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WHITE HOUSE STAFFING MEMORANDUM

DATE: 3/11/97 ACTION/CONCURRENCE/COMMENT DUE BY: Wed. 3/12 8:15a

SUBJECT: POTUS' Remarks Announcing New Transportation Bill

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	✓	☐	McCURRY	☐	✓
BOWLES	✓	☐	McGINTY	☐	☐
McLARTY	☐	☐	NASH	☐	☐
PODESTA	✓	☐	RUFF	✓	☐
MATHEWS	✓	☐	SMITH	☐	☐
RAINES	✓	☐	REED	✓	☐
BAER	✓	☐	SOSNIK	✓	☐
ECHAVESTE	✓	☐	LEWIS	✓	☐
EMANUEL	✓	☐	YELLEN	☐	☐
GIBBONS	☐	☐	STREETT	☐	☐
HALE	✓	☐	SPERLING	✓	☐
HERMAN	☐	☐	HAWLEY	☐	☐
HIGGINS	✓	☐	WILLIAMS	☐	☐
HILLEY	✓	☐	RADD	☐	☐
KLAIN	✓	☐		☐	☐
BERGER	☐	☐		☐	☐
LINDSEY	☐	☐		☐	☐

REMARKS:

Comments to Jake Siewert 62620

RESPONSE:

Staff Secretary
Ext. 6-2702

'97 MAR 11 PM10:43

PRESIDENT WILLIAM J. CLINTON
REMARKS ANNOUNCING NEW TRANSPORTATION BILL
Wednesday, March 12, 1997

I have often talked about the need to build America's bridge to the 21st Century. That means finishing the job of balancing the budget -- to keep our economy the strongest in the world. It means giving our children the best education -- so they have the tools to succeed in the global economy and Information Age.

But building our bridge has a more literal meaning as well. America's bridges, highways and transit systems are a crucial source of our economic strength. They help us reach our jobs and our homes, move goods and services across the country, and keep our commerce reliable, efficient, and inexpensive. That is why I am proud that, even as we moved toward a balanced budget and cut the deficit by 63%, we still increased the Federal investment in transportation infrastructure over the past four years. Today, our bridges and highways are stronger. One hundred miles of new transit lines are under construction. That success is part of the reason nearly 12 million new jobs have been created since we took office, including 1.1 million new construction jobs.

Today, I am pleased to announce that we are taking the next big step to maintain and modernize the best transportation system in the world. I am submitting to Congress the National Economic Crossroads Transportation Efficiency Act -- known as NEXTEA. This comprehensive legislation authorizes $174 billion over the next six years to improve America's bridges, highways, and transit systems. At the same time, it will create tens of thousands of jobs, help move people from welfare to work, protect our air and our water, and improve highway safety.

I am especially proud that as we build America's infrastructure, we will help build better lives for those who are moving off welfare. One of the biggest barriers facing people who move from welfare to work is finding the transportation to get to their jobs, their training programs, or their children's day care centers. This bill provides $600 million over 6 years to help provide and pay for transportation so that those who now must work, can <u>get</u> to work. In doing so, it will help us reach our goal of moving 2 million more people off the welfare rolls by the year 2000.

For too long, too many believed that strong transportation and a clean environment could not go hand-in-hand. This bill proves that simply isn't true. NEXTEA provides more than $1.3 billion a year to reduce air and water pollution, and preserve wetlands and open space. By helping communities invest in cleaner methods of transportation; by supporting recreational trails, bike paths, and pedestrian walkways; by investing in scenic byways and landscaping -- this bill strengthens our infrastructure while protecting and enhancing our precious natural resources.

NEXTEA also builds on our progress in making our roads safer -- increasing highway traffic safety funds by 11 percent, and expanding our aggressive campaign to crack down on drunk and drugged driving.

At its heart, this bill is about more than our roads and our bridges. It is about cutting-edge jobs and commerce, and the infrastructure we need to prepare for them. It is about the responsibility of those moving from welfare to work, and our responsibility to help them get there. It is about the community we share, and the steps we must take to make it safer and cleaner for our children.

The chance to reshape America's infrastructure comes only once every six years -- which means that this is the transportation bill that will carry America into the 21st Century. That is why we must work together to pass this legislation, building on a long, bipartisan tradition of transportation policy. Together, we can keep our economy on the right track -- and ensure that the track itself is strong enough for the enormous challenges and opportunities that lie ahead.

NEXTEA

THE NATIONAL ECONOMIC CROSSROADS TRANSPORTATION EFFICIENCY ACT

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

MARCH 12, 1997

THE NATIONAL ECONOMIC CROSSROADS TRANSPORTATION EFFICIENCY ACT

Today, President Clinton will announce the National Economic Crossroads Transportation Efficiency Act (NEXTEA), a six-year, $175 billion investment program to improve America's highways, bridges, transit systems, and railroads; lower the toll in lives and health care costs from motor vehicle crashes; enhance America's environment; and support mobility and economic prosperity. NEXTEA increases surface transportation funding by $17 billion, or 11 percent, over the $157 billion authorized by ISTEA.

