FOIA Number: 2015-0463-F

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Collection/Record Group: Clinton Presidential Records

Subgroup/Office of Origin: National Economic Council

Series/Staff Member: Dorothy Robyn

Subseries:

OA/ID Number: 17404

FolderID:

Folder Title:
WTW [Welfare to Work] / DBE [Disadvantaged Business Enterprise]: ISTEA [Intermodal Surface Transportation Efficiency Act] - Principals' Mtg. [Meeting]

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

THE WHITE HOUSE

WASHINGTON

September 22, 1997

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DANIEL C. TATE
09/22/97 07:13:08 PM

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COMPARISON OF THE BIPARTISAN BUDGET AGREEMENT AND HR 2400 (BESTEA)
(dollars in billions)

As shown below, spending under BESTEA would exceed the BBA levels by $9.2 billion in outlays over 3 years and $29.4 billion over 5 years. Spending under BESTEA is assumed to be at the authorized funding levels. Since BESTEA only authorizes funding for 3 years, and the Bipartisan Budget Agreement was 5 years, the last two years of BESTEA are inflated by the baseline assumptions for those years.

	FY 98		FY 99		FY 00		FY 01		FY 02		TOTALS FY98-00		TOTALS FY 98-02	
	BR	OL	BR	OL	BR	OL	BR	OL	BR	OL	BR	OL	BR	OL
Bipartisan Budget Agreement	25,791	25,129	26,012	25,560	26,146	25,851	26,285	25,949	26,427	26,137	77,949	76,540	130,660	128,626
BESTEA	30,556	25,551	34,669	28,343	38,681	31,876	39,684	35,149	40,713	37,143	103,906	85,770	184,302	158,061
Delta	4,765	422	8,657	2,783	12,535	6,025	13,399	9,200	14,286	11,006	25,957	9,230	53,642	29,435

PRELIMINARY PAYGO SCORING

As shown below, BESTEA would result in a PAYGO cost of $5.7 billion. The PAYGO impact of the bill, is different than the above comparison to the Balanced Budget Agreement because it only focuses on mandatory increases and uses the baseline as a reference.

	FY98	FY99	FY00	FY01	FY02	TOTAL
Contract Authority*	1,296	4,634	7,820	8,001	8,242	29,993
Other Mandatory**						
CA	1,687	1,960	2,262	2,322	2,384	10,615
OL	107	521	939	1,304	1,581	4,452
Other increases***						
OL	131	490	296	167	141	1,225
Total CA	2,983	6,594	10,082	10,323	10,626	40,608
Total OL	238	1,011	1,235	1,471	1,722	5,677

* Mandatory BA that is subject to limitation only, no OL.
** This increase includes increases to highway demonstration projects and highway equity programs.
*** BESTEA includes obligation ceilings above the expected FY 1998 Appropriation (average of the House and Senate) for Highways and Transit. Therefore BESTEA is scored with the additional outlays.

NOTES
NEXTEA provides $175 billion in contract authority and budget authority for FY 98-03. The President's Budget adjusted for the BBA assumes outlays of $122.8 billion over the time period.

BESTEA also includes a provision that would take the four transportation trust funds off-budget. The effect of this provision is not included in the above estimates. Likewise, Outlay rate increases due to BESTEA programmatic changes have not yet been incorporated.

The BBA provided a total Function 400 level. To derive the BBA totals for BESTEA programs, we used the President's Budget as amended by the BBA budget amendments. However, since there was a mismatch between budgetary resources and outlays in the BBA Function 400 totals, there is some discretion involved in determining the BBA total for BESTEA programs.

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(3) Six Year Bill at Current Budget Resolution Levels with a Trigger. The current ISTEA bill included a trigger (the requirement to designate the National Highway System) which forced Congress to reopen ISTEA in the third year of the bill. Congress used this opportunity to fine tune ISTEA. A similar trigger could be proposed which would allow a reexamination of the reauthorization two or three years from now, including the contract authority levels. This trigger partially addresses the concerns of those who want the opportunity to capture the benefits of improved economic forecasts. However, it is preferable to the trigger mechanisms Shuster had been considering which would automatically allocate a portion of increased revenues above the deal to infrastructure.

