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TEA - 21 [Transportation Equity Act for the 21st Century]: ISTEPA [Intermodal Surface
Transportation Efficiency Act] / TEA 21 Signing Ceremony

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Jake Siewert
06/09/98 06:41:10 PM

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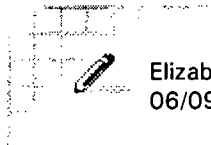
To: Dorothy Robyn/OPD/EOP, Jonathan A. Kaplan/OPD/EOP

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Subject: 6-10-98 Remarks by the President ISTE A Signing

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Subject: 6-10-98 Remarks by the President ISTE A Signing

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

June 9, 1998

REMARKS BY THE PRESIDENT
IN SIGNING TRANSPORTATION EQUITY ACT
FOR THE 21ST CENTURY

Room 450
Old Executive Office Building

5:45 P.M. EDT

THE PRESIDENT: Thank you, Robin. You're a pretty hard act to follow. (Laughter.) And thank you, Secretary Slater, for doing such a good job and for giving such a good sermon today. I thought he was going to pass the plate. (Laughter.) Then I realized that you had already given him all the money, he didn't need to pass the plate. (Laughter.)

I, too, want to thank the members of Congress who are here. There are 40 or 41 here. But I would like to specifically acknowledge and thank Senator Lott, Senator Chafee, and Senator Baucus, Congressman Shuster and Congressman Oberstar, Senators Byrd, D'Amato and Sarbanes -- all the others who are here who have worked for this. I thank you so much.

Thank you, Governor Schafer, for coming, and all the mayors who are here from all over our great country. Governor Voinovich wanted to come and be with us today, but he's back in Ohio with his mother who is ill. And our thoughts and prayers are with them.

Forty-two years ago this month, President Eisenhower signed the Federal Aid Highway Act into law. The bill was sponsored in the Senate by Albert Gore, Sr. It gave rise to the most efficient network of roads in the history of this country, connecting millions of Americans to the economic mainstream, ushering in two decades of unparalleled growth.

In 1992, when I got on that bus and road across America, I was still the beneficiary of that far-sighted action over 40 years ago. But I also saw that the concrete foundations built in the Eisenhower era were crumbling in some places, that more needed to be done in our cities, in our rural areas, and in all places in between.

It was clear to me then that if America were to roll into the 21st century at full speed we had to be willing once again to make historic and long-term investments in our roads, our bridges, our transportation systems. We've worked hard to do that for five years with enormous bipartisan support in the Congress, even as we were cutting the deficit and reducing the size of the federal government to its smallest in 35 years.

Today, I am proud to sign this bill -- the Transportation Equity Act for the 21st Century. It meets the challenge of building the pathways of the future, while maintaining the fiscal discipline that allowed us to achieve the first balanced budget in 29 years and an accompanying very high rate of economic growth. The act will strengthen America by modernizing and building roads, bridges, transit systems, and railways to link our people and our country together, and to permit a freer flow of goods. It supports -- as you just saw -- hundreds of thousands of jobs and a lot of good training.

- - -

MORE

The act will save lives by allowing us to develop advanced airbag technologies, to offer incentives for increased seatbelt use, to make our roads safer, to get bad drivers and vehicles off the road. The act will protect the environment. It expands recreational trails and bike paths, promotes mass transit and helps communities to meet national standards for healthy air. The act will expand opportunity. It offers transportation assistance to enable more Americans to move from welfare to work. If you can't get to work, you can't go to work. It protects the Disadvantaged Business Enterprise Program so that minority and women owned businesses have an opportunity to compete for transportation projects.

The act will allow us to reserve our budget surpluses until we have saved Social Security for the 21st century. The bill is paid for line by line and dime by dime, without squeezing other critical investments in education, health care, research and development and the environment.

I have to say that I am disappointed that the bill does not go far enough to ensure a national standard of .08 blood alcohol standard in every state. I'll continue to fight for it and I hope we can pass it, because I believe it will save hundreds of lives.

I also would note for the record that working with these members of Congress we were successful in removing several extraneous environmental riders from the legislation. But I hope that that process can be abandoned so that all environmental issues can be voted on in the clear light of day, up or down.

Let me finally say that now that we are honoring our commitment to build a 21st century transportation infrastructure, I hope that the bipartisan support I have already seen for a 21st century education infrastructure will result in a broad bipartisan bill there as well. For less than one-tenth of the cost of this bill and without spending a cent of the surplus, we can help to ensure that our children will be able to learn in safe, modern, well-equipped schools. (Applause.)

Now, again, just look at this array of members of Congress who are here from both parties and both Houses. This shows what we can do when we bring honorable differences and an honest determination to solve a problem together in open and respectful dialogue with an absolute commitment to getting to the end of the road. This kind of constructive bipartisan approach can do anything it sets its mind to do.

I talked to Senator Lott today and I want to thank him and, in his absence, Senator Daschle, for the agreements which have been made today to allow votes to proceed on the tobacco legislation. I thank you, sir. We have another chance to save a million lives, reduce youth smoking, and make a massive contribution to the public health of America. The public expects us to work out our differences on this legislation and on other important bills. The public expects us to act as parents, not politicians. The public really expects us to bring the kind of bipartisan spirit that was brought to bear on this transportation bill to all our important work here.

And I must say again, the country owes a deep debt of gratitude to the United States Congress for the way they have done this work. Thank you. (Applause.) And I would like to ask all the members of Congress to come up here and gather around, and I'll sign the bill.

(The bill is signed.)

Thank you all very much. We're adjourned.

END 5:57 P.M. EDT

Message Sent To: _____

Today, President Clinton will sign an ISTEA Reauthorization Bill That Includes An Historic Investment in Infrastructure While Maintaining Fiscal Discipline and Protecting Critical Investments, Such As Education, the Environment, and Health Care. While providing an historic investment in our infrastructure, the agreement maintains President Clinton's priorities of reserving the surplus until Social Security is reformed and investing in critical areas such as education, the environment, and health care. In response to the concerns the Administration raised, Congress improved the bill and the agreement now represents a solid compromise that is consistent with President Clinton's core principles:

✓Strengthens Our Infrastructure. The agreement guarantees nearly \$200 billion to continue rebuilding America's transportation system -- an approximately 30-percent increase over the 1991 ISTEA reauthorization. This agreement will help communities modernize and build the roads, bridges, transit systems, and railways that link the people of our great and vast country together, that keep our economy strong and vibrant.

✓Maintains Fiscal Discipline. The agreement reduces the amount of additional transportation funding by \$17 billion from the spending levels that were included in the original Congressional bills even though those bills had passed the House and Senate by large majorities.

✓Preserves Surplus Until Social Security Is Reformed. Unlike the original Congressional bills, the compromise is fully paid for with real offsets. And because the agreement does not touch the surplus, it is fully consistent with the President's call to "Save Social Security First."

✓Protects Critical Investments in Our Future. Unlike the original Congressional bills, the transportation agreement does not squeeze other critical investments in our future, such as education, health care, research and development, and the environment, because it is not financed by lowering the discretionary caps.

✓Expands Transit Funding Within A Smaller Bill. While the agreement has less overall spending than the original Congressional bills, it increases the share of transit funding from 17 percent of total surface transportation spending to 20 percent of total spending by 2002.

✓Protects the Environment. The highway-transit agreement strengthens proven strategies to protect public health and the environment by increasing funding for the Congestion Mitigation and Air Quality Improvement program by 40 percent above prior ISTEA levels.

✓Helps Move People from Welfare to Work. One of the biggest barriers facing people who move from welfare to work -- in cities and in rural areas -- is finding

transportation to get to jobs, training programs and child care centers. To help those on welfare get to their jobs, the highway-transit agreement authorizes \$900 million over the next six years for President Clinton's welfare-to-work transportation plan. Of the \$150 million per year, \$50 million is guaranteed in FY99, rising to the full \$150 million per year guaranteed in FY2003.

✓**Helps Disadvantaged Businesses.** The highway-transit agreement provides opportunities to disadvantaged businesses by retaining the Department of Transportation's Disadvantaged Business Enterprise (DBE) program.

✓**Extends the Ethanol Tax Credit.** In order to provide incentives to use ethanol in gasoline and protect the environment, the highway-transit agreement extends the Ethanol Tax Credit through FY2007.

✓**Strengthens Border Infrastructure.** The highway-transit agreement authorizes the Administration's program to target resources to border crossings to improve traffic flow and reduce illicit trade. The agreement allows highway funding to be used for Customs and INS equipment that speeds border crossings.

While the Agreement Provides Funding For Increased Safety, It Does Not Include A National Drunk Driving Standard of .08 BAC. The agreement includes a number of measures to increase safety, including incentive grants to increase seat-belt use and a strong program to make highway-rail grade crossings safer. Congress has also agreed to new provisions to target repeat drunk drivers and to ban open alcohol containers in cars. However, the President is disappointed that Congress refused to lower the national drunk driving standard to .08 percent blood alcohol content (BAC). The President will continue to work to make sure that .08 is the law in every state of the country.

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 2400 - Transportation Equity Act for the 21st Century
Sponsors - Rep. Shuster (R) PA and 118 cosponsors

Last Day for Action

June 9, 1998 - Tuesday

Purpose

(1) Authorizes surface transportation programs for FYs 1998-2003; (2) extends gasoline and related taxes through 2005; (3) changes the budgetary treatment of the highway and transit programs; (4) prohibits the Department of Veterans Affairs from making new awards of service connected disability benefits based on any condition caused by the use of tobacco; and (5) makes numerous changes to transportation laws affecting safety, the environment, and other matters.

Agency Recommendations

Office of Management and Budget

Approval (Signing statement
attached)

Department of Transportation (DOT)

Approval

Department of Agriculture

Approval

Department of Education

Approval

Department of Labor

Approval

Department of the Interior

Approval (Informally)

Appalachian Regional Commission

Approval (Informally)

Council on Environmental Quality (CEQ)

Approval (Informally)

Small Business Administration

Approval (Informally)

Department of Health and Human Services

Defers (Informally)

Department of Housing and Urban Development

Defers (Informally)

Department of Veterans Affairs (VA)

Cites concerns

Environmental Protection Agency (EPA)

Cites concerns

Office of National Drug Control Policy

Cites concerns

Department of the Treasury

No objection (Informally)

Federal Communications Commission

No objection (Informally)

National Transportation Safety Board

No objection (Informally)

Department of Commerce	No comment (Informally)
Department of Defense	No comment (Informally)
Department of Energy	No comment (Informally)
Department of Justice	No comment (Informally)
General Services Administration	No comment (Informally)
Office of the U.S. Trade Representative	No comment (Informally)

Discussion

On May 22nd, you urged Congress to pass the conference version of H.R. 2400, characterizing it as "an historic bill to strengthen our transportation system and maintain our commitment to fiscal discipline and investing in our people." Later that day, the conference report was agreed to in the House by a vote of 297-86 and in the Senate by 88-5. Its principal provisions are summarized below. Other significant provisions are summarized in DOT's enrolled bill views letter.

In a related development, on June 3rd, the House of Representatives passed H.R. 3978, a bill that would correct major errors and omissions in H.R. 2400. The most significant of these, relating to highway safety and veterans benefits, are described below. The Administration is working with the Senate to secure prompt enactment of the House-passed technical corrections bill.

Budgetary Resources for Transportation

The Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) expired on September 30, 1997. The Surface Transportation Extension Act of 1997 temporarily continued funding for the most critical ISTEA programs through May 1, 1998. H.R. 2400 funds highway (including highway safety) and transit programs through FY 2003.

H.R. 2400 would effectively guarantee \$198 billion in budgetary resources for highway and transit projects through FY 2003. This amount is considerably lower than levels previously approved by the House and Senate, but \$31 billion more than proposed by the Administration. This \$31 billion increase in budgetary resources translates into a \$17.5 billion increase in outlays during FYs 1998-2003, because not all of the budgetary resources will actually be spent during the initial six-year period. The bill generally finances this \$17.5 billion increase in outlays by enacting offsets (described below) that were proposed in the FY 1999 Budget to finance other Administration priorities. (Note: H.R. 2400 includes highway and transit authorizations totaling \$218 billion, but actual spending cannot be increased beyond the guaranteed level of \$198 billion unless funding is transferred from other domestic programs.)

For FY 1999, the guaranteed funding level for surface transportation programs is \$32.0 billion -- a 17 percent increase above the FY 1998 level of \$27.4 billion. The guaranteed level gradually rises to \$36.2 billion by FY 2003 -- a 32 percent increase above FY 1998. The bill also substantially increases transit's share of total transportation budget resources from the current 17 percent to 20 percent in FY 2002. A table displaying the bill's annual funding levels for highways and transit is attached.

The enrolled bill makes significant changes to non-transportation programs (i.e., veterans, social services, and student loan programs). These changes, some of which provide offsets for the proposed transportation spending, are addressed below.

New Budgetary Treatment

H.R. 2400, as passed by the House, would have removed the Highway Trust Fund from the unified Federal Budget. As enrolled, H.R. 2400 keeps Trust Fund spending on budget while effectively guaranteeing that spending on highway and transit programs during any fiscal year will at least equal total Highway Trust Fund receipts for the prior year.

Beginning in FY 1999, the highway (including highway safety) and transit programs would each become budget categories separate from other domestic spending. This change establishes a "firewall" between surface transportation spending and other Federal domestic discretionary spending, because the amounts identified in the highway and transit budget categories may not be used for other Federal programs.

The enrolled bill also provides a mechanism for assuring that any increases in Trust Fund receipts are devoted to highway projects. If Trust Fund levels are higher or lower than anticipated, H.R. 2400 provides that budgetary resources for highway projects in the following year will be commensurately increased or decreased. (Budgetary resources for transit will not be affected.) In exchange for this provision, money in the Highway Trust Fund will no longer earn interest after September 1, 1998, and any cash balances in excess of \$8 billion in the highway account will be transferred to the General Fund.