- **"REBUILDING AMERICA" -- $175 BILLION INVESTMENT WHILE BALANCING THE BUDGET**
  - Increases funding for core highway programs by 30 percent over ISTEA levels.
  - Provides greater flexibility for states and localities to target funds that best meet community needs.
  - Expands programs for innovative financing to leverage federal dollars.
  - Provides $600 million to deploy intelligent transportation technology to cut travel time and enhance safety.

- **PUTTING A STRONGER EMPHASIS ON SAFETY**
  - Increases funding for the National Highway Transportation Safety Administration by 25 percent to $395 million.
  - Increases highway and truck safety funding by $2 billion.
  - Increases funding for drunk driving prevention by 60 percent.
  - Creates and expands programs to increase the proper use of safety belts and child restraints, reduce drunk and drugged driving, and continue research into building safer roads and vehicles.

- **PROTECTING THE ENVIRONMENT**
  - Increases funding for the Congestion Mitigation and Air Quality Improvement Program (CMAQ) by 30 percent, to $1.3 billion annually.
  - Increases Transportation Enhancements funding by more than 25 percent to support bike paths, pedestrian walkways and other community-oriented projects.
  - Expands CMAQ eligibility to include regions that fail to meet any new air quality standard.
  - Provides greater flexibility for state and local investment in non-polluting modes of transportation.

- **INVESTING $600 MILLION TO MOVE PEOPLE FROM WELFARE TO WORK**
  - Supports flexible, innovative transportation alternatives, such as vanpools, to get people to where the jobs are.
  - Increases incentives for states and localities to provide job training for federally-funded technology and construction projects.

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REBUILDING AMERICA

America's prosperity and quality of life are linked to our transportation system's efficiency, which keeps production costs low and maintains our international competitiveness. When President Clinton promised to "rebuild America" five years ago, this system suffered from inadequate capacity, deteriorating infrastructure, and poor connections among different forms of transportation. The President has worked with Congress to make good on his promise, taking advantage of ISTEA to raise infrastructure investment to record levels.

ISTEA SUCCESSES

✔ Under President Clinton, federal transportation infrastructure investment increased 21 percent, to an average of $25.5 billion annually.

✔ Many indicators of highway conditions and performance have stabilized or improved. The condition of bridges and highway pavement, which had been deteriorating, has stabilized. We have kept pace with our transportation system's maintenance requirements and stopped its deterioration.

✔ Transit investment has increased, including over $3 billion transferred using ISTEA's flexible funding provisions. Nearly 26,000 new buses and nearly 600 new rail cars have been bought for state and local transit agencies, and more than 100 miles of new transit lines serving more than 100 new stations are under construction. Transit speeds have improved by an average of about 10 percent.

KEY NEXTEA PROVISIONS

■ NEXTEA builds on ISTEA's successes while helping us to move towards a balanced budget. It would authorize about $175 billion for surface transportation programs from 1998 through 2003, an 11 percent increase over ISTEA. The proposed authorization levels would sustain or expand core programs such as the National Highway System, maintenance of the Interstate Highways, bridge reconstruction, and mass transit.

■ NEXTEA gives state and local officials greater flexibility to target funds towards projects that best meet community needs, including Amtrak and intercity rail passenger facilities. It also increases the tools available to them by making intelligent transportation systems eligible under all major program categories and by expanding innovative finance strategies to cut red tape and to leverage private and nonfederal public resources.

A COMMITMENT TO SAFETY

More than 40,000 Americans die and three million are injured in motor vehicle crashes each year, inflicting a tragic toll on millions of families. In addition, these crashes cost our economy $150 billion annually, including $14 billion paid directly by taxpayers for expenses such as health care and emergency services. Improved safety can help to control these costs.

ISTEA SUCCESSES

✔ Under ISTEA, with its enhanced commitment to safety, highway fatalities have been lower than in decades, averaging about 41,000 annually. Safety belt use has grown from 11 percent of motorists in 1982 to 68 percent last year. Alcohol-related fatalities have decreased from 57 percent of crashes in 1982 to 41 percent in 1995.

KEY NEXTEA PROVISIONS

Our challenge is to continue the progress on safety even as traffic increases. Recently, we have seen warning signs that we may be approaching the limits of progress under ISTEA: the fatality rate has stagnated, increases in safety belt use have leveled off, and the number of alcohol-related deaths has increased. NEXTEA would attack these problems by focusing on three key areas: driver behavior, road design, and vehicle standards.

Safer Drivers

- NEXTEA would increase NHTSA safety funding by 25 percent to $395 million, and fund incentive programs to reduce drugged and drunken driving, to increase safety belt use, and to collect improved data on highway safety to better identify and solve safety problems.

- $9 million annually in financial incentives would be provided for states to increase proper use of safety belts and child restraints.

- NEXTEA would increase funding for drunk driving prevention by 60 percent to $40 million in 1998, and reward states for aggressively reducing drunk driving through administrative driver's license suspensions and revocations, programs to prevent minors from drinking, and effective sanctions for repeat offenders.

- NEXTEA would provide $5 million annually beginning in 1999 in grants to states to prevent drugged driving. A state would be eligible for these grants if it adopted five of nine countermeasures, including zero tolerance laws, administrative license suspension for those driving under the influence, and pre-license drug testing.