DANIEL C. TATE
09/22/97 07:13:08 PM

Record Type: Record

To: John L. Hilley/WHO/EOP, Michael Deich/OMB/EOP, Dorothy Robyn/OPD/EOP, Gene B. Sperling/OPD/EOP

cc: Ananias Blocker III/WHO/EOP
Subject: ISTEA Reauthorization

In preparation for the meeting tomorrow, I thought it would be helpful to give the current state of play.

The tentative plan for Wednesday's House Transportation Committee markup is:

1) pass a 6 month extension of current ISTEA law. There will be no member projects will be included. The committee will report this bill favorably for floor consideration.

2) mark up, but not pass HR 2400, BESTEA (the Shuster bill). The committee will convert the current 3 year bill to a 6 year bill with $32 bill/yr for years 4,5,6. There will be langauge to ensure that the balanced budget targets are met, but that money may be spent if it is available. (I do not have leg. language)

Option 1 would be sent to the floor and passed. Option 2 would remain in committee and could be called up in the event that new money is made available next year. It is apparent that he wants to use the popularity of the program to muscle money out of the budget during the election year.

Shuster intends to take the 6 month bill to conference and refuse to entertain a conference unless the Senate comes in with a 6 month or something close to #2. ***Shuster is to meet with the leadership again tomorrow on the issue.***

This could all change tomorrow. Dan

Principals Mtg
9/23/97

Deal has been struck:

- 6-mo. bill that pushes off the

- our intelligence is that Sen. will go along

- if we veto, will prob. be overridden

Although lots of goods, etc. without a multi-yr. bill

They see that all this good stuff is in bill
- DBE
- CMAQ
- etc.

Coming out of comm, except for the $

So - we may not have an option but to go

But - downside of a 6-mo. bill:

- debate will occur in election year

This bill will drive a lot of the budget debate next yr.

CBO will start putting out it
baseline in Dec.

But you won't see new proj. until Feb.

They'd need 60 votes to bust Cap.

Speeding of approp's
If approp's bills pass, you'd

Nilly: Pol., we're in good shape and
FR: If we have a deficit, we have the procedural protection.

Procedurally -

Harder Q will be - If we're at or near balance,

Paygo: disc. caps are enshrined. Def. ↓ path isn't enshrined.

It's amazing Shuster is doing this given that everything is tied down.

FR: Procedurally, is he better off later than now? Not clear. He needs 60 votes - need to [illegible].

Isn't there more at play in 6 mos.? Not really.

~~If you pass the bill of ≤ 60 votes~~

JH: To avoid sequester, they'd have to Δ BEA + get us to sign bill

FR: But that wouldn't necessarily be the bill that breaks the caps.

Rodney - Can we make case that you'll lose by waiting?

Sperling - 6-mos. from now, there will be so many plans out there for spending the surplus

So Shuster's greatest strength is now

6-mo. bill is a done deal

JH: But I think it's an opportunity.

We need to get out there w/ our own plan for spending the surplus.

FR: But they're in better position b/c they have a trust fund — They can say — this is our $$.

JH: Don't stand in way of 6-mo. bill.

Have our own process...

FR: Cld we delay it til May 31 so as to get a clean budget res'n.

Hilley: Dollar, dollar, dollar proposal —

SP: Shuster will go after things we care abt. next year — CMAQ, DBE...

RS: He could have pulled together the
his coalition w/ ~~$26~~ B (the #32B).

Msg. We want a multi-year yr. bill w/in the budget agreement.

This is a good bill except for ...
w

If the world is fundamentally different in 3 yrs. ...

~~There always~~ We can revisit ...

- Warn them abt. implications
  - quiet discussion of downside of a 6-mo. bill
  -

- we need to continue to sound resolute . . .

- Epiry

WTW

Gets us past the current logjam

Puts some of our priorities at risk.
- possible retaliation
-

- Is there anything we can do to give them an incentive to do s'thing other than a 6-mo. bill?

