easter recess, in hopes of reaching a compromise bill by Memorial Day. Although the states want to see that process go quickly (the current ISTEA extension expires May 1), Kasich and other budget hawks may want to slow it down, so that House members can see what offsets would be required in the budget resolution to pay for HR 2400.

Recent Administration Statements: In addition to his letter to Rep. Lowey on .08, the President wrote to the leadership on March 28 to raise serious concerns about the proposed level of new spending in ISTEA. On April 1, we sent a SAP flagging funding levels/off-budget and other important issues.

Questions to Consider:

Secretary Slater will be touring southeastern states next week to talk about ISTEA. What should his message/talking points be?

If the Administration ratchets up the level of criticism of ISTEA funding levels, what price will Shuster and others extract in terms of how the Administration's policy priorities are treated (funding for environmental and WTW, e.g.)?

Status of ISTEA Legislation
March 25, 1998

On March 12th, the Senate passed the Intermodal Surface Transportation Efficiency Act reauthorization by a vote of 96-to-4. The House Transportation and Infrastructure Committee approved a manager's amendment to its reauthorization proposal, Building Efficient Surface Transportation and Equity Act (BESTEA), on March 24th with a vote of 69-to-0. The bill is expected to go to the House Rules Committee on Monday, March 30th and to the House floor on Tuesday, March 31st. The current 6-month extension prohibits obligating highway funds beyond May 1, 1998, thereby forcing Congressional action.

In policy terms, the House and Senate bills are similar to the Administration's proposal, the National Economic Crossroads Transportation Efficiency Act (NEXTEA). However, the remaining key differences are discussed below.

<u>Funding</u>: The Senate bill provides $217 billion in contract authority over 6 years for highways --$50 billion more than the President's budget request ($38 billion more for highways and $13 billion more for transit). The House bill provides $219 billion in contract authority over six years or $53 billion above the President's budget request.

<u>Trust Funds Off Budget:</u> The House proposal includes a provision to take the highway trust fund off budget beginning in 1998. The bill does not take the aviation or water trust funds off budget. All trust fund receipts and spending will be excluded from the calculation of the deficit and spending caps. Off budget assures that outlays are provided commensurate with the contract authority authorized (the Senate bill provides no guarantee). Off budget would also require a cap adjustment. [Note: Appropriators could still impose obligation limits, but there would be little incentive to do so.]

<u>Offsets:</u> The Senate bill does not specifically require offsets. The Senate Budget Resolution provides $194 billion for ISTEA programs. In doing so, the Senate claims the Administration's 1999 budget offsets for other priority initiatives and/or cuts some priority programs to pay for the increased transportation spending. While the manager's amendment to the House bill includes a provision requiring offsets, it does not identify any specific offsets. Offsets are unlikely to be identified until Conference.

<u>Demonstration Projects:</u> While the Senate bill does not include funding for highway demonstration projects, the Senate adopted an amendment, offered by Senator McCain, to include any future demonstration projects under the obligation limitation. These projects would offset the amounts States would receive under the formula. Senator McCain argued that this was a way to protect donor states

by ensuring the formula applied to all spending. Under ISTEA, demonstration project funding was exempt from the obligation limitation. Spending exempt from the obligation limitation would be mandatory and would require a PAYGO offset. The House reauthorization includes $9.3 billion for about 1,400 demonstration projects; this funding is exempt from the obligation limits. It is assumed that the Senate included the McCain provision as a negotiating tool for Conference.

DBE: The Senate defeated Sen. McConnell's amendment to repeal DOT's Disadvantaged Business Enterprise (DBE) program by a 58-37 vote. The DBE program expands economic opportunity for women and minority-owned firms, which have been effectively shut out of the construction contracting process until recently. The House bill reauthorizes the DBE program, although Members may offer amendments to weaken the program.

Transit Minimum Allocation: The Senate shifted $100 million a year in transit money to rural areas, avoiding a vote on a damaging amendment ("transit minimum allocation") that would alter the current, need-based formula for allocating transit funds. The House does not include a minimum allocation provision similar to the defeated Senate provision and no amendment is expected on the Floor.