Safer Roads

- Under ISTEA, funding was set aside to eliminate road hazards and to make highway-rail grade crossings safer. Grade crossing deaths alone have dropped by 31 percent. NEXTEA would build on this progress by replacing this set-aside with a flexible, six-year, $3.2 billion Infrastructure Safety Program. States would now have the ability to transfer funds to enforcement and behavioral programs if they would have a greater impact on safety.

Safer Vehicles

- States would have increased flexibility for tougher enforcement, such as targeting shippers who encourage truckers to violate rules and increasing penalties for violators. States also would be reimbursed for border enforcement and other high-priority activities that improve trucking safety.

- Under NEXTEA, the freeze on the size and weight of larger combination trucks on Interstate Highways and other routes would continue. We are doing a comprehensive study of this and related issues, and may soon propose additional steps in future safety legislation.

- Much progress on safety has been the result of vehicle design aimed at protecting motorists in crashes. NEXTEA would build on the progress to date with a $45 million annual research program targeted at improving crash avoidance and crash worthiness. In addition, more than a third of intelligent transportation systems research would be focused on collision avoidance systems and other "smart vehicle" technologies that prevent crashes.

- A new focus on performance in safety programs would measure effectiveness by looking at quantifiable results, not at how much money or effort is put into solutions.

INCREASING INVESTMENT THROUGH INNOVATIVE FINANCING

In spite of ISTEA's record investment, the federal government alone cannot meet all of our infrastructure needs. President Clinton recognized this in his January 1994 Executive Order on infrastructure, in which he directed us to cut red tape to speed construction and supplement federal funds by leveraging private and nonfederal public investment.

ISTEA SUCCESSES

- ✔ President Clinton's Partnership for Transportation Investment accelerated 74 projects worth $4.5 billion, including $1.2 billion in investment beyond that available through conventional financing. Projects are advancing an average of two years ahead of schedule, saving interest and inflation costs.

- ✔ Some innovative finance initiatives also advance other national priorities, such as in Missouri and Arizona, where entrepreneurs were given permission to install fiber optic cable within highway rights-of-way in return for reserving part of the cable as the backbone of statewide intelligent transportation systems.

- ✔ The new State Infrastructure Bank program uses federal seed money to leverage private and nonfederal public funds in 10 pilot states. Among the proposed uses of these funds are: a loan to start construction on a highway interchange without waiting for the full federal funding to be accumulated; a loan to finance a toll road's interest costs while it is being built, before revenues can begin to pay off the construction debt; and a loan to buy new light rail vehicles.

- ✔ We provided a direct loan to California's Alameda Corridor, which will speed shipping from Los Angeles' port by creating a dedicated freight rail corridor. We also provided standby lines of credit to secure private financing for California toll roads; at a cost of just $18 million, we supported $2.5 billion in construction financing

KEY NEXTEA PROVISIONS

- ■ NEXTEA would open the State Infrastructure Bank program to all states, increase the federal seed money dedicated to these banks, and allow states to use up to 10 percent of their regular federal-aid highway funds to capitalize their banks.

- ■ $100 million annually would be dedicated to help leverage nonfederal public resources for projects of national significance, such as interstate trade corridors.

ENSURING GLOBAL COMPETITIVENESS

Under President Clinton, America is once again the most economically-competitive nation in the world and its leading exporter, and this is due in great measure to the reliability and low costs of our transportation system. In an increasingly-global economy, keeping transportation efficient is crucial to our continued competitiveness and to taking advantage of the markets opened by NAFTA and GATT.

ISTEA SUCCESSES

✔ Seamless connections among different forms of transportation, such as between trucks, railroads, and seaports, are important for efficiency, and ISTEA-funded projects are making possible these connections. These projects include truck-rail freight transfer facilities in Stark County, Ohio, and Auburn, Maine, and projects in Portland, Oregon and Seattle designed to improve rail and truck access to seaports.

✔ Projects such as the Red Hook barge transfer, which daily takes hundreds of trucks off New York's crowded streets, often have important social and environmental benefits, and ISTEA made them eligible for funding through such flexible initiatives as the Congestion Mitigation and Air Quality Improvement Program and our innovative finance programs.

KEY NEXTEA PROVISIONS

- NEXTEA would facilitate trade by creating new programs to improve border crossings and develop major trade corridors within the U.S., cutting congestion and eliminating bottlenecks.

- NEXTEA would support projects of national significance, such as those focused on trade corridors, through dedicated funds and by expanding the State Infrastructure Bank program.

- The proposal would expand funding eligibility to include access to intermodal terminals and water ports. This is a vital change since much international trade -- 98 percent by weight, 50 percent by value -- is shipped through ports. These programs also would make eligible for funding Amtrak and intercity rail passenger and public freight facilities and intelligent transportation systems projects, which can improve the logistics crucial to "just-in-time" deliveries.