Allocation Among the States

Highway funds for individual highway programs (e.g., National Highway System or the Congestion Mitigation and Air Quality Improvement program) are apportioned to States according to criteria specific to each program. H.R. 2400 adds a "Minimum Guarantee" provision, under which States are promised highway funding equal to at least 90.5 percent of their share of total contributions to the highway account's revenues. To assure that this objective is met, the enrolled bill establishes specific shares for each State for several major Highway programs. These shares will be readjusted by the Secretary of Transportation if necessary to meet the 90.5 percent guarantee for all States.

Revenues

The Highway Trust Fund -- which funds highway, transit, and intermodal programs -- is supported by excise taxes on highway users, principally taxes on fuels and heavy trucks, all of which expire on October 1, 1999. The enrolled bill extends these taxes through September 30, 2005. It also extends the dedication of almost all highway user taxes to the Highway Trust Fund through September 30, 2005, and authorizes expenditures from the Trust Fund through FY 2003. (A portion of the tax on some alcohol fuels will continue to be deposited in the General Fund.)

Safety Provisions

Drunk Driving Prevention Programs. H.R. 2400 authorizes a total of \$500 million during FYs 1998-2003 in incentive grants to States that enact or enforce laws establishing blood alcohol concentration levels of 0.08 percent or more as a *per se* standard for deeming drivers to be intoxicated. The enrolled bill also authorizes \$219.5 million for grants to States to develop countermeasures to alcohol-impaired driving such as prompt suspension of the licenses of alcohol-impaired drivers.

Due to an error, the enrolled bill does not include a key feature of the conference agreement -- i.e., a requirement that States that do not ban open alcohol containers in automobiles or impose significant penalties for repeat drunk driving offenses divert a portion of their highway funding to safety programs. (The penalty would have been 1.5 percent per year until FY 2002, when it would rise to 3 percent.) This omission is corrected in the House-passed technical corrections bill (H.R. 3978), which the Administration is now working to have passed by the Senate.

Seat Belt Incentives. H.R. 2400 authorizes a total of \$500 million during FYs 1999-2003 for a new program, similar to that proposed by the Administration, of incentive grants to encourage States to increase seat belt use rates.

Environmental Provisions

H.R. 2400 is the only significant environmental legislation passed thus far during this session of Congress. It retains two important environmental programs, the Congestion Mitigation and Air Quality Improvement (CMAQ) program and the Surface Transportation Enhancements program.

The enrolled bill authorizes a total of \$8.1 billion for FYs 1998-2003 for the CMAQ program, which provides funding for State and local projects that help areas attain compliance with the requirements of the Clean Air Act. It also extends funding under the program, for the first time, to previously noncomplying areas that are attempting to remain in compliance with the Act. New air-quality nonattainment areas, to be designated under the Administration's revised air quality standards issued in 1997, will also be eligible for funding. H.R. 2400 also authorizes

a total of \$3.3 billion during FYs 1998-2003 for the Surface Transportation Enhancements program, which funds such environmental enhancements as bicycle and pedestrian paths.

In addition, the enrolled bill provides for streamlining the environmental review process for highway projects required by the National Environmental Policy Act. DOT will be issuing revised procedures to coordinate agency reviews of highway projects in order to promote their completion within cooperatively determined timeframes. CEQ advises that it will work with affected Federal agencies to ensure that the streamlined reviews continue to protect the environment, ensure public participation, and foster collaborative decision-making.

H.R. 2400 extends ethanol tax incentives for seven years, through 2007, with slight reductions. This extension was strongly supported by the Administration as consistent with your clean air, greenhouse gas emission, and rural development goals. The enrolled bill also increases authorized funding for roads servicing Federal lands from \$536 million in FY 1998 to \$706 million annually in FYs 1999-2003.

H.R. 2400 establishes and authorizes funding for the new monitoring network for fine particulate matter called for in the Administration's revised air quality standards. It also codifies the Administration's proposed timetables for designating areas for revised particulate matter and ozone standards, and requires EPA to coordinate its schedules for submissions of State implementation plans for regional haze and fine particulate matter.

The enrolled bill contains two objectionable environment-related riders. One could open the way for the use of motorized vehicles for portages in the Boundary Waters Canoe Area wilderness in Minnesota. The Department of Agriculture advises in its views letter that it "believes that the Forest Service can implement the provision while reducing and mitigating any environmental impacts." The second rider provides funding for the consideration of a new transportation route into the heart of the Denali National Park and Preserve in Alaska. The Department of the Interior advises informally that any such route would be subject to a full environmental and programmatic review by the National Park Service.

Other Administration Initiatives and Priorities

Welfare to Work. The enrolled bill authorizes a total of \$750 million during FYs 1999-2003 for a new Job Access and Reverse Commute Grants program. The program will promote development of transportation services to transport welfare recipients and low-income persons to and from jobs, and promote access to suburban employment opportunities by urban residents.

Border Crossing Initiative. H.R. 2400 authorizes a total of \$700 million for grants to States, localities, and Federal agencies during FYs 1999-2003 for measures designed to speed the movement of people and goods across the borders with Mexico and Canada. The bill, however, would permit only \$10 million of this amount to be used for Federal law enforcement-related projects. (The Administration had proposed \$45 million per year for such projects.) The Office

of National Drug Control Policy notes that H.R. 2400 "does not adequately support the drug control program of the President," but does not recommend disapproval of H.R. 2400 based on this provision.

Innovative Financing. The enrolled bill creates several new programs designed to increase financing options for State and local transportation projects. The most significant are: (1) a new program under which DOT can provide credit assistance on flexible terms directly to major surface transportation projects to help them obtain access to capital markets; and (2) a new pilot program to establish State Infrastructure Banks in four States. Such banks, which could be capitalized with Federal funds, could enable States to leverage significantly their Federal transportation assistance.

Disadvantaged Business Enterprises (DBEs). H.R. 2400 continues the existing DBE goal, under which States are required to expend at least 10 percent of the amounts made available under the highway, transit, and transportation research programs with "small business concerns owned and controlled by . . . socially and economically disadvantaged individual[s]." New provisions are included to protect grant recipients who are complying with court orders relating to DBEs. DOT advises that continuation of the DBE goal "is a significant achievement of this Administration."

Veterans Benefits

H.R. 2400 contains -- with significant technical differences -- the Administration's proposal to reverse a 1997 opinion of the VA General Counsel that veterans are entitled to disability benefits for tobacco-related disabilities acquired after service and due solely to nicotine use in the military. This provision provides \$17.8 billion in savings. We are seeking a correction (described below) that would restore the level of savings to the agreed-upon level of \$17 billion. Of the \$17 billion, \$15.4 billion would be used as offsets for increased highway funding. The remaining \$1.6 billion would be devoted to increasing veterans benefits. H.R. 2400 contains a number of benefit enhancements for veterans and their survivors, including the Administration's proposal to increase GI bill education benefits by 20 percent -- the most significant increase since the inception of the program.

The VA tobacco language contained in H.R. 2400 differs from the language of the Administration's proposal, and has severe technical deficiencies, which are described in my memo to you of May 29th on this subject. One such deficiency denies disability benefits for tobacco-related diseases that become manifest in service. (This difference increases savings realized by the VA tobacco provisions from the intended \$17 billion to \$17.8 billion.)

This Office will continue to work with the Congress to address those errors that cannot be resolved administratively.

Student Loans

H.R. 2400 would provide a subsidy to lenders for student loans made under the Federal Family Education Loan (FFEL) program after July 1st but before September 30th. This provision is designed to assure that the availability of student loans for the forthcoming academic year will not be adversely affected by lender dissatisfaction with new statutory interest rate formulas scheduled to go into effect on July 1st. This provision would increase outlays by approximately \$298 million during FYs 1998-1999.

The Administration has strongly opposed a provision in the higher education reauthorization bill currently pending in Congress that would mandate a similar subsidy level for the next five years. Recent Treasury and CBO reports demonstrate that the lender subsidy mandated by these provisions (50 basis points) will provide rates of return far in excess of levels needed to maintain lender participation in the FFEL program.

In his enrolled bill views letter, the Secretary of Education states that: "[a]lthough I continue to have very serious reservations about the excessive lender subsidies that would be provided by a more long-term use of the interest rate structure contained in the enrolled bill, I believe that the three-month modification provided by section 8301 is an acceptable way to address the interest rate issue on a temporary basis and provide more time for the Administration to work with Congress to achieve a long-term, mutually acceptable, solution."

Social Services Block Grant (SSBG)

H.R. 2400 reduces funding for Social Service Block grants by \$2.3 billion during FYs 2000-2003, thereby permitting these funds to be used as offsets for highway spending. Although we are disappointed that any of the savings to finance this bill come from SSBG, all of these savings come after FY 1999.

Budget Effects

In aggregate, the higher highway and transit spending in this bill is offset by savings in mandatory spending and by revenue increases. H.R. 2400 contains a provision stating that most of its provisions that affect direct spending and receipts are not to be scored on the pay-as-you-go scorecard. This provision is intended to avoid scoring net costs in some years and net savings in other years. Although the bill is fully paid for over the six-year budget period, its budget costs and savings do not exactly offset each other in each year.

As enacted, the bill is fully offset. If the technical corrections bill is enacted, H.R. 2400 will still be fully offset, and the policies in it will be improved.

Conclusion and Recommendations

The Department of Transportation advises that the enrolled bill "meets our core principles of staying within the balanced budget, preserving the budget surplus for Social Security first, and funding a record level of guaranteed transportation investment without undermining other key Administration priorities for the environment, child care, and education." We join Transportation and other interested agencies in recommending approval of H.R. 2400.

The review of H.R. 2400 for purposes of the Line Item Veto Act is underway. If any item(s) is identified as potentially suitable for cancellation, this information will be provided to you separately.

Attached for your consideration is a signing statement, which is based on a draft supplied by Transportation. It has been reviewed by Transportation, other concerned agencies, and the National Economic Council staff and the White House Offices of Counsel and Legislative Affairs.

Jacob J. Lew
Acting Director

Enclosures

Authorizations and Guaranteed Funding under the Transportation Equity Act for the 21st Century (TEA 21)
(\$ in millions)

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>Total 1998-2003</u>
Total Authorizations							
Surface Transportation	29,284	35,530	36,758	37,833	38,766	39,820	217,991
Highway and Highway Safety	24,440	29,176	29,934	30,543	31,012	31,608	176,713
% of total authorizations	83%	82%	81%	81%	80%	79%	81%
Transit	4,844	6,354	6,824	7,290	7,754	8,212	41,278
% of total authorizations	17%	18%	19%	19%	20%	21%	19%
Guaranteed Funding							
Total Surface Transportation	27,354	31,987	33,166	34,168	35,252	36,198	198,125
Highway and Highway Safety	22,510	26,622	27,368	27,897	28,506	28,972	161,875
% growth above prior year		18%	3%	2%	2%	2%	
Transit	4,844	5,365	5,798	6,271	6,746	7,226	36,250
% growth above prior year		11%	8%	8%	8%	7%	

PRESIDENT CLINTON: MOVING AMERICA INTO THE 21ST CENTURY

June 9, 1998

"This Act will strengthen America. It helps communities modernize and build the roads, bridges, and railways that link people of our great and vast nation together and permit the free flow of goods and services."

President Bill Clinton
June 9, 1998

Today, President Clinton is joined at the White House by Secretary of Transportation Rodney Slater and a bipartisan group of Members of Congress to sign the Transportation Equity Act for the 21st Century. This law authorizes investments in our infrastructure over the next six years, including funding to rebuild roads, bridges, and highways.

A Need To Invest For The Future. When President Clinton took office, the broad network of roads and highways which have connected millions of Americans was crumbling. The President has long said that if America is to move forward into the 21st Century, the transportation system which has served our country must be ready for the future as well.

Landmark Investment In Our Nation's Infrastructure. With today's bill signing, the transportation needs of America are being met. This bill strengthens our infrastructure by helping communities rebuild, renovate, and modernize the highways, roads, bridges, and transit systems that link our country together and keeps our economy strong and vibrant.

A Law Which Reflects The President's Priorities. President Clinton insisted that this bill reflect the priorities of this Administration:

- **Environmental Protection.** Strengthens proven strategies to protect public health and the environment, expands recreational trails and bike paths, promotes mass transit use, and extends the Ethanol tax credit through 2007;
- **Fiscal Discipline.** The highway bill does not touch the budget surplus and is fully paid for with real offsets;
- **Welfare-to-Work Provisions.** Invests in the President's transportation plan to help move people from welfare to work;
- **Safeguarding Our Roads and Drivers.** Allows our nation to develop advanced air bag technology, offer incentives for increased seat belt use, make roads safer, and get bad drivers and vehicles off the road;
- **Investment in Border Infrastructure.** Authorizes the Administration's program to target resources at border crossings to improve traffic flow and reduce illicit activity;
- **Protection of Critical Investments In Our Future.** The transportation bill invests in our infrastructure without reducing investments in education, health care, research and development, and the environment.

Strengthening Our Infrastructure For The Future. Today, the President affirms his commitment to providing the resources necessary to rebuild and modernize our invaluable

transportation system. The investments made today will pay dividends for years to come, as the roads, highways, bridges, and transit systems which are built or refurbished continue allowing all Americans to travel around and enjoy our great nation.

Jonathan Orszag

06/08/98 04:38:46 PM

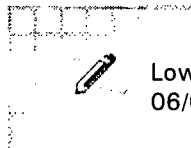
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To: Charles R. Marr/OPD/EOP, Dorothy Robyn/OPD/EOP

cc:

Subject: Transportation Bill Signing Remarks -- 4:45 draft

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Lowell A. Weiss
06/08/98 04:38:24 PM

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To: Jake Siewert/OPD/EOP, Jonathan Orszag/OPD/EOP, Melissa G. Green/OPD/EOP

cc:

Subject: Transportation Bill Signing Remarks -- 4:45 draft

Draft 6/8/98 4:45pm

Lowell Weiss

**PRESIDENT WILLIAM J. CLINTON
REMARKS AT TRANSPORTATION BILL SIGNING
THE WHITE HOUSE
June 9, 1998**

Forty-two years ago this month, President Eisenhower signed the Federal Aid Highway Act into law. That Act, sponsored in the Senate by Albert Gore, Sr., gave rise to the greatest network of roads in history, connecting millions of Americans to the economic mainstream, ushering in two decades of unparalleled growth.