CBO; OMB

Even w/ a 1-yr. bill, we'll serve here for 5 yrs.

6-571

Lott met w/ Shuster 4558.

Lott " w/ Slater in advance

- Slater did not

- Veto was

- has to be respectful of

MD: - No discussions w/ Frank abt. Dings our stg.

If all these discussions z.w. l/ship; Shuster

Trigger mechanism

Gene

Raines,
Sperling
Slater / Downey
Hillery

~~Each~~ person's

- Private 5 yr. - who's the heavy?
- If GOP wants to get out of box, what's their response
- trigger mech.

It's all on the table

Probable out

- 1 yr/ less extension
- End of 1 yr.

- 6-mos.

- We discussed Rees morning

- Steve Palmer: That's pretty much what he said. What he was trying to convey was — It has to be consistent w/ BBA. But it leaves a way

On Mon, he made clear it had to be consistent w/ BBA

How do

Discussion w/ LOH

Shadeg
will talk an ovl. of markup

op

Schroeder
Jonathan Weiss

Mark H. - comes up during budget res'n

6-yr. bill w/ trigger

ISTEA
(Cong. has to pass a NHS bill by end of yr. 4 of bill
If not $XB in C.A. wld be w/held from the STATES.

You open

There's more C.A. in budget res'n than anyone

Just current C.A. #s will allow a huge ↑

if people are concerned that current C.A. #s
So, you could

So, you don't need to

public debate
but

pressure will be on . . . —

Sen. Lott — Oct. 9

Budget Comm staff hate idea of 1.

~~[illegible]~~

hard situation

Chafee gets his bill to floor ~ Oct 1.

Lots of training to

Chafee's goal may be to get Sen. to pass his bill, so it's sitting at House

Shuster won't want to go along w/ a lot of stuff in Sen. bill.

So they agree

Chafee avoided 50-odd a's — said

To agree floor time —

If he gets bill done

6-mo. Ext. is fine w/ Chafee

Formula Fight

Dems

Keep Stu. btl as clean as we

Can b/c that's our hi-water

mark

Boucus ;

Shuster bill
9/15/97

JK ; WG trying to work out
- 1-yr. ~~[illegible]~~
or
- w/ BBA - if level of prev's

GOP considering what steps to take to strip him of his ch/ship

they're taking him really

What we

If he gets to fl. - impossible to stop

If l/ship can't calm him down or keep him from getting

We're well pos'd

- we came out early

- we've raised concerns

(The POTUS will insist that the bill meet BBA #s at subcomm level

Kass — Domenici appreciated that

but they think our msg. gets lost in

longer ltr.

They w/d like us to send separate ltr. on Sperling

Other Dom. staff has recm'd the call Raines

Raines
Hillary
Bowles
Sperling

any calls Hill's

Given that our goal is to keep bill from reaching floor, who sh/d best deliver that msg.

Hillary

- public and private strg.

Hillary

- Budget Comm's looking for help

Having us stand up: ✓

— This is a fight b/w Speaker - GOP l/ship

— GOP screwed up: when it let Sh. go to floor on budget res'n.

— Some of Dem l/ship + rank + file Dems were going on.

— Chuck K - veto threat

all Hobby doesn't want

CK - but this is largest violation

DT - This is GOP issue.

— publicly - given markers we've laid down, we can't threaten veto

pr. watchy -

DT:

let's Δ wording - elevate msg. somewhat, but let's not get too far out of this stage

If GOP l/ship trying to contain sh, it doesn't help to have us threatening veto

CK - No

l/ship - we'll be laughing stock. POTUS will veto & take credit for fiscal resp.

Whereas if we veto - they can stand back & let us take heat.

Sum:

- No veto lang. before comm. m/up (except Check) but elevate language in ltr.
- Do Raines/Holly/EB/GS make calls, etc.

maybe private calls to l/ship; Budget Comm.

CK - If FR calls Dom., Dom will ask if POTUS will veto - they not just put it in ltr.