IMPROVING ACCESS TO JOBS AND TRAINING

One of the biggest barriers faced by those moving from welfare rolls to payrolls is finding transportation to jobs, training, and support services such as day care. Poverty and welfare eligibility rules mean that few welfare recipients own cars, and public transit often provides inadequate connections to job and training centers. This problem is becoming more serious, since two-thirds of new jobs are in suburbs. To support his comprehensive welfare reform initiative, President Clinton proposes to build on existing transit programs that work with innovative approaches to helping people make the transition to the working world.

ISTEA SUCCESSES

✔ Our Livable Communities program integrates transit with jobs, schools, and housing. In Corpus Christi, local residents worked with local officials on developing three bus transfer centers and improving pedestrian access to local amenities, and a Los Angeles neighborhood initiative generated a hundred new jobs and helped to cut crime by 19 percent.

✔ The Joblinks program provides transportation and training in both urban and rural areas. Oregon's Glendale-Azalea School District used Joblinks funds to transport 400 unemployed and undereducated residents to training and to jobs in the first year alone. The success of initiatives such as Joblinks and Livable Communities provides a model for new efforts to improve community access to jobs and other necessities.

KEY NEXTEA PROVISIONS

■ NEXTEA includes a six-year, $600 million grant program to support flexible, innovative transportation alternatives, such as vanpools, to get people to where the jobs are. Funding would also provide access to training centers and to support services such as day care at transit links. This program would be closely coordinated with other human services assistance that would be provided to states and localities working to meet the special needs of the welfare population.

■ Since transportation and construction jobs are among America's best-paying, we want to open opportunities in these fields for welfare recipients and other disadvantaged people. NEXTEA would increase incentives for states and localities to provide job training in conjunction with federally-funded technology and construction projects, and to enable them to offer hiring preferences to welfare recipients and residents of Empowerment Zones and Enterprise Communities.

PROTECTING THE ENVIRONMENT

Scientific research demonstrates the effects of pollution on our health and on the ecological systems which sustain human life. President Clinton has taken advantage of ISTEA's landmark environmental provisions to reduce air and water pollution, to preserve wetlands and open space, and to make transportation facilities more compatible with the environment.

ISTEA SUCCESSES

✔ The largest ISTEA environmental initiative is the Congestion Mitigation and Air Quality Improvement Program (CMAQ), which authorized $1 billion annually under ISTEA to help communities meet national standards for healthy air. CMAQ has funded such innovative projects as cleaner natural gas buses in Cleveland and Boise, a child care center to promote ridership at a San Jose transit facility, and an inspection and maintenance program in Indiana, which ensures that auto emissions systems continue to cut pollution.

✔ ISTEA supported important travel alternatives, such as bikeways and pedestrian paths, and preserved scenic and historic roadside vistas, supporting tourism and strengthening local economies.

KEY NEXTEA PROVISIONS

- NEXTEA would increase CMAQ funding by 30 percent, to $1.3 billion annually, and expand funding eligibility to include scrappage of higher-polluting pre-1980 vehicles. It also would act on new research on the dangers of particulate matter by allowing areas that do not meet health standards for this pollutant to receive CMAQ funds. NEXTEA also would ensure that no state loses CMAQ funds as a result of the Environmental Protection Agency's proposed changes in air quality standards.

- NEXTEA would increase Transportation Enhancements funding by more than 25 percent, supporting projects designed to strengthen the cultural, aesthetic, and environmental aspects of our transportation system.

- The National Scenic Byways program, which designates roads of aesthetic or historic value and funds improvements to them, would be continued, and the list of eligible activities would be expanded to include scenic byway marketing programs. Funding for recreational trails, bicycle transportation and pedestrian walkways, landscaping, and wildflower plantings also would be continued, as would ISTEA's commitment to inclusive transportation planning which reflects such community values as environmental preservation.

IMPROVING TRANSPORTATION THROUGH TECHNOLOGY

Technology can improve the performance of roads and transit systems and effectively increase their capacity, especially in urban areas where new construction is too expensive or environmentally unsound. Technology also can make travel safe: most automobile crashes involve human error, and advanced collision avoidance systems and highway-rail grade crossing warnings can save hundreds of lives annually. Finally, technology can provide the logistical support needed for such innovations as "just-in-time" deliveries, which are cutting costs and improving productivity at nearly a third of U.S. companies.

ISTEA SUCCESSES

✔ ISTEA established a major federal commitment to intelligent transportation systems (ITS), the application of advanced information and communications technologies to travel. The federal role includes providing seed money for development and deployment, assistance in the creation of technology standards to promote system integration, and the coordination of public and private research efforts.

✔ The first generation of ITS is already being deployed: in Denver, synchronized traffic signals reduced travel times by over 15 to 20 percent, and in Seattle, ramp metering has cut accident rates by more than 60 percent. *Operation TimeSaver*, an initiative to reduce travel times in 75 cities by 15 percent over the next decade, was launched last year. Under this initiative, states may use their federal transportation funds to deploy ITS systems.

✔ Overall federal transportation research and technology investment increased to record levels, $930 million in 1997 alone. Initiatives resulting from this investment include high-performance materials, such as Superpave asphalt, which cost less and last longer, and the application of global positioning satellite systems to aviation and maritime navigation.