When I ran for President in 1992, I saw that the concrete foundations built in the Eisenhower era were crumbling. If America was to roll into the 21st Century full-speed ahead, we had to be willing once again to make historic, long-term investments in our roads, bridges, and transportation systems. That is why this Administration has worked across parties lines to build the pathways of the future. And that is why I am so pleased today to sign the landmark Transportation Equity Act for the 21st Century.

This act will strengthen America. It guarantees nearly \$200 billion to help communities modernize and build the roads, bridges, and railways that link people of our great and vast country together and permit the free flow of goods.

This act will save lives. It will allow us to develop advanced air bag technologies, offer incentives for increased seat belt use, make roads safer, and get bad drivers and vehicles off the road.

This act will protect the environment. It expands recreational trails and bike paths, promotes mass transit, and helps communities meet national standards for healthy air.

This act will expand opportunity. It offers transportation assistance to move more Americans from welfare to work, helps disadvantaged businesses, makes transit systems more accessible to people with disabilities, and provides vital labor protections for transportation workers.

And this act maintains our fiscal discipline. Unlike the original transportation bills passed in the House and Senate, this bill is paid for line by line and dime by dime. It does not spend a cent of our budget surplus, and therefore it is consistent with my call to reserve all surpluses until we have agreed on a plan to save Social Security first. And although it contains excessive spending on local demonstration projects, this bill will not squeeze out other critical investments in education, health care, research and development, and the environment.

I am disappointed, however, that the bill fails to make .08 the blood alcohol standard in every state. I will continue to fight for it in this legislative session. Lowering the blood alcohol standard across the nation won't prevent a single adult from drinking responsibly, but it will save hundreds of lives.

And now that we are honoring our commitment to build the transportation infrastructure for the 21st Century, we must now turn to the task of building the education infrastructure our students desperately need. All the intelligent transportation systems in the world won't matter much if we let the education system come crumbling down around our children. So I call on the members of Congress here today to work together, in the same spirit of bipartisanship that produced this historic transportation bill, to help pass my initiative for modernizing America's schools. For one-tenth the cost of this transportation bill, we can ensure that all our children will be able to learn in safe, modern, well-equipped schools.

I want our students to be able to get on the subway in New York or the Dan Ryan expressway in Chicago and to know they're on their way to earning a good living because they're getting a good education. You can't just have one kind of investment. To build our nation's future, we must invest in our children's minds as well as our nation's roads. That's the way we'll live up to our full promise in the 21st Century.

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proposal
fully
paid
for

Overview of DOT's Disadvantaged Business Enterprise Program

The Disadvantaged Business Enterprise (DBE) program is the way state highway agencies and transit authorities make sure that DBEs have a fair opportunity to compete for DOT-assisted contracts. The program has increased DBE participation in highway construction from 1.9% in 1978 to 14.8% in 1996 - accounting for approximately \$2 billion of the \$14 billion in DOT-assisted highway construction.

The Statute and Regulations

- The statutory DBE program was first passed in 1982, expanded to include women-owned businesses in 1987 and continued in ISTEA in 1991.
- The statutory requirement is that, unless the Secretary determines otherwise, not less than 10% of highway and transit funds authorized are to be spent with the DBEs. DOT's regulations do not require or impose set-asides of any kind.
- ISTEA defines a DBE as a small business owned by a socially and economically disadvantaged individual and creates a rebuttable presumption that women and members of designated minority groups are socially and economically disadvantaged.
- The regulations outline program eligibility, certification guidelines and reporting requirements.
- DOT's regulations require each state and local government recipient of transportation funds to have a DBE program designed to ensure equal opportunity and fair participation for DBEs.

How the DBE Program Works

- State and local government recipients of DOT funds administer the DBE program. Each year, they determine how much DBE participation is reasonable to expect based on the availability of DBEs and the types of work involved. The recipient's annual goal may be more or less than the national 10% goal established by Congress, providing flexibility to reflect local conditions.
- Recipients use a variety of methods to meet their annual goals, including contract goals, outreach and technical assistance. DOT has never sanctioned a state for failure to meet its annual goal.
- Contract goals are not operated as quotas because they only require that the prime contractor make "good faith efforts" to find DBEs. If the prime contractor cannot find qualified and competitive DBEs, the goal can be waived.
- The program is limited to small businesses owned by individuals who are socially and economically disadvantaged.
- To make sure that "fronts" do not take advantage of the program, state and local agencies conduct thorough reviews and on-site investigations to ensure that DBE firms are really owned and controlled by socially and economically disadvantaged individuals. This eligibility process also makes sure that only small businesses are certified as DBEs.

**Paving the Road to Equal Opportunity:
The Need for DOT's Disadvantaged Business Enterprise Program
September 15, 1997**

Ensuring Equal Opportunities

- For over a decade, DOT's Disadvantaged Business Enterprise (DBE) Program has been providing equal opportunities for women and minorities competing for highway and transit contracts.
- Since its inception, the DBE program has significantly increased the percentage of women and minority-owned construction firms that are building our nation's highways.
- By reaching out to women and minority-owned firms and fostering business relationships, the program has countered the effects of discrimination and good old boy networks which have been road blocks for many firms.
- Unfortunately, discrimination in the construction industry and financial markets continues to prevent women and minority-owned firms from reaching their full potential. For example, white-owned construction firms receive 50 times as many loan dollars as black-owned firms with identical equity.
- As a result of continued discrimination, women and minority-owned firms remain underrepresented in the construction field, even today.
- Now is not the time to discontinue DOT's equal opportunity program. It is still essential in paving the road to equal opportunity for too many disadvantaged firms.

Rejecting Quotas

- The DBE program does not use quotas or set-asides of any kind. It relies only on flexible goals. In fact, it was President Reagan who first signed the program into law.
- The statute simply sets a national goal: that 10% of highway and transit funds be used for services rendered by disadvantaged businesses. State and local governments then set their own goals based on the numbers of disadvantaged businesses in their local markets.
- The goals are flexible. For example, if a prime contractor cannot find a qualified disadvantaged business, the state can waive the goal entirely.

Mending...

- The Supreme Court, in Adarand, changed the affirmative action landscape, but did not say the DBE program was unconstitutional. In fact, by a vote of 7-2, the Court said that the federal government can still use affirmative action programs to combat the "lingering effects of racial discrimination."
- Simply put, Adarand requires that federal affirmative action programs must be "narrowly tailored" to meet a "compelling government interest."
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Not Ending...

- DOT's equal opportunity program benefits all Americans by promoting the formation of small businesses, creating new jobs, fostering economic growth and stimulating innovation.
- If Congress decides not to reauthorize the DBE program in the NEXTEA bill, it will create a major disruption in the national economy. Thousands of small businesses may go out of business, costing tens of thousands of jobs.
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- By refusing to reauthorize the DBE program, Congress will be creating a huge pot hole in the road to equal opportunity.

MYTHS AND FACTS: DOT's Disadvantaged Business Enterprise Program

MYTH: There is no longer a need for a DBE program.

FACT: Yes there is. Minority and women-owned businesses are still under-represented in the construction industry. Minority-owned firms represent 9% of all construction firms, yet they receive only about 5% of all business receipts. Women own one third of all firms, yet get only 19% of the business receipts. Discrimination in both contracting and in access to capital in the financial markets continues to limit the ability of minority and women-owned firms to reach their full potential. For instance, white-owned construction firms receive 50 times more loan dollars than black-owned firms with identical equity.

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FACT: On remand, the Adarand district court accepted Congress' determination that there was a compelling need for the program, but decided that the program was not sufficiently narrow in its scope. That decision did not consider ways DOT has proposed to modify the program. The new proposal properly tailors the program and will require "race-neutral" measures, such as outreach and technical assistance, before "race-conscious" measures are used. And, it will stress that good faith efforts are all that is needed to meet the goals. It also will ensure that any goals that are set properly reflect the percentage of qualified disadvantaged businesses available in a given market.

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FACT: Actually, the DBE program helps the economy by promoting the formation of small businesses, creating new jobs, fostering economic growth and stimulating innovation. Because of the proliferation of small businesses, the program increases competition for contracts and often reduces construction costs.

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FACT: Even qualified DBEs often need the program just to get a chance to bid on a contract. For instance, in Louisiana, where there is no state DBE program, there are 165 qualified DBEs available for construction subcontracting. On federal-aid projects, where the DBE program ensures equal opportunity, those firms were able to prove their ability by getting 125 contracts (worth 5.3% of the federal-aid construction dollars). On state construction projects, those same firms were only given the opportunity to perform 12 contracts, worth only 0.2% of state highway construction dollars.

MYTH: The time has come to end DBE programs.

FACT: When DBE programs end, many prime contractors return to the same exclusionary practices that denied women and minorities the chance to compete for business before the DBE program was created. In Michigan, for example, within 9 months of ending the state DBE program, women and minority-owned businesses were completely shut out of state highway construction projects, getting no contracts at all.

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**PRESIDENT CLINTON'S ACCESS TO JOBS PROPOSAL:
THE ROAD FROM WELFARE TO WORK**

Access to Economic Opportunity. President Clinton is breaking the cycle of dependency, strengthening our communities and ending welfare as we know it. His three-part economic strategy -- balancing the budget, investing in our people, and opening up new markets to American goods and services -- has helped build the strongest economy in a generation. Since 1993, welfare rolls have dropped to their lowest level in 27 years and nearly 15 million new jobs have been created. We need to ensure that welfare recipients and other low-income families can make the most of these opportunities.

The Challenge of Transportation for Those Moving from Welfare to Work. Many welfare recipients and low-income workers have difficulty accessing jobs, training, and other services because of inadequate transportation. Two-thirds of all new jobs are in the suburbs, but three of four welfare recipients live in rural areas or central cities. Few welfare recipients own cars, and public transit systems often do not adequately serve new suburban job centers, nor do they adequately serve workers who have evening and weekend shifts. Forty percent of rural counties have no public transportation at all. *Welfare recipients can't go to work if they can't get to work.*

The President's solution: Access to Jobs. President Clinton has proposed a solution to help people get to where the jobs are: "Access to Jobs." This competitive grant program would provide flexible resources to assist states and communities as they develop innovative transportation alternatives such as vanpools and late-night and weekend services for low-income workers and those moving from welfare to work. It would foster partnerships between transportation and human services agencies, and support the capital and operating costs of new services. Access to Jobs would build on and leverage other transportation resources by requiring a dollar-for-dollar match.

Taking the Next Step. The House and Senate versions of the Federal legislation to reauthorize federal highway and transit programs include President Clinton's Access to Jobs proposal as a six-year, \$150 million-a-year initiative. Congress must finish the job by ensuring that the Access to Jobs program is adequately funded in the FY 1999 budget.

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*Office of the Secretary of Transportation
400 Seventh Street, SW, Room 10413
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TO: DOROTHY ROBYN

DATE: June 7, 1998 (2:52 pm)

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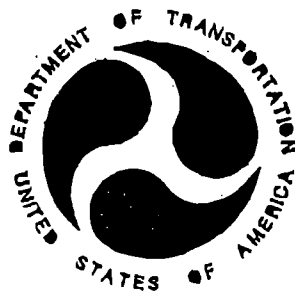
SUBJECT: TEA-21 SUMMARY AND DRAFT REMARKS

PAGES: 10 (*Including cover*)

I've attached the TEA-21 summary we sent out on May 29 and draft Presidential remarks done early last week. Both are probably more triumphant in tone than you indicated was appropriate.

TEA21

THE TRANSPORTATION EQUITY ACT FOR THE 21ST CENTURY



MAY 29, 1998

THE TRANSPORTATION EQUITY ACT FOR THE 21ST CENTURY: TEA21

The landmark Transportation Equity Act for the 21st Century affirms President Clinton's key priorities: improving safety, protecting public health and the environment, and creating opportunity for all Americans. It provides record levels of investment to continue rebuilding America's highways and transit systems, doing so within a balanced budget and without cutting education, Social Security, and other vital Presidential priorities.

✓ Rebuilding America

- Record, guaranteed \$198 billion in surface transportation investment while protecting our commitment to a balanced budget and to President Clinton's other vital priorities.
- Balanced investment in highways, transit, intermodal projects, and technologies such as Intelligent Transportation Systems; strong state and local flexibility in the use of funds.

✓ Improving Safety

- Incentive grants to increase seat belt use and to fight drunk driving by encouraging states to adopt 0.08 blood alcohol concentration standards.
- National "One Call" notification program for pipeline safety.
- Strong programs to continue making roads and rail-highway grade crossings safer.
- Improved truck safety program to get bad drivers and vehicles off the road.

✓ Protecting the Environment

- Expanded Congestion Mitigation and Air Quality Improvement and Transportation Enhancements programs to help communities improve the environment.
- Advanced Vehicle Program to develop clean, fuel-efficient trucks.
- Continued programs for National Scenic Byways, bicycle and pedestrian paths, recreational trails, and roadside wildflower plantings.
- Increased tax-free transit benefits to encourage transit ridership.

✓ Creating Opportunity

- Innovative jobs access program to help those moving from welfare to work.
- Continued, effective Disadvantaged Business Enterprise program.
- Strong labor protections for transportation workers.

IMPROVING SAFETY

More than 40,000 Americans die and three million are injured in highway crashes each year, inflicting a tragic toll and costing our economy \$150 billion annually. The fatality rate is at an historic low under President Clinton's leadership, and our challenge is to continue this progress even as traffic increases.