DT - But they can put it off

I haven't seen lang. as strong as we used at subcomm. level & not even on Yucca Mt.

Do we need to distinguish Exec. spending levels w/ off-budget.

Implicit in ↓ spending is keeping on-budget

~~OOP~~ ~~l/ship~~

If OOP wins on spending, implicitly they win on off-budget.

ISTEA - OMB
9/4/97

CA
- $175 NEXTEA (6 yrs.)

- 103 Budget Agreement (5 yrs.)

Will there be a bill?

#4 B - mandatory projects - no pay go

OMB did scoring of proj's from disc. to mandatory

Shuster has just ignored

need 60% to waive a point of order

400 of 435 members asked for projects

House rules give Budget Comm. 30 days for referral

Kasich has asked for full 30 days, altho Speaker can waive

Bill Also has to go to W&M & Science

- Sen. doesn't have input on structure of bill

only 22 legis days left (?)

'91 - bill passed in last wk in Dec.

wld other keep Cong in just to pass ~~this~~ ISTEA?

What else is there?

Superfund

Livingston - he wants e/thing cut all approp's bills

Unspent $ carries over

new approp's bill wld allow that to be spent

so clock wld run out

Alternatively, Shuster wld slow little for defense -

Shuster didn't take on a lot of fights to get Olson & Kaptur

How will this come together?

Chafee:

provisions of hiway bill

O from Banking & Commerce

Amtrak

House will mark up a standalone bill next wk.

Sen. no where close

Vehicle for reform

PCB reports – 3rd wk of Sept.

* Cong. has 30 days to act –

- Labor was sig. reason House & SIBs & innov. financing

- They have juris. over several EPA programs that are subj. to DBA; even though they were enacted by a Dem. Congress, they don't go nearly as far as DBA

Approp's have bigger role in transit earmarks
(that's why BESTEA builds transit ~~earmarks~~)

Transit op assistance

Cap was an effort to avoid shift in $ from R side

Soft sanctions = Commerce Comm.

Shuster bill:

Looks OK

Problems are more w/ omissions than w/ what's included:

- doesn't ~~dictat~~ extend Elig. for H/Way $ to be spent on ITS, etc.
- " make required Δs in CMAQ to reflect attainment boundaries
- allows for 1/2 of new $ for CMAQ to ~~can~~ be flexed
- No SIBs or innov. fin.
- No Δs to planning process (MPOs)
- Left DBEs alone
- TEs okay, more
- Retained basic structure of ISTEA
- WIN is **only** pilot - $42M ?

(Dems will be done at full comm. or floor)

EPA-DOT - Sustainable Trans.
9/12/97

Loretta

Jack:

- Approp's comm's excuse - we don't have auth.
  (want EPA to pay)

- JB has made ~~strong~~ case

- w/ John Blaise -
  - House Trans. Approp's Subcomm.

- will have Secy will call Wolf & Shelby

  - This will be bullet on list (2nd of 5?)

- Peter Rogoff - works for Lautenberg on approp's

Cheryl Smith - works for Obey

Sabo
Foglietta

- Sug. Q: If we come up empty on this, do we want to cont. to do it via authorization?

- We need to strengthen materials on this?

Larry Majid
7/15/97

L/ship initially mixed/undecided
- Newt hadn't made up mind
- Armey inclined + Bestra - very good for TX.

But seem to be coalescing around Kasich.

House (as in previous yrs):
- populous states do well
- smaller " less so

But if Shuster can get - say, 250 co-sponsors for his bill - that will put pressure on l/ship to let bill go to floor.
(Comm. Ms are all on
70 now; they are starting to reach out beyond Comm.

House Sen
- how hard a stand GOP l/ship takes
- Dem. l/ship
(won't go out on a limb to help Newt

Recent Δs are salient:
(1) - 4.3¢ Δ shifts things Shuster's way
↳ # 80 balance r/ther # 35-40 balance

(2) Econ. cont's to do well – projected surpluses

Stenholm }
Heinsfeld? } spoke to gov's rep's this a.m.