KEY NEXTEA PROVISIONS

■ NEXTEA would provide states and localities with ITS training and technical assistance, and fund a $600 million incentive program to help cities integrate their ITS programs and to help rural areas deploy ITS to improve safety. mobility, and commercial vehicle operations. It also would expand the eligibility of all major program categories to include ITS, so technology will always be considered as a strategy for meeting travel demand.

■ NEXTEA would increase overall federal investment in technology research for initiatives including advanced composites for stronger, safer roads and bridges and second-generation ITS technologies such as collision avoidance systems.

STRENGTHENING URBAN COMMUNITIES

Sound transportation is crucial for sustaining economic prosperity and a high quality of life in our cities. Targeted infrastructure investment can reduce congestion and improve connections so businesses can take advantage of the city's proximity to suppliers, support services, markets, and amenities. Such investment also can generate jobs for city residents, directly through construction, and indirectly by attracting new businesses.

ISTEA SUCCESSES

✔ ISTEA strengthened the role of cities in the transportation planning process, giving cities greater control over a substantial portion of federal funds and enabling them to choose projects which best met urban needs.

✔ Together with the increased flexibility of many programs, this enabled funding to be transferred to such urban needs as transit. Over $3 billion traditionally earmarked for highways was used for high-priority transit projects, most in cities, and overall transit funding increased under ISTEA, reaching a record $6 billion in 1995 alone.

KEY NEXTEA PROVISIONS

■ NEXTEA sustains investment in mass transportation by increasing direct federal transit funding to $5 billion a year, by increasing the flexible Surface Transportation Program, and by making Amtrak and intercity rail terminals eligible for funding. Transit programs would be streamlined to make it easier for local officials to select the options that make the most sense for their communities

■ NEXTEA includes a six-year, $600 million program to support flexible, innovative transportation alternatives, such as vanpools, to get people to where the jobs are and to provide access to training and such support services as child care.

■ Technology can provide needed additional urban travel capacity with less disruption to established communities and at less cost than new construction. NEXTEA proposes to make intelligent transportation systems eligible under all major programs, and to create an incentive program to ensure that these technologies are fully integrated.

■ NEXTEA would further strengthen the role of central cities in regional planning and simplify federal planning requirements.

SERVING RURAL AMERICA

Transportation is as vital to rural areas as it is to cities. Sound transport is vital for shipping raw materials and agricultural products. Tourism, generated by the four in five Americans who drive for pleasure in rural areas, sustains many local economies. And many rural residents rely on transit to reach schools, health care, and other necessary services.

ISTEA SUCCESSES

✔ ISTEA provided over $1 billion for special projects in rural America, such as protecting scenic roadside vistas, preserving historic transportation facilities, and beautifying communities with bicycle and pedestrian facilities.

✔ ISTEA benefitted rural areas with provisions like special transit programs for small communities, transportation enhancements, scenic byways, and set-asides for off-system bridges.

KEY NEXTEA PROVISIONS

- NEXTEA would strengthen rural communities' involvement in transportation planning by requiring coordination with local rural officials when statewide transportation plans are developed.

- NEXTEA would increase investment in core programs affecting rural areas, such as the National Highway System, Transportation Enhancements, and Rural Transit Assistance, and expand funding eligibility to include Amtrak and intercity rail and bus, two key lifeline for rural America.

- NEXTEA would raise authorizations for the Federal Lands Highways Program to $525 million, funding improvements on roads in national parks and forests, Indian reservations, and other public lands.

TAKING A DIFFERENT ROAD TO THE FUTURE

Rodney E. Slater, Bill Clinton's longtime confidant from Arkansas who's been nominated to be the new Transportation Secretary, could be written off as a "roads-only" guy. After all, he's just served four years as the top guy at the Federal Highway Administration. Earlier, he was Arkansas's highway commissioner.

But Slater appears to have a broader view. He's been one of the Clinton Administration's scouts out getting public input on ISTEA—the critically important 1991 Intermodal Surface Transportation Efficiency Act that's up for renewal this year.

Along with the resourceful use of scarce transportation dollars, community choice was the central idea behind ISTEA. Slater strongly favors the concept. He recently lauded "customer-friendly, community-oriented transportation facilities" that come out of "participatory community-based planning."

Before ISTEA, the highway lobby and state transportation departments, feeding off interstate funds and the federal gasoline tax, had a virtual hammerlock on decisions. That meant that alternatives to roads—bikeways, ferries, mass transit, joint-purpose terminals—never got considered.

The old-style highway boys almost never asked whether the suburban and exurban roads they were building would increase mobility or simply trigger new waves of leapfrog development, worsening air pollution and increasing congestion.

Indeed, the old-style highway guys almost never asked whether the suburban and exurban roads they were building everywhere would increase mobility or simply trigger new waves of leapfrog development, worsening air pollution and increasing congestion.

Small wonder what America then got: unfettered suburban sprawl; unbridled, thinly spread development rolling out mile after mile from urban centers. Auto use cascaded, spewing an ozone haze.

Now those costs are coming home to roost. A staggering number of added freeway lanes will be necessary to meet projected traffic expansion in most urban areas. Federal studies show that the average Washington commuter spends 58 hours a year stuck in traffic. In the top-50 metropolitan regions of the country, traffic congestion for passenger and cargo movements already costs about $45 billion a year.