- **Protecting Drivers and Passengers:** \$583 million in incentives to promote seat belt and child safety seat use. An ambitious timetable to develop and implement advanced air bag technologies that protect children and smaller adults while preserving the lifesaving benefits for everyone else.
- **Fighting Drunk Driving:** \$500 million incentive program to encourage states to adopt tough 0.08 blood alcohol concentration standards for drunk driving. \$219 million in grants to encourage graduated licensing and other alternative strategies.
- **Improving Road and Rail-Highway Grade Crossing Safety:** \$3 billion for safety construction, including road hazard reduction and improved safety at rail-highway grade crossings.
- **Motor Carrier Safety:** Restructures the National Motor Carrier Safety Program to give states the ability to tailor solutions to their own needs. Continues the Motor Carrier Safety Assistance Program to improve trucking and hazardous materials safety.
- **One Call:** Establishes incentives for states to establish or improve "One Call" notification systems to prevent excavation damage to pipelines and other underground facilities.

PROTECTING OUR ENVIRONMENT

The quality of our nation's environment continues to improve under President Clinton's stewardship. TEA21, this year's most significant environmental legislation, reaffirms the President's commitment to protecting and enhancing our environment.

- **Congestion Mitigation and Air Quality Improvement Program:** Continues this as an independent program, with funding increased by about 35 percent to \$8.1 billion. Helps communities meet national standards for healthy air.
- **Transportation Enhancements:** \$3 billion for transportation projects to improve communities' cultural, aesthetic, and environmental qualities.
- **Transit Benefits:** Increases tax-free employer-paid transit benefits from \$65 to \$100 per month, promoting transit ridership.
- **Advanced Vehicle Program:** \$250 million, matched by private funding, to develop clean, fuel-efficient trucks and other heavy vehicles.
- **Clean Fuels:** \$500 million to buy or lease buses using low-polluting fuels.
- **Sustainable Communities:** Establishes a pilot program to help state and local governments plan environmentally-friendly development.
- **National Scenic Byways:** \$148 million for improvements to roads of scenic or historic value.
- **Bicycle and Pedestrian Paths:** Expands provisions to make bicycling and walking safer and more viable ways of travel.
- **Recreational Trails:** \$270 million to create and maintain recreational trails.
- **Environmental Streamlining:** Reduces red tape and paperwork in project reviews without compromising environmental protections.

EXPANDING OPPORTUNITY

President Clinton believes that transportation is about more than concrete, asphalt, and steel: it is about people, and about providing them with the opportunity to lead more fulfilling lives. TEA21 expands opportunity for all Americans.

- **Access to Jobs:** Creates a \$750 million Job Access and Reverse Commute program to help lower-income workers and those making the transition from welfare rolls to payrolls get to jobs.
- **Disadvantaged Business Enterprise Program:** Ensures that minority- and women-owned businesses have continued opportunity to participate in transportation projects.
- **Protecting American Workers:** Continues vital labor protections for transportation workers, such as Davis-Bacon and 13 (c).
- **Training the Workforce of the Future:** Allows states to reserve highway training positions specifically for welfare recipients.
- **University Transportation Centers:** \$228 million to support university-level education and research programs, a 93 percent increase.
- **Accessibility:** Provides incentive grants to make intercity buses accessible, and enables Surface Transportation Program funds to be used to make sidewalks accessible. Continues the 90 percent federal share for projects to meet Americans with Disabilities Act requirements.

REBUILDING AMERICA

President Clinton has made good on his pledge to rebuild America: the conditions and performance of our transportation system have been steadily improving. The Transportation Equity Act for the 21st Century furthers the President's legacy of rebuilding America by providing record, balanced transportation investment.

- **Record Investment:** Guarantees \$198 billion of investment from FY 1998-2003 while protecting our commitment to a balanced budget and to President Clinton's other vital priorities, such as education, child care, and Social Security.
- **Expanded Highway Programs:** Expands core highway programs, including the National Highway System (\$28.6 billion); Interstate Highway Maintenance (\$23.8 billion); Surface Transportation Program (\$33.3 billion); Bridges (\$20.4 billion); Congestion Mitigation and Air Quality Improvement (\$8.1 billion); and Federal Lands Highways (\$4.1 billion).
- **Balanced Investment:** Invests not only in highways and bridges but also in transit systems and intermodal projects. \$42 billion authorized for transit.
- **More Flexible Use of Funds:** Gives states and localities greater flexibility in the use of federal funds. Publicly-owned bus terminals and Intelligent Transportation Systems are among the possible uses.
- **Intelligent Transportation Systems:** \$1.3 billion to develop and deploy advanced ITS technologies to improve safety, mobility, and freight shipping. Expanded ability to use other major program funds for ITS.
- **Research and Technology:** \$592 million for transportation research, \$250 million for technology deployment. \$1 billion to develop magnetic levitation trains.
- **Streamlined Planning:** Streamlines the metropolitan and statewide transportation planning processes and includes freight shippers and transit riders as stakeholders. Strengthens the role of local officials and improves public involvement in the planning processes.

PROMOTING ECONOMIC GROWTH AND TRADE

Under President Clinton's leadership, America is once again the most economically-competitive nation in the world, and this is due in great measure to our transportation system's low costs and reliability. In an increasingly-global economy, keeping transportation efficient is crucial to our continued competitiveness.

- **Border Crossings and Trade Corridors:** \$700 million to support trade and improve security at borders and to design and construct corridors of national significance.
- **Intermodalism:** Promotes balanced, integrated, and efficient transportation to advance America's economic competitiveness. Examples include funding for projects to connect highways with intermodal transportation facilities.
- **Innovative Financing:** Creates a \$530 million credit assistance program to leverage \$10.6 billion for construction projects. Gives states and others greater flexibility in meeting the matching requirements for federal grants.
- **Freight Involvement:** Ensures that freight shippers can participate in the metropolitan and statewide transportation planning processes, so that their interests will be properly considered.
- **Bureau of Transportation Statistics:** \$186 million to support such activities as commodity flow studies and analyses of transportation's role in supporting trade.

DRAFT

**REMARKS PREPARED FOR DELIVERY
PRESIDENT WILLIAM J. CLINTON
SIGNING OF THE TRANSPORTATION EQUITY ACT FOR THE 21ST CENTURY
[LOCATION]
JUNE __, 1998**

Good morning. I want to thank the Members who are here today and who worked so hard with us to reach a principled compromise on this legislation.

Senator Lott -- Speaker Gingrich -- the members of the conference committee, especially Chairman Shuster and Chairman Chafee -- Senators Daschle, Domenici, Baucus, Warner, Sarbanes, and D'Amato -- and Representatives Gephardt, Oberstar, Petri, and Rahall.

Over the past five years, even as we've ended a generation of deficit spending, we've made the strategic investments that will prepare our nation for the global economy of the 21st century.

We've invested in education, in health care, in technology, in the environment. And we've invested in transportation, rebuilding our roads and bridges and transit systems to make them better able to handle the movement of people and goods generated by our expanding economy.

In doing so, we've made safety our top transportation priority, working hard to reduce fatalities and injuries, especially on our nation's highways.

Today, I have the privilege of signing into law legislation that will build on the progress we've made, and take us well into the 21st century.

In the tradition set by the ISTEA bill, it will help our communities to modernize their transportation systems, strengthening the links that keep our economy strong and that empower people to make the most of the opportunities our nation offers.

This bill provides record, balanced investment in our highways and transit systems. And it does so in a fiscally-responsible manner which protects our commitment to a balanced budget and to our other vital priorities, including education and child care. Most importantly, it preserves our budget surplus until we have saved Social Security.

This historic legislation also reflects my view that transportation is about more than concrete, asphalt, and steel; it's about people, and about providing them with the opportunity to lead safer, healthier, more fulfilling lives.

The bill protects Americans' safety through campaigns to increase seat belt use and fight drunk driving.

It strengthens proven strategies to protect public health and the environment, helping communities clean their air and improve their quality of life.

And this legislation expands opportunity for all Americans. It helps those moving from welfare get to where the jobs are. It ensures that small, disadvantaged businesses have a chance to compete on an equal basis. It continues strong labor protections for transportation workers.

This bill shows that fiscal responsibility and investing in our future go hand in hand as we prepare for the new century. It shows that, as the poet Wordsworth wrote, we can come together to "live, and act, and serve the future hour."

Finally, let me say that I look forward to working with Congress to realize this bill's promise -- to keep our nation on the right track -- and to ensure that the track itself is strong enough for the challenges and opportunities we face. Thank you.

#####

Andrea Kane

Record Type: Record

To: Jake Siewert/OPD/EOP, Dorothy Robyn/OPD/EOP, Michael Waldman/WHO/EOP, Lowell A. Weiss/WHO/EOP

cc: Cynthia A. Rice/OPD/EOP

Subject: Access to Jobs info for transportation bill signing

The following are to help you integrate Access to Jobs into speech, press paper, and Q&As for transportation bill. I believe DOT has also done a one-pager--I'll forward as soon as I get it. You can reach me at 6-5573 if you have any questions.



1. wtw0527.wpd Press paper from 5/27 welfare-to-work event, including praise for Congress including Access to Jobs in the transportation bill.
2. POTUS remarks on 5/27 re: welfare to work transportation/Access to Jobs:

"The second thing we have to do is to help more welfare recipients succeed in the work place. The employers today told me that one of the hardest things for people moving from welfare to work is still providing transportation, providing child care, making sure for the smaller businesses that may not be able to afford all the training and education that there's support there. We have to do more.

Let me say that the highway bill, which just passed the Congress, I'm proud to say, has a substantial amount of money in it to help defray the transportation costs of people moving from welfare to work."



3. q&a0609.wp Q&A on Access to Jobs to be integrated with other Q&As for the event.

**PRESIDENT CLINTON WILL PRAISE WELFARE TO WORK SUCCESS
AND URGE SUSTAINED PUBLIC AND PRIVATE EFFORTS
May 27, 1998**

Today, President Clinton will celebrate the success of the Welfare to Work Partnership, which has grown from 105 to 5,000 companies since it was launched at the White House last May and whose member companies hired over 135,000 welfare recipients in 1997. The President will challenge the Welfare to Work Partnership to double its welfare hires to 270,000 in 1998 and urge every business in America to look to welfare recipients to fill labor shortages created by the booming economy. The President will be joined by United Airlines CEO Gerald Greenwald, who will release a report showing that hiring welfare recipients can cut company turnover.

The President also will release new data showing that welfare-to-work efforts like the Partnership's are paying off: welfare caseloads have dropped to 8.9 million, a record drop of 3.3 million since he signed welfare reform into law and 5.2 million since he took office. To sustain this success, the President will announce the first Welfare-to-Work competitive grants from the \$3 billion fund he fought to include in the 1997 Balanced Budget Act. These grants, totaling \$186 million, will support 49 innovative efforts across the country to help the most disadvantaged welfare recipients get and keep jobs. In addition, new funds for the President's welfare-to-work transportation plan, which were included in the ISTEA bill which passed Congress last week, will help even more welfare recipients go to work.

One Year Later, the President will Praise Welfare-to-Work Success and Issue New Challenge

On May 20, 1997, 105 company executives joined the President at the White House to launch the Welfare to Work Partnership. One year later, 5,000 businesses of all sizes from all 50 states have joined the Partnership and pledged to hire and retain welfare recipients without displacing current employees. In 1997, the Partnership's business partners hired 135,000 welfare recipients, and today the President will challenge those companies to double their efforts by hiring 270,000 workers from the welfare rolls in 1998. Since March of 1997, the federal government has hired 4,811 welfare recipients, 45 percent of its planned 10,000 hires by the year 2000.

The President will Announce Record Welfare Caseloads Declines

The President will release new figures showing welfare caseloads have fallen to 8.9 million, a record drop of 3.3 million since he signed welfare reform into law and 5.2 million since he took office. The welfare rolls have declined by 37 percent since January 1993, when they stood at 14.1 million, and by 27 percent since their August 1996 level of 12.2 million. The percentage of the U.S. population on welfare is at its lowest since 1969 -- 3.3 percent. The latest data from the Census

Bureau's Current Population Survey show that 1.7 million adults on welfare in 1996 were working in March 1997, an increase of 20 percent over the previous year.

The President will Announce First Welfare-to-Work Competitive Grants

Today, the President will announce the first round of competitive grants from the \$3 billion Welfare-to-Work program he fought for in the Balanced Budget Act of 1997. The \$186 million in grants from the Department of Labor will support 49 innovative welfare-to-work efforts designed to move long term welfare recipients into lasting, unsubsidized jobs. These awards are the first of five rounds of competitive grants to be awarded in 1998 and 1999. Twenty five percent of the Balanced Budget Act's \$3 billion welfare-to-work funds are to be awarded on a competitive basis, with the remaining 75 percent to be allocated by formula to states to be used by local Private Industry Councils to help welfare recipients who have significant barriers to employment obtain and retain jobs.

The President will Praise Congress for Funding his Welfare-to-Work Transportation Proposal

The President will praise the Congress for including his welfare-to-work transportation proposal in the ISTEA transportation bill which passed the Congress on Friday. The proposal will provide up to \$150 million a year for local efforts to help welfare recipients get to where the jobs are.

United Airlines CEO will say Hiring from the Welfare Rolls Reduces Turnover

United Airlines CEO Gerald Greenwald, chairman of the Welfare to Work Partnership's board of directors, will release a new report finding hiring welfare recipients can reduce company turnover. The report, The Road to Retention, includes case histories of 16 business whose retention rates for former welfare recipients are higher than for non-welfare hires. At United Airlines, retention rates are about twice as high for those hired from the welfare rolls.

The President will be Joined by Executives, Former Recipients, and Welfare-to-Work Grantees

The President will be joined today at the White House by:

- Over 100 executives of small, medium, and large companies who belong to the Welfare to Work Partnership, including United Airlines' Greenwald and Partnership President Eli Segal;
- Former welfare recipients who are now successful employees, including Rhonda Costa, a 34-year-old mother of two who has worked at Salomon Smith Barney in New York for one and half years, who will introduce the President; and

- Some of the local organizations receiving the new Welfare-to-Work grants, including the Private Industry Councils from Detroit, Los Angeles County, Philadelphia, and San Francisco, the Corporation for Ohio Appalachian Development, the Florida Developmental Disabilities Council, CHARO Alliance Welfare to Work (Los Angeles), and the National Association of Private Industry Councils.