Welfare-to-Work: The Senate increased funding for welfare-to-work transportation services from the POTUS request of $100 million to $150 million a year over six years. The Senate also authorized $100 million a year for reverse commute grants to help move workers from urban areas to jobs in the suburbs. Although these grants will not be limited to former welfare recipients, there should be significant overlap with the welfare-to-work transportation initiative. The House bill authorizes the welfare-to-work program at $42 million per year. The Administration hopes to increase the House authorization and/or succeed in increasing the program to at least $100 million, the level authorized in NEXTEA. The House added additional provisions which would limit the Secretary to selecting 10 demonstration projects nationwide. The Administration opposes the cap in the House bill because it would result in excessive per project funding levels.

Safety: The Senate adopted two amendments that would withhold highway funds from states that fail to adopt laws to 1) reduce the legal blood alcohol level to .08 (currently .10 in most states) and 2) to prohibit the carrying of open alcohol containers in motor vehicles. (The .08 vote came a day after the President endorsed the Lautenberg-DeWine amendment at an East Room event.) The House bill does not include either provision. However, Representative Lowey is expected to offer a .08 BAC amendment on the House floor.

Environment: Both the Senate and House bills continue the Congestion Mitigation and Air Quality Improvement (CMAQ) program and the Surface Transportation Enhancements program. The Senate has avoided any showdown votes over environmental issues, including making single occupancy vehicle lanes eligible under the CMAQ program and delaying implementation of the new Clean Air Act standards. The House bill contains a controversial provision to streamline the environmental review process by delegating Federal oversight authority to the States.

Innovative Finance: The Senate bill contains an innovative finance title which reauthorizes the State Infrastructure Banks (SIBs) and creates a new authorization for a Transportation Infrastructure Finance and Innovation program that goes further than the Administration's proposal by providing direct loans and loan guarantees. The Department of the Treasury has serious concerns with the expanded program. The House has not included any innovative finance proposals.

Jake Siewert
03/20/98 04:48:43 PM

Record Type: Record

To: Dorothy Robyn/OPD/EOP, Charles R. Marr/OPD/EOP

cc: Melissa G. Green/OPD/EOP
Subject: McCurry on ISTEA

Q Mike, on the transportation bill, which is going to -- before the House Transportation Committee next week, it would bust the budget by $26 billion, therefore, what is the President's position on that? They're saying there will be offsets, but they don't know what the offsets will be.

MR. MCCURRY: We have very real concern about the amount of spending that is in their version of the Intermodel Surface Transportation Bill. We have proposed increases, too, and in fact, we had proposed some increases that were in excess of the balanced budget agreement, but we felt that they were necessary and we -- in the budget documents we sent to Congress indicated the reasons why. But the kinds of increases that they've been contemplating go well beyond those that would be offset in the context of the fiscal discipline to keep within the budget targets that have been established. So we've got real concerns about it. We have other concerns about the bill and we're going to continue to work hard on the Hill to kind of move the bill back in a direction that more closely resembles the President's own FY'99 budget proposal.

Highway Bill
March 26, 1998

Q: **The transportation bill would bust the budget by $26 billion. Will the President accept that?**

A: I support a strong highway and mass transit bill, and I will work to ensure that the priorities included in my transportation proposal are incorporated in the final bill, including highway safety, welfare-to-work, disadvantaged businesses enterprises, and environmental protections. But, any highway funding must:

- fit within the Balanced Budget Agreement and;
- not squeeze out investments in education, child care, and health care. We are concerned that the increases contemplated would not leave room for investments in education.

$150 M for WTW

What's next?

NEPA

DOE

Enviro's think their issues can get fixed in conference

Votes:

Lindsey - No

Specter - 2-mo. extension

we supported in SAP but didn't actually do

Kaine - turnback

turnback

Can we get House budget resolution
done 1st

(first) will they do finish by early May

That, plus pressure from States

Sen is ~~taking~~ hard line on projects

Starting to fight over petty issues -
E.g., who should chair.....

- What's the risk to our policy priorities if we make a run

NGA Roundtable
Surface Transportation Financing

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

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

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

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

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

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

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

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

--Emphasizing safety
--Protecting the environment
--Investing to move people from welfare to work
--Strengthening urban communities
--Encouraging participation by disadvantaged businesses

[Although I am requesting $600 million for welfare-to-work transportation services, I recently sent governors a letter urging use of existing funds for this purpose wherever possible. Both the TANF block grant and the welfare-to-work grants created by the Balanced Budget Act of 1997 offer flexibility to provide certain transportation services.]