The result is frustration, aggressive driving behavior, lost productivity and wages, absenteeism and shipments that arrive late or not at all. Regional economies are the building blocks of the nation's competitiveness—and congestion threatens them all.

ISTEA's message: Let's think before we build. Let's plan before we allocate limited transportation dollars. And let's devolve power for many decisions from the state down to metropolitan planning organizations.

What's more, the statute specifically encouraged the states and city planning organizations to consult with both business and the public and then calculate whether some mobility needs could better be met by mass transit or so-called intermodal facilities linking road, rail, sea and air transportation.

ISTEA has clearly not worked as well as its more fervid supporters hoped. Many states used the discretionary funds that ISTEA gave them to keep spending money on more and more highways—on the theory that's what auto-happy America wants.

Missouri's initial version of smart new transportation planning, *Governing* magazine reported recently, was to decide that every town with 5,000 or more people would be connected by a four-lane highway. North Carolina chose the same and then pushed for beltways encircling each of its seven largest metro areas.

But ISTEA's focus on alternative transportation modes reduces congestion and makes a metropolitan region more economically attractive, says Fort Worth (Texas) Mayor Kenneth Barr. Fort Worth, for example, is designing an intermodal center to accommodate multiple modes of transportation, including a new Dallas-to-Fort Worth commuter rail line.

It's that kind of success that Slater and other Transportation Department officials have been hearing about all across the country.

At first, only a handful of states, including Florida, Maine, New Jersey and Oregon, consulted early and seriously with their cities' urban planning groups and looked for alternative ways, ranging from light rail and bikeways to intermodal terminals, of solving their transportation problems.

Gradually, ISTEA has been changing transportation planning and spending. Even Missouri has agreed to a shared process for selecting projects and to work jointly with planning groups in the major urban centers. That has expedited projects, such as St. Louis's popular new MetroLink light-rail service.

In a major showdown last year, Michigan's Republican Gov. John M. Engler tried to override ISTEA's funding formulas by spending the federal dollars as he wished. A bipartisan coalition in the Detroit area cried foul, and the Southeast Michigan Council of Governments was able to force the governor, through ISTEA, to back down.

The long-abused inner cities are starting to benefit, too. Port, railroad and freight officials are getting involved in ISTEA planning. One result: Instead of building roads for freight-handling facilities in exurbia, there's debate and action on linking existing railheads and ports in the historic urban centers.

Still, much too much emphasis remains on building new roads, adding additional lanes and extending ribbons of concrete to the farthest suburbia. We still have a long way to go to get intelligent transportation planning everywhere. But ISTEA has let us make a start. And that's the case Rodney Slater will have to sell to Congress this year. ■

TRANSPORTATION

Chafee Backs Alternative Plan On Road Spending Increase

New budget category would ensure that funds would be used for highways

Throwing his muscle behind the burgeoning campaign for more highway funding, Senate Environment and Public Works Chairman John H. Chafee, R-R.I., is proposing to create a new transportation budget category and increase road spending by up to $3.3 billion yearly.

Chafee's plan falls about midway between President Clinton's budget proposal, which would hold annual highway funding stable at about $20 billion, and a plan by Sen. John W. Warner, R-Va., chairman of the Environment and Public Works Subcommittee on Transportation and Infrastructure, that would increase funding to $26 billion.

At least 58 senators now are publicly supporting proposals to boost annual highway spending by 17 percent or more.

Support for more road funding also appears strong in the House, which voted last year by a nearly 2-1 ratio to shield transportation trust funds from deficit-cutting maneuvers. *(1996 Weekly Report, p. 1038)*

Still to be heard from, however, are the powerful chairmen of the House and Senate budget committees, who want to restrain federal spending so the deficit can be eliminated by fiscal 2002. Rep. John R. Kasich, R-Ohio, and Sen. Pete V. Domenici, R-N.M., may mark up a budget resolution this spring.

By David Hosansky


Chafee


Domenici

Domenici has hinted that he will try to increase highway spending, although perhaps not to the levels sought by Chafee and Warner.

A Spending Guarantee

With Congress scheduled to reauthorize an omnibus highway bill this year, many lawmakers want to score hometown political points by boosting funding. But they worry that appropriators can still cap annual transportation spending and divert federal Highway Trust Fund money for other programs — even if the highway bill sets higher authorized levels.

To ensure more highway spending, the draft bill by Chafee and Christopher S. Bond, R-Mo., which will be introduced as early as the week of Feb. 24, would weaken the appropriators' hand. It would set up a sort of "firewall" around the trust fund by requiring that the full amount of federal gasoline tax and other money collected for highways in one fiscal year be spent on highways in the next fiscal year.

The bill would create a new budget category for the highway money, known as a "revenue constrained fund." Highway spending under this plan would increase from $19.8 billion in the current fiscal year to $23.1 billion in fiscal 2002, according to congressional estimates.

"This legislation will ensure that the taxes deposited into the Highway Trust Fund will be spent for their intended purpose," said Chafee and Bond in a Feb. 11 "Dear Colleague" letter.