 Jake Siewert
06/08/98 11:29:04 AM

Record Type: Record

To: Dorothy Robyn/OPD/EOP, Charles R. Marr/OPD/EOP
cc: Elizabeth R. Newman/WHO/EOP
Subject: ISTEA Reauthorization Bill

Will this still do for paper?

Is there anything else we should add? Any change in emphasis?

----- Forwarded by Jake Siewert/OPD/EOP on 06/08/98 11:31 AM -----

 Elizabeth R. Newman
05/22/98 03:10:13 PM

Record Type: Record

To: See the distribution list at the bottom of this message
cc:
Subject: ISTEA Reauthorization Bill

**AN HISTORIC INVESTMENT IN INFRASTRUCTURE WHILE MAINTAINING FISCAL
DISCIPLINE AND PROTECTING OTHER CRITICAL INVESTMENTS**

May 22, 1998

Today, President Clinton and Congress Agreed To An ISTEA Reauthorization Bill That Includes An Historic Investment in Infrastructure While Maintaining Fiscal Discipline and Protecting Critical Investments, Such As Education, the Environment, and Health Care. While providing an historic investment in our infrastructure, the agreement maintains President Clinton's priorities of reserving the surplus until Social Security is reformed and investing in critical areas such as education, the environment, and health care. In response to the concerns the Administration raised, Congress improved the bill and the agreement now represents a solid compromise that is consistent with President Clinton's core principles:

Strengthens Our Infrastructure. The agreement guarantees nearly \$200 billion to continue rebuilding America's transportation system -- an approximately 30-percent increase over the 1991 ISTEA reauthorization. This agreement will help

communities modernize and build the roads, bridges, railways, and buses that link the people of our great and vast country together, that keep our economy strong and vibrant.

Maintains Fiscal Discipline. The agreement cuts the increase in excess transportation funding in *half* -- reducing it by \$17 billion from the extra spending levels that were included in the original Congressional bills -- even though those bills had passed the House and Senate by large majorities.

Preserves Surplus Until Social Security Is Reformed. Unlike the original Congressional bills, the compromise is fully paid for with real offsets. And because the agreement does not touch the surplus, it is fully consistent with the President's call to "Save Social Security First."

Protects Critical Investments in Our Future. Unlike the original Congressional bills, the transportation agreement does not squeeze other critical investments in our future, such as education, health care, research and development, and the environment, because it is not financed by lowering the discretionary caps.

This Highway-Transit Bill Agreement Also Reflects President Clinton's Priorities -- By Expanding Transit Funding, Protecting the Environment, Helping Move People from Welfare to Work, Helping Disadvantaged Businesses, Extending the Ethanol Tax Credit, and Strengthening Border Infrastructure.

Expands Transit Funding Within A Smaller Bill. While the agreement has less overall spending than the original Congressional bills, it increases the share of transit funding from 17 percent of total surface transportation spending to 20 percent of total spending by 2002.

Protects the Environment. The highway-transit agreement strengthens proven strategies to protect public health and the environment by increasing funding for the Congestion Mitigation and Air Quality Improvement program 75 percent by FY2000.

Helps Move People from Welfare to Work. One of the biggest barriers facing people who move from welfare to work -- in cities and in rural areas -- is finding transportation to get to jobs, training programs and child care centers. To help those on welfare get to their jobs, the highway-transit agreement authorizes \$900 million over the next six years for President Clinton's welfare-to-work transportation plan. Of the \$150 million per year, \$50 million is guaranteed in FY99, rising to the full \$150 million per year guaranteed in FY2003.

Helps Disadvantaged Businesses. The highway-transit agreement provides opportunities to disadvantaged businesses by retaining the Department of Transportation's Disadvantaged Business Enterprise (DBE) program.

Extends the Ethanol Tax Credit. In order to provide incentives to use ethanol in gasoline and protect the environment, the highway-transit agreement extends the Ethanol Tax Credit through FY2007.

Strengthens Border Infrastructure. The highway-transit agreement authorizes the Administration's program to target resources to border crossings to improve traffic flow and reduce illicit trade. The agreement allows highway funding to be used for Customs and INS equipment that speeds border crossings.

While the Agreement Provides Funding For Increased Safety, It Does Not Include A National Drunk Driving Standard of .08 BAC. The agreement includes a number of measures to increase safety, including incentive grants to increase seat-belt use, new measures to target repeat drunk drivers and to ban open alcohol containers in cars, and a strong program to make highway-rail grade crossings safer. However, the President is disappointed that Congress refused to lower the national drunk driving standard to .08 percent blood alcohol content (BAC). The President will continue to work to make sure that .08 is the law in every state of the country.

Message Sent To: _____

Christine A. Stanek/WHO/EOP
Lori E. Abrams/WHO/EOP
Laura K. Capps/WHO/EOP
Steven A. Cohen/WHO/EOP
Anne M. Edwards/WHO/EOP
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EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
TRANSPORTATION BRANCH



NUMBER OF PAGE(S) FOLLOWING:

DATE: 6 / 8 / 98

TO: *Dorothy Robyn* *Chuck Marr*

6-2223

FAX NUMBER: _____

OFFICE NUMBER: _____

COMMENTS: _____

FROM: MARK SCHWARTZ

FAX NUMBER: (202) 395-4797

OFFICE NUMBER (202) 395-1090

E-MAIL: MARK_J._SCHWARTZ@OMB.EOP.GOV

THE WHITE HOUSE
WASHINGTON

6-6734

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 2400 - Transportation Equity Act for the 21st Century
Sponsors - Rep. Shuster (R) PA and 118 cosponsors

Last Day for Action

June 9, 1998 - Tuesday

Purpose

(1) Authorizes surface transportation programs for FYs 1998-2003; (2) extends gasoline and related taxes through 2005; (3) changes the budgetary treatment of the highway and transit programs; (4) prohibits the Department of Veterans Affairs from making new awards of service connected disability benefits based on any condition caused by the use of tobacco; and (5) makes numerous changes to transportation laws affecting safety, the environment, and other matters.

Agency Recommendations

Office of Management and Budget

Approval (Signing statement
attached)

Department of Transportation (DOT)
Department of Agriculture
Department of Education
Department of Labor
Department of the Interior
Appalachian Regional Commission
Council on Environmental Quality (CEQ)
Small Business Administration
Department of Health and Human Services
Department of Housing and Urban Development
Department of Veterans Affairs (VA)
Environmental Protection Agency (EPA)
Office of National Drug Control Policy
Department of the Treasury
Federal Communications Commission
National Transportation Safety Board

Approval
Approval
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Approval
Approval (Informally)
Approval (Informally)
Approval (Informally)
Approval (Informally)
Defers (Informally)
Defers (Informally)
Cites concerns
Cites concerns
Cites concerns
No objection (Informally)
No objection (Informally)
No objection (Informally)

Department of Commerce	No comment (Informally)
Department of Defense	No comment (Informally)
Department of Energy	No comment (Informally)
Department of Justice	No comment (Informally)
General Services Administration	No comment (Informally)
Office of the U.S. Trade Representative	No comment (Informally)

Discussion

On May 22nd, you urged Congress to pass the conference version of H.R. 2400, characterizing it as "an historic bill to strengthen our transportation system and maintain our commitment to fiscal discipline and investing in our people." Later that day, the conference report was agreed to in the House by a vote of 297-86 and in the Senate by 88-5. Its principal provisions are summarized below. Other significant provisions are summarized in DOT's enrolled bill views letter.

In a related development, on June 3rd, the House of Representatives passed H.R. 3978, a bill that would correct major errors and omissions in H.R. 2400. The most significant of these, relating to highway safety and veterans benefits, are described below. The Administration is working with the Senate to secure prompt enactment of the House-passed technical corrections bill.

Budgetary Resources for Transportation

The Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) expired on September 30, 1997. The Surface Transportation Extension Act of 1997 temporarily continued funding for the most critical ISTEA programs through May 1, 1998. H.R. 2400 funds highway (including highway safety) and transit programs through FY 2003.

H.R. 2400 would effectively guarantee \$198 billion in budgetary resources for highway and transit projects through FY 2003. This amount is considerably lower than levels previously approved by the House and Senate, but \$31 billion more than proposed by the Administration. This \$31 billion increase in budgetary resources translates into a \$17.5 billion increase in outlays during FYs 1998-2003, because not all of the budgetary resources will actually be spent during the initial six-year period. The bill generally finances this \$17.5 billion increase in outlays by enacting offsets (described below) that were proposed in the FY 1999 Budget to finance other Administration priorities. (Note: H.R. 2400 includes highway and transit authorizations totaling \$218 billion, but actual spending cannot be increased beyond the guaranteed level of \$198 billion unless funding is transferred from other domestic programs.)

For FY 1999, the guaranteed funding level for surface transportation programs is \$32.0 billion -- a 17 percent increase above the FY 1998 level of \$27.4 billion. The guaranteed level gradually rises to \$36.2 billion by FY 2003 -- a 32 percent increase above FY 1998. The bill also substantially increases transit's share of total transportation budget resources from the current 17 percent to 20 percent in FY 2002. A table displaying the bill's annual funding levels for highways and transit is attached.

The enrolled bill makes significant changes to non-transportation programs (i.e., veterans, social services, and student loan programs). These changes, some of which provide offsets for the proposed transportation spending, are addressed below.

New Budgetary Treatment

H.R. 2400, as passed by the House, would have removed the Highway Trust Fund from the unified Federal Budget. As enrolled, H.R. 2400 keeps Trust Fund spending on budget while effectively guaranteeing that spending on highway and transit programs during any fiscal year will at least equal total Highway Trust Fund receipts for the prior year.

Beginning in FY 1999, the highway (including highway safety) and transit programs would each become budget categories separate from other domestic spending. This change establishes a "firewall" between surface transportation spending and other Federal domestic discretionary spending, because the amounts identified in the highway and transit budget categories may not be used for other Federal programs.

The enrolled bill also provides a mechanism for assuring that any increases in Trust Fund receipts are devoted to highway projects. If Trust Fund levels are higher or lower than anticipated, H.R. 2400 provides that budgetary resources for highway projects in the following year will be commensurately increased or decreased. (Budgetary resources for transit will not be affected.) In exchange for this provision, money in the Highway Trust Fund will no longer earn interest after September 1, 1998, and any cash balances in excess of \$8 billion in the highway account will be transferred to the General Fund.

Allocation Among the States

Highway funds for individual highway programs (e.g., National Highway System or the Congestion Mitigation and Air Quality Improvement program) are apportioned to States according to criteria specific to each program. H.R. 2400 adds a "Minimum Guarantee" provision, under which States are promised highway funding equal to at least 90.5 percent of their share of total contributions to the highway account's revenues. To assure that this objective is met, the enrolled bill establishes specific shares for each State for several major Highway programs. These shares will be readjusted by the Secretary of Transportation if necessary to meet the 90.5 percent guarantee for all States.

Revenues

The Highway Trust Fund -- which funds highway, transit, and intermodal programs -- is supported by excise taxes on highway users, principally taxes on fuels and heavy trucks, all of which expire on October 1, 1999. The enrolled bill extends these taxes through September 30, 2005. It also extends the dedication of almost all highway user taxes to the Highway Trust Fund through September 30, 2005, and authorizes expenditures from the Trust Fund through FY 2003. (A portion of the tax on some alcohol fuels will continue to be deposited in the General Fund.)

Safety Provisions

Drunk Driving Prevention Programs. H.R. 2400 authorizes a total of \$500 million during FYs 1998-2003 in incentive grants to States that enact or enforce laws establishing blood alcohol concentration levels of 0.08 percent or more as a *per se* standard for deeming drivers to be intoxicated. The enrolled bill also authorizes \$219.5 million for grants to States to develop countermeasures to alcohol-impaired driving such as prompt suspension of the licenses of alcohol-impaired drivers.

Due to an error, the enrolled bill does not include a key feature of the conference agreement -- i.e., a requirement that States that do not ban open alcohol containers in automobiles or impose significant penalties for repeat drunk driving offenses divert a portion of their highway funding to safety programs. (The penalty would have been 1.5 percent per year until FY 2002, when it would rise to 3 percent.) This omission is corrected in the House-passed technical corrections bill (H.R. 3978), which the Administration is now working to have passed by the Senate.

Seat Belt Incentives. H.R. 2400 authorizes a total of \$500 million during FYs 1999-2003 for a new program, similar to that proposed by the Administration, of incentive grants to encourage States to increase seat belt use rates.

Environmental Provisions

H.R. 2400 is the only significant environmental legislation passed thus far during this session of Congress. It retains two important environmental programs, the Congestion Mitigation and Air Quality Improvement (CMAQ) program and the Surface Transportation Enhancements program.

The enrolled bill authorizes a total of \$8.1 billion for FYs 1998-2003 for the CMAQ program, which provides funding for State and local projects that help areas attain compliance with the requirements of the Clean Air Act. It also extends funding under the program, for the first time, to previously noncomplying areas that are attempting to remain in compliance with the Act. New air-quality nonattainment areas, to be designated under the Administration's revised air quality standards issued in 1997, will also be eligible for funding. H.R. 2400 also authorizes

a total of \$3.3 billion during FYs 1998-2003 for the Surface Transportation Enhancements program, which funds such environmental enhancements as bicycle and pedestrian paths.

In addition, the enrolled bill provides for streamlining the environmental review process for highway projects required by the National Environmental Policy Act. DOT will be issuing revised procedures to coordinate agency reviews of highway projects in order to promote their completion within cooperatively determined timeframes. CEQ advises that it will work with affected Federal agencies to ensure that the streamlined reviews continue to protect the environment, ensure public participation, and foster collaborative decision-making.

H.R. 2400 extends ethanol tax incentives for seven years, through 2007, with slight reductions. This extension was strongly supported by the Administration as consistent with your clean air, greenhouse gas emission, and rural development goals. The enrolled bill also increases authorized funding for roads servicing Federal lands from \$536 million in FY 1998 to \$706 million annually in FYs 1999-2003.