This doesn't bust the budget

outlay impact in (1st) 3 yrs. is only $6B

but if you extrap. out & assume 4th & 5th yr. are flat
– outlay $25-27B higher than what's in agreement

1998 – no impact
1999 }
2000 } only $6B

heading in BBA – "Reserve Fund for trans" (Budget res'n) "add'l. rev's"

Shuster says he was assured trans. will be 1st in line if add'l. $ found.

Precedent already set:

Reconciliation

EITC
Child Health Initiative } already ↑ spending above

$12B (1/2 of annual funding. In some states, it only a few mo's work; $ is in wrong categories.)

appr's will allow spending of
- unobligated balances (MOF bl.)
- w/ appropriate language, in states c'ld have flex. to spend $ in any category - w/ proviso it w'ld be "reinstated"

Lautenberg
- Approp's
- Budget
- EPW

Some GOP gov's jittery that we get too close to this bill in case GOP l/ship labels it budget-busting

We sent ltr. praising general direction

We'd called for: $26 + $5 B;
Presdt goes further

We said we prefer Admin. proposal

We wld like to go even further -
- higher funding level
- grants to states

We urged House approp's Comm. to fund WTW

They c'ld find a way, if they wanted.

Chafee bill:

Combines bridges + IM – consolidated...

folds other things into STP

more flex.

Not as consolidated as STEP 21 but more so than ISTEA

Moynihan will re-introduce his bill today to attract votes

Shuster did lots of work in advance to get gop's on bd.

To do that, spent more $$

Whereas in Sen – Comm. is just not together

ISTEA

- Baucus has been major

- Chafee has done e/thing he can to hang on

2 major concessions he's made;

(1) Interstate IM no longer a sep. categ.
  - but it's a subcat. w/ good $$

(2) Bridge
  - Chafee ceded to Baucus, who has no #20

- Height wgt. fight
  - To preserve structure, Chafee sold n/east down river

- So Dole's big n/E funding problem

M/ ~~up~~ on 1782

Daschle has problems w/ 3 Senior Dem's

- Moynihan
- Lautenberg
- Kennedy

BB got decent # for Com

Moynihan OK

Not Laut, ? EMK -

Paul Schulhammer

- formula based on consumption of diesel fuel

House will do a 1-yr.

Ext. of current law isn't bad!

Hopefully, Shuster will take care of bridge problem - lots of news in PA

Fast track WTW

NEXTEA 9/5/97

Urban event
- City/County transit
- enviro/enviro justice
- EC/EZ
- DBE
- WTW

CEQ
Justice

Wed., 10am

Horse

- $42M; 10 projects; 50/50 match
- Comm
- Ustar championed idea; majority

- 4 leaders have locked arms on entire bill
  - Shuster wasn't interested in this

- All 4 have to agree on Δs

allowable activities:

- flex services (e.g., van pools

- General fund with NTF

- N=10 } Comm. is not that hard over

Schedule

- Sept 10 - subcom
  17 - Comm
  foll wk - floor

SP's best bet - no bill

Shuster said - If he can't get votes, he'll go w/ ~~short~~ straight 1-yr. extension

Sen. WTW

- Banking

- Admin people have spoken to Banking Comm. Members

Cott is mtg w/ Baucus to try to get a bill

Shuster's close votes - ① Env. votes
were characterized by strong support from:
② states rep'd by Big 4

Stevens - Archer
Kasich - Domenici press conf - next wk

need to stay

- DOT working on a Views letter
  - Can other agencies get

Lott wants to do bill; Gingrich w

Senate

- CMAQ - Same level
  - 50% flex.

- DBEs - ltr. to women Senators
  - we have votes in comm.
  - going up on floor

- SIBs/innov. financing

- Shredder & bottlenecks

-

direct negot's w/ Enviro's + Comm. Staff

- Rebuild America Coalition
- Sept. 24-25

def. of preventive maint.

TRB's review of inter-agency

Sen. bill

- one-on-one
- working w/ sympathetic grp's

^ the cops to reflect the ...