Despite the widespread support for more transportation funding, the Chafee proposal faces a difficult path. It will likely be opposed by members of the Budget Committee members, which has jurisdiction over the plan, as well as by appropriators, because it would restrict their power to control spending.

Public transit advocates may also oppose it, because it could give greater funding priority to highways.

The Chafee plan is the latest of four major highway funding proposals.

In addition to the Clinton and Warner plans, a proposal by House Transportation and Infrastructure Committee Chairman Bud Shuster, R-Pa., would limit appropriators' authority over the transportation trust funds, and spend an additional 4.3 cents of gas tax moneys on infrastructure, producing as much as $30 billion yearly for highways. *(Weekly Report, p. 365)*

Even after setting the overall funding levels, lawmakers will also have to resolve a potentially fierce dispute over how to allocate the money among the states. Congressional leaders believe that the more overall money they have for roads, the easier it will be to satisfy members from most states. *(Weekly Report, p. 294)* ■

President Clinton	Sen. John H. Chafee, R-R.I.	Sen. John W. Warner, R-Va.	Rep. Bud Shuster, R-Pa.
Up to $20.1 billion.	**Up to $23.1 billion.**	**$26 billion.**	**Up to $30 billion.**
released Feb. 6, would keep highway spending over the next five years at close to current levels. It would also allow money to continue to accumulate in the Highway Trust Fund.	chairman of the Environment and Public Works Committee would spend all new revenue that comes into the Highway Trust Fund, but not the balance of money already in the fund or the interest on that balance.	would authorize $26 billion a year through 2002, and would gradually spend the balance in the Highway Trust Fund.	Transportation and Infrastructure Committee, has proposed legislation that would fully spend money coming into the Highway Trust Fund. Proposals by some lawmakers to add 4.3 cents of gas tax money to the trust fund could produce a total of about $30 billion annually for roads.

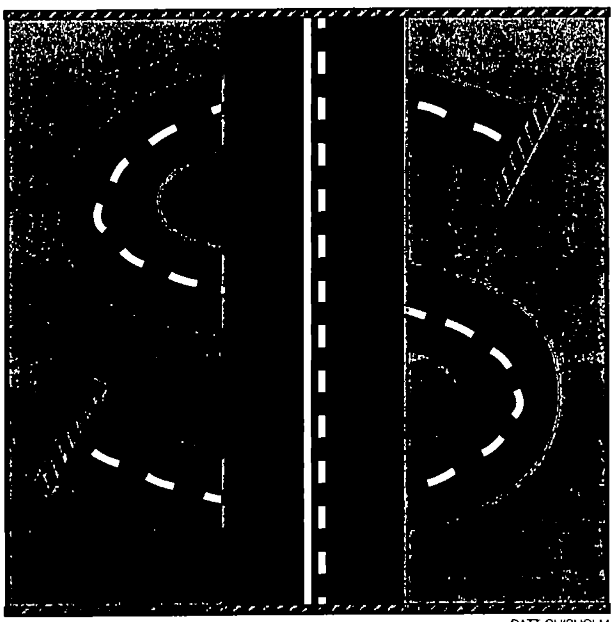
Highway Funding Proposals

(Figures denote annual spending)

TRANSPORTATION

Lawmakers Brace for Battle Over Highway Funding

Controversies over amount of money, distribution formula may produce sharply different bills in House, Senate



PATTI CHISHOLM

In just three words, Democratic Rep. Nick J. Rahall II sums up his strategy to keep hundreds of millions of federal highway dollars flowing to his home state of West Virginia: "Fight like hell."

That pretty much describes the mood of many lawmakers as they roll up their sleeves for the coming brawl over reauthorizing the 1991 Intermodal Surface Transportation Efficiency Act (ISTEA)

Although much of the omnibus bill will deal with general transportation policy, the most spectacular clashes will erupt over the raw desire of the states' congressional delegations to bring federal dollars back home.

Sun Belt states are better armed for the fight than they have been for years: The top GOP leaders in both the House and Senate hail from the South. But the current formulas distribute much of the funding to the Northeast and West, and the Northeastern chairmen of key House and Senate transportation panels are likely to balk at major changes.

The contentious issue highlights two differing philosophies about distributing federal transportation money:

Should Congress direct dollars to the areas of greatest need? If so, then money may continue to flow to the Northeast, which is contending with crumbling highways and massive congestion, and to some sparsely populated Western states, which do not have the tax base to maintain highways that are largely used by out-of-state residents.

Or should Congress direct dollars to the areas that contribute the most gas tax revenue to the federal Treasury? If so, then more money should go to California and to many Southern and Midwestern states, some of which receive 80 cents or less for every $1 they remit in gas taxes to the Highway Trust Fund. *(Highway fund winners and losers, box, p. 295)*

By David Hosansky

"There are two very legitimate interests with regard to the formulas, and they are inherently in conflict," said House Transportation and Infrastructure Committee Chairman Bud Shuster, R-Pa. "We've got to balance between the two."

Looming over this parochial fight is the question of how much money the states will be divvying up. Highway funding advocates want to soothe all sides by increasing the total amount of available road funding — possibly by 40 percent or more above current spending levels.