H.R. 2400 establishes and authorizes funding for the new monitoring network for fine particulate matter called for in the Administration's revised air quality standards. It also codifies the Administration's proposed timetables for designating areas for revised particulate matter and ozone standards, and requires EPA to coordinate its schedules for submissions of State implementation plans for regional haze and fine particulate matter.

The enrolled bill contains two objectionable environment-related riders. One could open the way for the use of motorized vehicles for portages in the Boundary Waters Canoe Area wilderness in Minnesota. The Department of Agriculture advises in its views letter that it "believes that the Forest Service can implement the provision while reducing and mitigating any environmental impacts." The second rider provides funding for the consideration of a new transportation route into the heart of the Denali National Park and Preserve in Alaska. The Department of the Interior advises informally that any such route would be subject to a full environmental and programmatic review by the National Park Service.

Other Administration Initiatives and Priorities

Welfare to Work. The enrolled bill authorizes a total of \$750 million during FYs 1999-2003 for a new Job Access and Reverse Commute Grants program. The program will promote development of transportation services to transport welfare recipients and low-income persons to and from jobs, and promote access to suburban employment opportunities by urban residents.

Border Crossing Initiative. H.R. 2400 authorizes a total of \$700 million for grants to States, localities, and Federal agencies during FYs 1999-2003 for measures designed to speed the movement of people and goods across the borders with Mexico and Canada. The bill, however, would permit only \$10 million of this amount to be used for Federal law enforcement-related projects. (The Administration had proposed \$45 million per year for such projects.) The Office

of National Drug Control Policy notes that H.R. 2400 "does not adequately support the drug control program of the President," but does not recommend disapproval of H.R. 2400 based on this provision.

Innovative Financing. The enrolled bill creates several new programs designed to increase financing options for State and local transportation projects. The most significant are: (1) a new program under which DOT can provide credit assistance on flexible terms directly to major surface transportation projects to help them obtain access to capital markets; and (2) a new pilot program to establish State Infrastructure Banks in four States. Such banks, which could be capitalized with Federal funds, could enable States to leverage significantly their Federal transportation assistance.

Disadvantaged Business Enterprises (DBEs). H.R. 2400 continues the existing DBE goal, under which States are required to expend at least 10 percent of the amounts made available under the highway, transit, and transportation research programs with "small business concerns owned and controlled by . . . socially and economically disadvantaged individual[s]." New provisions are included to protect grant recipients who are complying with court orders relating to DBEs. DOT advises that continuation of the DBE goal "is a significant achievement of this Administration."

Veterans Benefits

H.R. 2400 contains -- with significant technical differences -- the Administration's proposal to reverse a 1997 opinion of the VA General Counsel that veterans are entitled to disability benefits for tobacco-related disabilities acquired after service and due solely to nicotine use in the military. This provision provides \$17.8 billion in savings. We are seeking a correction (described below) that would restore the level of savings to the agreed-upon level of \$17 billion. Of the \$17 billion, \$15.4 billion would be used as offsets for increased highway funding. The remaining \$1.6 billion would be devoted to increasing veterans benefits. H.R. 2400 contains a number of benefit enhancements for veterans and their survivors, including the Administration's proposal to increase GI bill education benefits by 20 percent -- the most significant increase since the inception of the program.

The VA tobacco language contained in H.R. 2400 differs from the language of the Administration's proposal, and has severe technical deficiencies, which are described in my memo to you of May 29th on this subject. One such deficiency denies disability benefits for tobacco-related diseases that become manifest in service. (This difference increases savings realized by the VA tobacco provisions from the intended \$17 billion to \$17.8 billion.)

This Office will continue to work with the Congress to address those errors that cannot be resolved administratively.

Student Loans

H.R. 2400 would provide a subsidy to lenders for student loans made under the Federal Family Education Loan (FFEL) program after July 1st but before September 30th. This provision is designed to assure that the availability of student loans for the forthcoming academic year will not be adversely affected by lender dissatisfaction with new statutory interest rate formulas scheduled to go into effect on July 1st. This provision would increase outlays by approximately \$298 million during FYs 1998-1999.

The Administration has strongly opposed a provision in the higher education reauthorization bill currently pending in Congress that would mandate a similar subsidy level for the next five years. Recent Treasury and CBO reports demonstrate that the lender subsidy mandated by these provisions (50 basis points) will provide rates of return far in excess of levels needed to maintain lender participation in the FFEL program.

In his enrolled bill views letter, the Secretary of Education states that: "[a]lthough I continue to have very serious reservations about the excessive lender subsidies that would be provided by a more long-term use of the interest rate structure contained in the enrolled bill, I believe that the three-month modification provided by section 8301 is an acceptable way to address the interest rate issue on a temporary basis and provide more time for the Administration to work with Congress to achieve a long-term, mutually acceptable, solution."

Social Services Block Grant (SSBG)

H.R. 2400 reduces funding for Social Service Block grants by \$2.3 billion during FYs 2000-2003, thereby permitting these funds to be used as offsets for highway spending. Although we are disappointed that any of the savings to finance this bill come from SSBG, all of these savings come after FY 1999.

Budget Effects

In aggregate, the higher highway and transit spending in this bill is offset by savings in mandatory spending and by revenue increases. H.R. 2400 contains a provision stating that most of its provisions that affect direct spending and receipts are not to be scored on the pay-as-you-go scorecard. This provision is intended to avoid scoring net costs in some years and net savings in other years. Although the bill is fully paid for over the six-year budget period, its budget costs and savings do not exactly offset each other in each year.

As enacted, the bill is fully offset. If the technical corrections bill is enacted, H.R. 2400 will still be fully offset, and the policies in it will be improved.

Conclusion and Recommendations

The Department of Transportation advises that the enrolled bill "meets our core principles of staying within the balanced budget, preserving the budget surplus for Social Security first, and funding a record level of guaranteed transportation investment without undermining other key Administration priorities for the environment, child care, and education." We join Transportation and other interested agencies in recommending approval of H.R. 2400.

The review of H.R. 2400 for purposes of the Line Item Veto Act is underway. If any item(s) is identified as potentially suitable for cancellation, this information will be provided to you separately.

Attached for your consideration is a signing statement, which is based on a draft supplied by Transportation. It has been reviewed by Transportation, other concerned agencies, and the National Economic Council staff and the White House Offices of Counsel and Legislative Affairs.

Jacob J. Lew
Acting Director

Enclosures

Authorizations and Guaranteed Funding under the Transportation Equity Act for the 21st Century (TEA 21)
(\$ in millions)

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>Total 1998-2003</u>
Total Authorizations							
Surface Transportation	29,284	35,530	36,758	37,833	38,766	39,820	217,991
Highway and Highway Safety	24,440	29,176	29,934	30,543	31,012	31,608	176,713
% of total authorizations	83%	82%	81%	81%	80%	79%	81%
Transit	4,844	6,354	6,824	7,290	7,754	8,212	41,278
% of total authorizations	17%	18%	19%	19%	20%	21%	19%
Guaranteed Funding							
Total Surface Transportation	27,354	31,987	33,166	34,168	35,252	36,198	198,125
Highway and Highway Safety	22,510	26,622	27,368	27,897	28,506	28,972	161,875
% growth above prior year		18%	3%	2%	2%	2%	
Transit	4,844	5,365	5,798	6,271	6,746	7,226	36,250
% growth above prior year		11%	8%	8%	8%	7%	

WHITE HOUSE STAFFING MEMORANDUM

Date: 6/8 ACTION / CONCURRENCE / COMMENT DUE BY: 6/9 10:00 am

Subject: ISTEA Written Signing Statement

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☒	☐	McCURRY	☐	☒
BOWLES	☒	☐	McGINTY	☒	☐
McLARTY	☐	☐	NASH	☐	☐
PODESTA	☒	☐	REED	☒	☐
MATHEWS	☒	☐	RUFF	☐	☐
LEW	☐	☐	SMITH	☐	☐
BEGALA	☒	☐	SOSNIK	☒	☐
BERGER	☐	☐	SPERLING	☒	☐
BLUMENTHAL	☐	☐	STEIN	☒	☐
ECHAVESTE	☒	☐	STERN	☒	☐
EMANUEL	☒	☐	STREETT	☐	☐
GIBBONS	☐	☐	VERVEER	☐	☐
IBARRA	☒	☐	WALDMAN	☒	☐
KLAIN	☒	☐	YELLEN	☐	☐
LEWIS	☒	☐	<u>Sienert</u>	☒	☐
LINDSEY	☐	☐	_____	☐	☐
MARSHALL	☐	☐	_____	☐	☐
			_____	☐	☐

REMARKS:

Comments to this office

RESPONSE:

STATEMENT BY THE PRESIDENT

Today I am pleased to sign into law H.R. 2400, the "Transportation Equity Act for the 21st Century." This comprehensive infrastructure measure for our surface transportation programs -- highway, highway safety, and transit -- retains the core programs and builds on the initiatives established in the landmark Intermodal Surface Transportation Efficiency Act of 1991. It constitutes a significant fulfillment of this Administration's commitment to "build a bridge to the 21st Century."

This Act achieves our transportation goals while maintaining fiscal discipline. The Administration worked with the conferees to eliminate excessive funding that would have undermined key Administration priorities for the environment, child care, and education. The resulting compromise, which is paid for with real offsets, funds a record level of guaranteed transportation investment while preserving the budget surplus for Social Security first. Instead of taking the Highway Trust Fund "off budget", the Act includes a new budget treatment for surface transportation programs, ensuring that certain transportation authorizations may not be reduced in order to increase spending for non-transportation purposes. I support this change.

I am deeply disappointed that the bill fails to make 0.08 percent blood alcohol concentration (BAC) the Nation's *per se* standard for drunk driving. The experience of States that have adopted the .08 blood alcohol level shows that this stringent measure against drunk driving has the potential, when applied nationwide, to save hundreds of lives a year. Applying .08 nationwide is an important cornerstone of our safety efforts. My Administration will continue to fight for it. In the meantime, the bill does establish a new \$500 million incentive program encouraging the States to voluntarily adopt tough 0.08 BAC laws.

Another major safety issue is the need to continue to increase seat belt use. I am pleased that H.R. 2400 adopts two complementary incentive programs -- a \$500 million program to encourage the States to increase seat belt use rates, based on savings to the Federal Government in medical costs that result from the State's seat belt use rate, and an \$83 million program that targets specific laws and programs to aid States in their efforts to increase seat belt and child safety seat use. H.R. 2400 also promotes safety by adopting the Administration's proposal to restructure the motor carrier safety program. These provisions will allow States to invest in areas where they determine the greatest safety payoff can be achieved. The Act strengthens Federal and State enforcement tools, provides innovative approaches to improving motor carrier compliance, and enhances the information systems that support motor carrier safety activities.

The transit title of the bill ensures an appropriate balance between highway and transit spending. The share of guaranteed funding allocated to transit will increase from 17 percent this year to 20 percent in 2002. This title also enacts several provisions that are based on Administration proposals. It creates a new grant program to promote greater cooperation among transit, labor, and health services, and assist social services recipients in gaining greater access to jobs and training opportunities. It gives local transit operators the flexibility to use capital funds for preventive maintenance and for compliance with the Americans with Disabilities Act. It helps level the playing field between employer-provided parking benefits and transit/vanpool benefits, giving transit and vanpool benefits comparable treatment to parking benefits provided under the Taxpayer Relief Act of 1997.

This Act represents the only significant environmental legislation enacted thus far during this session of Congress, and I am very pleased that it supports my environmental and natural

resource program priorities. As the Administration requested, the Act increases funding levels for key environmental programs to help communities meet national standards for clean air and support environmental enhancements to our surface transportation system. The Act also provides for a streamlined environmental review process for highway projects. In this regard, my Administration will ensure that the fundamental protections of the National Environmental Policy Act, which include environmental protection, public participation, and collaborative decisionmaking, are not compromised. The Act also increases funding for roads that serve Federal lands, helping to address construction and maintenance needs for our national parks, forests, refuges, and Tribal lands.

I am also pleased that the Act extends the ethanol tax incentives through 2007. These are common-sense investments that will help protect air quality, reduce greenhouse gas emissions, and create new economic opportunity for farmers.

I continue to oppose strongly, however, the use of legislative riders on authorization or appropriation bills to address substantive environmental issues. Unfortunately, in the final hours of conference negotiations, efforts were made to add a variety of provisions that would have undermined environmental protection, and that were never debated or voted on during House or Senate consideration of the bill. Most such provisions were ultimately -- and with considerable effort by the opponents -- removed, although some objectionable riders remain in the bill as enacted. I view the addition of these kinds of riders as an abuse of the legislative process. I call on Congress to renounce this practice in the future and pursue its environmental policies through the regular authorization process with open debate and subject to public scrutiny.

06/08/88 15.23 FAX MAIL ECONOMIC COUNCIL 47005

I am very pleased that the bill continues the Disadvantaged Business Enterprise Program contained in previous statutes. This program has provided the opportunity for small, disadvantaged businesses to compete in highway and transit contracting undertaken with Federal funding. The bill also continues vital labor protections for America's transportation and construction workers.

The Act establishes a strategic planning process to determine national research and technology priorities and provides substantial funding for new and improved transportation technologies. It protects underground utilities, such as pipelines and fiber-optic cables, that transport critical energy supplies and information necessary to keep America's economy strong.

I am troubled by the many hundreds of special interest highway projects funded in this Act. I would have preferred a "cleaner" bill, with funds provided to States for projects of their choosing. Project selection decisions are a State responsibility, and I disagree with the notion that we in Washington know best which projects are most meritorious.

On the other hand, I would have preferred a stronger program to support implementation of a key Federal responsibility -- control of our Nation's borders. My Administration will work with Congress to secure additional funds, within existing highway funding totals, to ensure that the Government has the technology and infrastructure in place to expedite cross-border traffic while ensuring that contraband, including illegal drugs, does not slip through.