· And we need a reauthorization bill ***soon*** -- a multi-year bill that conforms to the balanced budget agreement. I have strongly urged the Congress to send me a bill reauthorizing ISTEA before the 6-month extension expires in May.

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

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

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

> --For surface transportation, my FY99 budget requests $1.7 billion, or 7%, more than the 1999 level assumed in the BBA. For ***all*** transportation programs, my budget request is $2.4 billion above what is assumed in the BBA.
>
> --Highway spending in my FY99 budget is up 42% over what it averaged in the last Administration; for transit, the comparable figure is 35%. If you look at all transportation infrastructure -- airport grants and rail capital, as well as highways and transit -- the level I'm requesting is 42% higher than it was in the Bush Administration.

Question: The 6-month extension of ISTEA effectively expires on May 1. What is your Administration doing to get a new bill?

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

Question: What are your views on proposals to ensure that each state receives a guaranteed amount of transit funding ("minimum allocation") based on its payments into the Mass Transit Account of the Highway Trust Fund.

Answer: I strongly oppose any minimum allocation. The current formulas are based on transit needs, rather than on contributions to the Highway Trust Fund, so as to maximize the overall benefits to the Nation. Adoption of a minimum allocation approach would seriously harm many transit systems, especially those in the most transit-dependent areas.

- Va to Fla. - 6 states
- Lots of Mr
- Not just h/ways
  - Port (Va)
  - aviation
  - Drug interdiction
- But it's an opp - to say sthg abt. ISTEA
-
- Following wk, speech before Nat'l Press Club; and an opp. to talk abt. Invest in trans/infra - but properly done.
- Lots of mtg's - Safe to say - we don't know
- BOND issue
- 3 ways to
1) Bill is too large - compared to CBA, etc.
2) Will squeeze out other priorities,
   - directly
   - or by using offsets . . .

(3) Projects

We've said all little abt. (3)

(4) the budget

We haven't been thrill abt - this either

Where do we want to go?

- smaller
- not squeeze out
- fewer things
- on budget

But how to effectuate...?

Can't say where we'll come out

- If we think we can have an impact.. will lead to

- But higher odds well ~~create~~

Can't say where we'll come out.

LS:- POTUS Ltr. is good guidance

- Off-budget is safe to criticize, but won't come up in your mtg's

LS own view:

- Uses will be greater loss than gain in long run

(But I'm wondering

Rhetoric:

Name I Okay [illegible]. ...

But it can't consume / crowd out other Is

FR: Timing is Tricky, however

We've been arguing speed; now we're supporting Spratt....

One

- We think we can get a good bill by May 1.
- But if they can't, they still slow down.

The
∴ Right bill by May 1.

LS:
Press coverage of
Projects has been brutal

You cld get asked Qs ...

FR:

If we crank ourselves up to do a thing
focused on Rep - Demos...

LS: But that's our most dangerous ground.

Met w/ Warner grp - he's embarrassed
by House bill; off-budget

LS:

Envir. is ripe for things to turn:

- Pres

- Warner

∴ we shld let things play out; sea of our stg. doesn't

But we shldn't be source of info on demos.

we don't need to

(1) Book answer to HTF issue.

(2) ~~Best~~ est's of crowding out.
we can get

(3) Assessment of these demos.

- FHA is getting info from field offices

One option is just to kill the demos.

Anal. of Domenici plus Shuster = worst
Case analysis

to Educate cospons

But we have to be careful
not to believe ourselves

Response to Q is Veto

- We're going to see if there's any movement

So we'll figure this out over next
3 wks

- Too big
- Crowding out
- need good bill by May 1
- policy

Diff two H. & isn't that much - it's
the diff. two mand & disc.

So, even if you get vol & dems
will carry

~~one~~

Formula fights were resolved only by
raising overall level

ABC story was rough - back to
Sheridan's problems

Will Senate do same?

~~ab~~ Hous. & Del have

SUE

What abt DOT staff mtg ...?

Need to talk to Chafee, Warner,

Baucus ASAP.

Rainer - LS

Will Call on Mon.

See if we can slow them down

a bit

— some crowding out ex's

1) Level is problem.

2) This is looking so bad ...

Warner - Prospect of Porks

Embarrassing w/ w/ vote ...

House Budget Res'n won't be ready til May 1.

Waiting for new #s

Crowding out of other items. I

good argument for Stoker to make

Pork

Ways to slow process down w/out being seen to do so.