I am pleased that H.R. 2400 adopts the low student loan interest rate that the Vice President proposed in February on behalf of the Administration. I have serious concerns, however, about the arbitrary and excessive subsidies that the bill would force taxpayers to pay to lenders on top of the payments made by borrowers. It is critical that we move toward a system

00700780 10:25 FAX NAME ECONOMIC COUNCIL 0000

that relies on market pressures, not political pressures, in setting subsidies for lenders and intermediaries. My Administration is committed to working with Congress on a long-term, mutually acceptable solution that moves toward a market-based mechanism for determining lender returns.

[NOTE: If the needed House-passed technical corrections bill (H.R. 3978) for this enrolled bill has not passed the Senate by the time the President approves H.R. 2400, the following paragraph should be included in the signing statement: H.R. 2400 is comprehensive legislation and, as is sometimes the case with such legislation, it contains a number of technical errors. As a result, the bill regrettably and unintentionally contains errors related to veterans benefits and important highway safety programs. Accordingly, I urge the Congress to send me promptly the House-passed technical corrections bill, H.R. 3978, which will address these concerns.]

The Transportation Equity Act for the 21st Century represents a significant achievement in our efforts to meet our transportation needs in the next century. I commend the Congress for its diligent, bipartisan efforts to resolve differences and to approve this important legislation.

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IBARRA	☒	☐	WALDMAN	☒	☐
KLAIN	☒	☐	YELLEN	☐	☐
LEWIS	☒	☐	<u>Sicent</u>	☒	☐
LINDSEY	☐	☐	_____	☐	☐
MARSHALL	☐	☐	_____	☐	☐
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Office of the Secretary of Transportation
400 Seventh Street, SW, Room 10413
Washington, D.C. 20590

TO: DOROTHY ROBYN

DATE: June 7, 1998 (2:52 pm)

FAX: (202) 456-2223

TELEPHONE: (202) 456-2801

FROM: ALEXANDER ELLES-BOYLE

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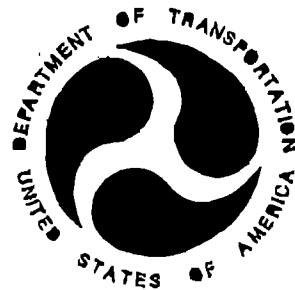
SUBJECT: TEA-21 SUMMARY AND DRAFT REMARKS

PAGES: 10 (Including cover)

I've attached the TEA-21 summary we sent out on May 29 and draft Presidential remarks done early last week. Both are probably more triumphant in tone than you indicated was appropriate.

TEA21

THE TRANSPORTATION EQUITY ACT FOR THE 21ST CENTURY



MAY 29, 1998

THE TRANSPORTATION EQUITY ACT FOR THE 21ST CENTURY: TEA21

The landmark Transportation Equity Act for the 21st Century affirms President Clinton's key priorities: improving safety, protecting public health and the environment, and creating opportunity for all Americans. It provides record levels of investment to continue rebuilding America's highways and transit systems, doing so within a balanced budget and without cutting education, Social Security, and other vital Presidential priorities.

✓ Rebuilding America

- Record, guaranteed \$198 billion in surface transportation investment while protecting our commitment to a balanced budget and to President Clinton's other vital priorities.
- Balanced investment in highways, transit, intermodal projects, and technologies such as Intelligent Transportation Systems; strong state and local flexibility in the use of funds.

✓ Improving Safety

- Incentive grants to increase seat belt use and to fight drunk driving by encouraging states to adopt 0.08 blood alcohol concentration standards.
- National "One Call" notification program for pipeline safety.
- Strong programs to continue making roads and rail-highway grade crossings safer.
- Improved truck safety program to get bad drivers and vehicles off the road.

✓ Protecting the Environment

- Expanded Congestion Mitigation and Air Quality Improvement and Transportation Enhancements programs to help communities improve the environment.
- Advanced Vehicle Program to develop clean, fuel-efficient trucks.
- Continued programs for National Scenic Byways, bicycle and pedestrian paths, recreational trails, and roadside wildflower plantings.
- Increased tax-free transit benefits to encourage transit ridership.

✓ Creating Opportunity

- Innovative jobs access program to help those moving from welfare to work.
- Continued, effective Disadvantaged Business Enterprise program.
- Strong labor protections for transportation workers.

IMPROVING SAFETY

More than 40,000 Americans die and three million are injured in highway crashes each year, inflicting a tragic toll and costing our economy \$150 billion annually. The fatality rate is at an historic low under President Clinton's leadership, and our challenge is to continue this progress even as traffic increases.

- **Protecting Drivers and Passengers:** \$583 million in incentives to promote seat belt and child safety seat use. An ambitious timetable to develop and implement advanced air bag technologies that protect children and smaller adults while preserving the lifesaving benefits for everyone else.
- **Fighting Drunk Driving:** \$500 million incentive program to encourage states to adopt tough 0.08 blood alcohol concentration standards for drunk driving. \$219 million in grants to encourage graduated licensing and other alternative strategies.
- **Improving Road and Rail-Highway Grade Crossing Safety:** \$3 billion for safety construction, including road hazard reduction and improved safety at rail-highway grade crossings.
- **Motor Carrier Safety:** Restructures the National Motor Carrier Safety Program to give states the ability to tailor solutions to their own needs. Continues the Motor Carrier Safety Assistance Program to improve trucking and hazardous materials safety.
- **One Call:** Establishes incentives for states to establish or improve "One Call" notification systems to prevent excavation damage to pipelines and other underground facilities.

PROTECTING OUR ENVIRONMENT

The quality of our nation's environment continues to improve under President Clinton's stewardship. TEA21, this year's most significant environmental legislation, reaffirms the President's commitment to protecting and enhancing our environment.

- **Congestion Mitigation and Air Quality Improvement Program:** Continues this as an independent program, with funding increased by about 35 percent to \$8.1 billion. Helps communities meet national standards for healthy air.
- **Transportation Enhancements:** \$3 billion for transportation projects to improve communities' cultural, aesthetic, and environmental qualities.
- **Transit Benefits:** Increases tax-free employer-paid transit benefits from \$65 to \$100 per month, promoting transit ridership.
- **Advanced Vehicle Program:** \$250 million, matched by private funding, to develop clean, fuel-efficient trucks and other heavy vehicles.
- **Clean Fuels:** \$500 million to buy or lease buses using low-polluting fuels.
- **Sustainable Communities:** Establishes a pilot program to help state and local governments plan environmentally-friendly development.
- **National Scenic Byways:** \$148 million for improvements to roads of scenic or historic value.
- **Bicycle and Pedestrian Paths:** Expands provisions to make bicycling and walking safer and more viable ways of travel.
- **Recreational Trails:** \$270 million to create and maintain recreational trails.
- **Environmental Streamlining:** Reduces red tape and paperwork in project reviews without compromising environmental protections.

EXPANDING OPPORTUNITY

President Clinton believes that transportation is about more than concrete, asphalt, and steel: it is about people, and about providing them with the opportunity to lead more fulfilling lives. TEA21 expands opportunity for all Americans.

- **Access to Jobs:** Creates a \$750 million Job Access and Reverse Commute program to help lower-income workers and those making the transition from welfare rolls to payrolls get to jobs.
- **Disadvantaged Business Enterprise Program:** Ensures that minority- and women-owned businesses have continued opportunity to participate in transportation projects.
- **Protecting American Workers:** Continues vital labor protections for transportation workers, such as Davis-Bacon and 13 (c).
- **Training the Workforce of the Future:** Allows states to reserve highway training positions specifically for welfare recipients.
- **University Transportation Centers:** \$228 million to support university-level education and research programs, a 93 percent increase.
- **Accessibility:** Provides incentive grants to make intercity buses accessible, and enables Surface Transportation Program funds to be used to make sidewalks accessible. Continues the 90 percent federal share for projects to meet Americans with Disabilities Act requirements.

REBUILDING AMERICA

President Clinton has made good on his pledge to rebuild America: the conditions and performance of our transportation system have been steadily improving. The Transportation Equity Act for the 21st Century furthers the President's legacy of rebuilding America by providing record, balanced transportation investment.

- **Record Investment:** Guarantees \$198 billion of investment from FY 1998-2003 while protecting our commitment to a balanced budget and to President Clinton's other vital priorities, such as education, child care, and Social Security.
- **Expanded Highway Programs:** Expands core highway programs, including the National Highway System (\$28.6 billion); Interstate Highway Maintenance (\$23.8 billion); Surface Transportation Program (\$33.3 billion); Bridges (\$20.4 billion); Congestion Mitigation and Air Quality Improvement (\$8.1 billion); and Federal Lands Highways (\$4.1 billion).
- **Balanced Investment:** Invests not only in highways and bridges but also in transit systems and intermodal projects. \$42 billion authorized for transit.
- **More Flexible Use of Funds:** Gives states and localities greater flexibility in the use of federal funds. Publicly-owned bus terminals and Intelligent Transportation Systems are among the possible uses.
- **Intelligent Transportation Systems:** \$1.3 billion to develop and deploy advanced ITS technologies to improve safety, mobility, and freight shipping. Expanded ability to use other major program funds for ITS.
- **Research and Technology:** \$592 million for transportation research, \$250 million for technology deployment. \$1 billion to develop magnetic levitation trains.
- **Streamlined Planning:** Streamlines the metropolitan and statewide transportation planning processes and includes freight shippers and transit riders as stakeholders. Strengthens the role of local officials and improves public involvement in the planning processes.

PROMOTING ECONOMIC GROWTH AND TRADE

Under President Clinton's leadership, America is once again the most economically-competitive nation in the world, and this is due in great measure to our transportation system's low costs and reliability. In an increasingly-global economy, keeping transportation efficient is crucial to our continued competitiveness.

- **Border Crossings and Trade Corridors:** \$700 million to support trade and improve security at borders and to design and construct corridors of national significance.
- **Intermodalism:** Promotes balanced, integrated, and efficient transportation to advance America's economic competitiveness. Examples include funding for projects to connect highways with intermodal transportation facilities.
- **Innovative Financing:** Creates a \$530 million credit assistance program to leverage \$10.6 billion for construction projects. Gives states and others greater flexibility in meeting the matching requirements for federal grants.
- **Freight Involvement:** Ensures that freight shippers can participate in the metropolitan and statewide transportation planning processes, so that their interests will be properly considered.
- **Bureau of Transportation Statistics:** \$186 million to support such activities as commodity flow studies and analyses of transportation's role in supporting trade.

DRAFT

**REMARKS PREPARED FOR DELIVERY
PRESIDENT WILLIAM J. CLINTON
SIGNING OF THE TRANSPORTATION EQUITY ACT FOR THE 21ST CENTURY
[LOCATION]
JUNE __, 1998**

Good morning. I want to thank the Members who are here today and who worked so hard with us to reach a principled compromise on this legislation.

Senator Lott -- Speaker Gingrich -- the members of the conference committee, especially Chairman Shuster and Chairman Chafee -- Senators Daschle, Domenici, Baucus, Warner, Sarbanes, and D'Amato -- and Representatives Gephardt, Oberstar, Petri, and Rahall.

Over the past five years, even as we've ended a generation of deficit spending, we've made the strategic investments that will prepare our nation for the global economy of the 21st century.

We've invested in education, in health care, in technology, in the environment. And we've invested in transportation, rebuilding our roads and bridges and transit systems to make them better able to handle the movement of people and goods generated by our expanding economy.

In doing so, we've made safety our top transportation priority, working hard to reduce fatalities and injuries, especially on our nation's highways.

Today, I have the privilege of signing into law legislation that will build on the progress we've made, and take us well into the 21st century.

In the tradition set by the ISTEA bill, it will help our communities to modernize their transportation systems, strengthening the links that keep our economy strong and that empower people to make the most of the opportunities our nation offers.

This bill provides record, balanced investment in our highways and transit systems. And it does so in a fiscally-responsible manner which protects our commitment to a balanced budget and to our other vital priorities, including education and child care. Most importantly, it preserves our budget surplus until we have saved Social Security.

This historic legislation also reflects my view that transportation is about more than concrete, asphalt, and steel; it's about people, and about providing them with the opportunity to lead safer, healthier, more fulfilling lives.

The bill protects Americans' safety through campaigns to increase seat belt use and fight drunk driving.

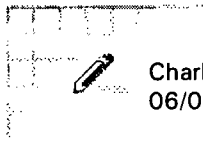
It strengthens proven strategies to protect public health and the environment, helping communities clean their air and improve their quality of life.

And this legislation expands opportunity for all Americans. It helps those moving from welfare get to where the jobs are. It ensures that small, disadvantaged businesses have a chance to compete on an equal basis. It continues strong labor protections for transportation workers.

This bill shows that fiscal responsibility and investing in our future go hand in hand as we prepare for the new century. It shows that, as the poet Wordsworth wrote, we can come together to "live, and act, and serve the future hour."

Finally, let me say that I look forward to working with Congress to realize this bill's promise -- to keep our nation on the right track -- and to ensure that the track itself is strong enough for the challenges and opportunities we face. Thank you.

#

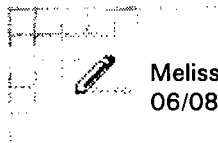


Charles R. Marr
06/08/98 11:20:09 AM

Record Type: Record

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

----- Forwarded by Charles R. Marr/OPD/EOP on 06/08/98 11:29 AM -----

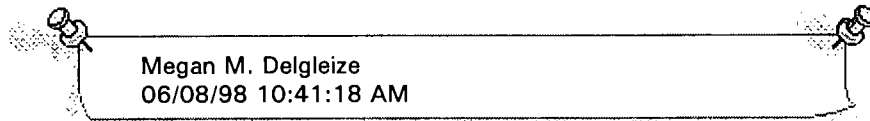


Melissa G. Green
06/08/98 10:50:41 AM

Record Type: Record

To: Jake Siewert/OPD/EOP, Jonathan A. Kaplan/OPD/EOP, Charles R. Marr/OPD/EOP
cc:
Subject:

----- Forwarded by Melissa G. Green/OPD/EOP on 06/08/98 10:50 AM -----



Record Type: Record

To: See the distribution list at the bottom of this message
cc: Laura A. Graham/WHO/EOP
Subject:

The ISTE A Bill Signing Event Meeting will be at 12:00 pm in room 188 OEOB. No conference code necessary. Thanks.

Message Sent To: _____

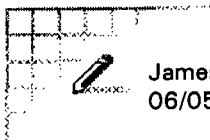
Rebecca A. Cameron/WHO/EOP
Phillip Caplan/WHO/EOP
Michael Cohen/OPD/EOP
Michelle Crisci/WHO/EOP
Anne M. Edwards/WHO/EOP
Michelle A. Enger/OMB/EOP
Kirk T. Hanlin/WHO/EOP
Karin Kullman/WHO/EOP
Sara M. Latham/WHO/EOP
Anne E. McGuire/WHO/EOP
Elisa Millsap/WHO/EOP
Linda L. Moore/WHO/EOP
Kevin S. Moran/WHO/EOP
Mary Morrison/WHO/EOP
Jaycee A. Pribulsky/WHO/EOP
Cathy R. Mays/OPD/EOP
Christa Robinson/OPD/EOP
Dan K. Rosenthal/WHO/EOP
Laura D. Schwartz/WHO/EOP
Jordan Tamagni/WHO/EOP
Barry J. Toiv/WHO/EOP
Daniel Wexler/WHO/EOP
David S. Beaubaire/WHO/EOP
Lori L. Anderson/WHO/EOP
Douglas B. Sosnik/WHO/EOP
Cecily C. Williams/WHO/EOP
Ann F. Lewis/WHO/EOP
June G. Turner/WHO/EOP
Craig T. Smith/WHO/EOP
Sylvia M. Mathews/WHO/EOP
Cheryl M. Carter/WHO/EOP
Joseph P. Lockhart/WHO/EOP
Jonathan Murchinson/WHO/EOP
Jennifer M. Palmieri/WHO/EOP
Christopher Wayne/WHO/EOP
Brian A. Alcorn/WHO/EOP
Kris M Balderston/WHO/EOP
Thomas D. Janenda/WHO/EOP
Suzanne Dale/WHO/EOP
Christopher J. Lavery/WHO/EOP
Michael D. Malone/WHO/EOP
Marjorie Tarmey/WHO/EOP
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Minyon Moore/WHO/EOP
Cynthia M. Jasso-Rotunno/WHO/EOP
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Nancy V. Hernreich/WHO/EOP
Stephanie S. Streett/WHO/EOP
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Melissa M. Murray/WHO/EOP
Karen Tramontano/WHO/EOP

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Stacie Spector/WHO/EOP
Jennifer C. Poole/NSC/EOP
Lael Brainard/CEA/EOP
Antony J. Blinken/NSC/EOP
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Kara Gerhardt/WHO/EOP
Lowell A. Weiss/WHO/EOP
Robert M. Shireman/OPD/EOP
Jake Siewert/OPD/EOP
Dominique L. Cano/WHO/EOP
Mark J. Bernstein/WHO/EOP
Peter O'Keefe/WHO/EOP
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Rachel A. Redington/WHO/EOP
Craig Hughes/WHO/EOP
Simeona F. Pasquil/WHO/EOP
Aviva Steinberg/WHO/EOP
Edward Prewitt/WHO/EOP
Michael B. Feldman/OVP @ OVP
Jonathan E. Smith/WHO/EOP
Melissa G. Green/OPD/EOP
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Karen E. Skelton/WHO/EOP
Beth A. Viola/CEQ/EOP
Lydia R. Ewing/OVP @ OVP
Matthew L. Bennett/OVP @ OVP

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 Laura S. Marcus/WHO/EOP
 Virginia N. Rustique/WHO/EOP
 Thomas D. Janenda/WHO/EOP
 Brian D. Smith/WHO/EOP
 Leanne A. Shimabukuro/OPD/EOP
 Tracy S. Olmstead/OSTP/EOP
 Kim B. Widdess/WHO/EOP
 1 = US @ 2 = WESTERN UNION @ 5 = ATT.COM @ *ELN\62955104 @ MRX @ LNGTWY
 62955104 @ eln.attmail.com @ inet
 BARBUSCHAK_K @ A1 @ CD @ LNGTWY
 Lawrence W. Hush/OMB/EOP
 INFOMGT @ A1 @ CD @ LNGTWY
 JOHNSON_WC @ A1 @ CD @ LNGTWY
 SULLIVAN_M @ A1 @ CD @ LNGTWY
 SUNTUM_M @ A1 @ CD @ LNGTWY
 WOZNIAC_N @ A1 @ CD @ LNGTWY
 backup @ wilson.ai.mit.edu @ inet
 newsdesk @ usnewswire.com @ inet
 usia01 @ access.digex.com @ inet
 usnwire @ access.digex.com @ inet

GRAY_W @ A1 @ CD @ LNGTWY
NAPLAN_S @ A1 @ CD @ LNGTWY
WEINER_R @ A1 @ CD @ LNGTWY
GRIBBEN_J @ A1 @ CD @ LNGTWY
RILEY_R @ A1 @ CD @ LNGTWY
RONNEL_S @ A1 @ CD @ LNGTWY
tnewell @ ostp.eop.gov @ INET @ LNGTWY
Joseph P. Lockhart/WHO/EOP
Elizabeth R. Newman/WHO/EOP
Jordan Tamagni/WHO/EOP
HEMMIG_M @ A1 @ CD @ LNGTWY
Kevin S. Moran/WHO/EOP
Ashley L. Raines/OA/EOP
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Elliot J. Diringier/CEQ/EOP
Kara Gerhardt/WHO/EOP
Nanda Chitre/WHO/EOP
Julie_green @ ed.gov @ inet
Amy W. Tobe/WHO/EOP
Melissa M. Murray/WHO/EOP
David S. Beaubaire/WHO/EOP

bonney @ dnc.democrats.org @ inet
Lisa J. Levin/WHO/EOP
Phillip Caplan/WHO/EOP
Katharine Button/WHO/EOP
Michael A. O'Mary/OPD/EOP
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Sarah A. Bianchi/OPD/EOP
Holly H. Holt/WHO/EOP
McGavock D. Reed/OMB/EOP
Chandler G. Spaulding/WHO/EOP
Marie-Therese Dominguez/WHO/EOP
Peter O'Keefe/WHO/EOP



James A. Brown
06/05/98 09:22:30 AM

Alexander E-B

366-7270 (fax)

Record Type: Record

To: Dorothy Robyn/OPD/EOP
cc: Lowell A. Weiss/WHO/EOP, Jake Siewert/OPD/EOP
Subject: Re: ISTEA signing statement

STATEMENT BY THE PRESIDENT

Today I am pleased to sign into law H.R. 2400, the "Transportation Equity Act for the 21st Century." This comprehensive infrastructure measure for our surface transportation programs -- highway, highway safety, and transit -- retains the core programs and builds on the initiatives established in the landmark Intermodal Surface Transportation Efficiency Act of 1991. It constitutes a significant fulfillment of this Administration's commitment to "build a bridge to the 21st Century."

This Act achieves our transportation goals while maintaining fiscal discipline. The Administration worked with the conferees to eliminate excessive funding that would have undermined key Administration priorities for the environment, child care, and education. The resulting compromise, which is fully paid for with real offsets, funds a record level of guaranteed transportation investment while preserving the budget surplus for Social Security first. Instead of taking the Highway Trust Fund "off budget", the Act includes a new budget treatment for surface transportation programs, ensuring that the certain transportation authorizations may not be reduced in order to increase spending for non-transportation purposes. I support this change.

I am deeply disappointed the bill fails to make 0.08 percent blood alcohol concentration (BAC) the Nation's *per se* standard for drunk driving. The experience of States which have adopted the .08 blood alcohol level shows that this stringent measure against drunk driving has the potential, when applied nationwide, to save hundreds of lives a year. Applying .08 nationwide is an important cornerstone of our safety efforts. My Administration will continue to fight for it. In the meantime, the bill does establish a new \$500 million incentive program encouraging the States to voluntarily adopt tough 0.08 BAC laws. [In addition, [I have/the Congress has/the House has] approved a technical corrections bill that would sanction States for failing to enact laws establishing minimum penalties for repeat drunk driving offenders and prohibiting open alcoholic beverage containers in motor vehicles.]

Another major safety issue is the need to continue to increase seat belt use. I am pleased that H.R. 2400 adopts two complementary incentive programs -- a \$500 million program to encourage the States to increase seat belt use rates, based on savings to the Federal Government in medical costs that result from the State's seat belt use rate, and an \$83 million program that targets specific laws and programs to aid States in their efforts to increase seat belt and child safety seat use. H.R. 2400 also promotes safety by adopting the Administration's proposal to restructure the motor carrier safety program. These provisions will allow States to invest in areas where they determine the greatest safety payoff can be achieved. The Act strengthens Federal and State enforcement tools, provides innovative approaches to improving motor carrier compliance, and enhances the information systems that support motor carrier safety activities.

The transit title of the bill ensures an appropriate balance between highway and transit

spending. The share of guaranteed funding allocated to transit will increase from 17 percent this year to 20 percent in 2002. This title also enacts several provisions that are based on Administration proposals. It creates a new grant program to promote greater cooperation among transit, labor, and health services, and assist social services recipients in gaining greater access to jobs and training opportunities. It gives local transit operators the flexibility to use capital funds for preventive maintenance and for compliance with the Americans with Disabilities Act. It helps level the playing field between employer-provided parking benefits and transit/vanpool benefits, giving transit and vanpool benefits comparable treatment to parking benefits provided under the Taxpayer Relief Act of 1997.

This Act represents the most significant environmental legislation enacted thus far this session. I am very pleased that it supports my environmental program priorities. As the Administration requested, the Act increases funding levels for key environmental programs to help communities meet national standards for clean air and support environmental enhancements to our surface transportation system. The Act also provides for a streamlined environmental review process for highway projects. In this regard, my Administration will ensure that the fundamental protections of the National Environmental Policy Act, which include environmental protection, public participation, and collaborative decisionmaking, are not compromised. The Act also increases funding for roads that serve Federal lands, helping to address construction and maintenance needs for our national parks, forests, refuges, and Tribal lands.

I am pleased that the Act extends the ethanol tax credit through 2007. This is a common-sense investment that will help protect air quality, reduce greenhouse gas emissions

and create new economic opportunity for farmers.

I continue to oppose strongly the use of legislative riders on unrelated authorization or appropriation bills to address substantive environmental issues. Unfortunately, in the final hours of conference negotiations, efforts were made to add a variety of provisions that would have undermined environmental protection, and that were never debated or voted on in House or Senate consideration of the bill. Most of such provisions attempted on this bill were ultimately -- and with considerable effort by the opponents -- removed, although some objectionable riders remain in the bill as enacted. I view the addition of these kinds of riders as an abuse of the legislative process. I call on Congress to renounce this practice in the future and pursue its environmental policies through the regular authorization process with open debate and subject to public scrutiny.

I am very pleased that the bill continues the Disadvantaged Business Enterprise Program contained in previous statutes. This program has provided the opportunity for small, disadvantaged businesses to compete in highway and transit contracting undertaken with Federal funding. The bill also continues vital labor protections for America's transportation and construction workers.

The Act establishes a strategic planning process to determine national research and technology priorities and provides substantial funding for new and improved transportation technologies. It protects underground utilities, such as pipelines and fiber-optic cables, that transport critical energy supplies and information necessary to keep America's economy strong.

I am troubled by the many hundreds of special interest highway projects funded in this

Act. I would have preferred a "cleaner" bill, with funds provided to States for projects of their choosing. Project selection decisions are a State responsibility, and I disagree with the notion that we in Washington know best which projects are most meritorious.

On the other hand, I would have preferred a stronger program to support implementation of a key Federal responsibility -- control of our Nation's borders. My Administration will work with Congress to secure additional funds, within existing highway funding totals, to ensure that the Government has the technology and infrastructure in place to expedite cross-border traffic while ensuring that contraband, including illegal drugs, does not slip through.

[IF CORRECTION BILL NOT ENACTED: There are some technical problems with the bill's veterans benefit provisions. The Administration will work with the Congress to address any errors that cannot be resolved administratively.]

I am pleased that H.R. 2400 adopts the low student loan interest rate that the Vice President proposed in February on behalf of the Administration. I have serious concerns, however, about the arbitrary and excessive subsidies that the bill would force taxpayers to pay to lenders on top of the payments made by borrowers. It is critical that we move toward a system that relies on market pressures, not political pressures, in setting subsidies for lenders and intermediaries. My Administration is committed to working with Congress on a long-term, mutually acceptable solution that moves toward a market-based mechanism for determining lender returns.

The Transportation Equity Act for the 21st Century represents a significant achievement in our efforts to meet our transportation needs in the next century. I commend

the Congress for its diligent, bipartisan efforts to resolve differences and to approve this important legislation.

THE WHITE HOUSE
WASHINGTON

- Bill Schulz:

- 7-page

- 40-pp. brochure

- ~~Handwritten notes~~

- Q & A

Ann Lewis - 1STEN
6/3/98

Both have to be signed by 9th. No open days

C/D be done on the 9th - even though that's
same

C/D ^{is it at} ~~has~~ radio address - wld tape it on
Fri. - before tech corrections are made

- If we do, 9th - press conf: ^{3:15-4:15} ~~end of~~
(at State Dept.)

- 1:10-2:10 is avail, but wld prefer not
to use it

- ^{w/} ~~if~~ have to move press

- Roos. ^{Room} 450; Oval - Can't use
Rose Garden b/c of state liability

Next day - 50 majors in town for mtg at
DNC

150 w/ open press

★ - ^{actually} C/D use Rose Garden if agency cld pay for
set up
- Run 450 as backup

- Roos. Room 60 + pool

- Oval Room

- 450 150 w/ open press

Run 450

~~Rose Garden:~~

- 5:30¹⁵ event

Who needs to speak? ^{minimum #} - POTD, VP if in town, Mayor

Real people? Construction workers

Legislators

Need backdrop -

- Regional breakout - DOT will do; NEC w/4
review

Twitter

↳ You will name

- Transit-dependent
states