Deficit hawks, however, want to put the brakes on transportation spending. A third camp, led by Sen. Connie Mack, R-Fla., and others, say it is time to let the states, rather than Washington, oversee funding for their road projects.

Despite his call to change the system, Mack is bracing for the kind of wild money chase that was typical of funding legislation before fiscal austerity became the mantra on Capitol Hill.

"It's going to be a classic," Mack said. "It moves away from the ideological debate into one of 'How does my state do?' "

Congressional leaders are hoping to clear the controversial measure by the early fall. The 1991 bill will expire on Sept. 30, and federal highway funding would be abruptly cut off unless Congress reauthorizes the bill or temporarily continues funding. *(1996 Weekly Report, p. 3392)*

To this end, lawmakers want to begin markups in March and possibly move the bills to the floors as early as April.

But key members and lobbyists are skeptical that the funding differences can be bridged so quickly. "Everything takes longer than you think," said Senate Environment and Public Works Chairman John H. Chafee, R-R.I.

Sizing the Pie

Before the states begin brawling, Congress will try to establish the total amount of money available for transportation. Lawmakers who expect to play a key role on the legislation say a large pot could ease the funding worries of individual states, because there would be more money for everyone.

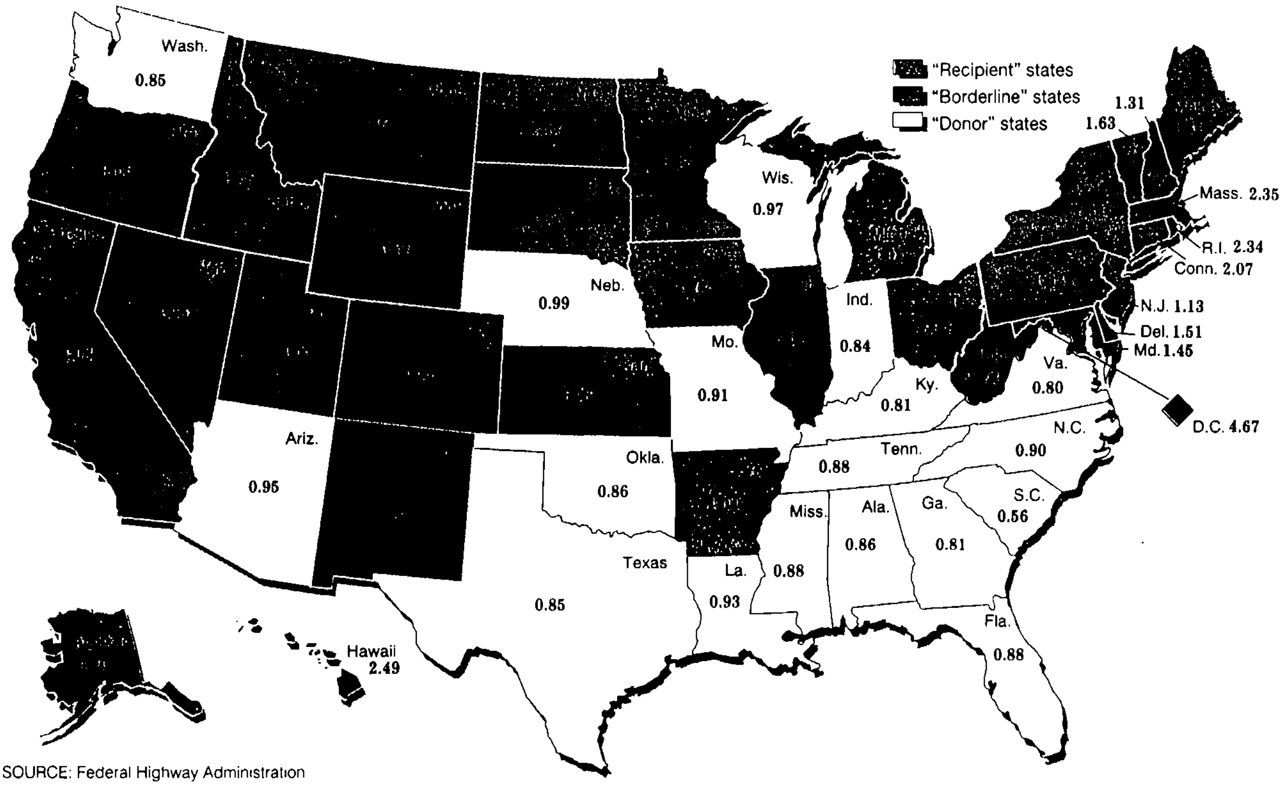
The five-year budget resolution that will be assembled over the next couple of months will set the broad parameters for highway spending. After that, though, Congress will still have considerable leeway over how to apportion the money, as well as whether to reauthorize the omnibus bill for five years to coincide with the budget resolution or for a different period of time.

The six-year omnibus transportation bill enacted in 1991 authorized a total of $151 billion. Of that amount, $119.5 billion was for highways and related surface transportation projects (such as

Highway Fund Winners and Losers

(Fiscal year 1995)

Figures indicate how much a state received from the federal Highway Trust Fund for every $1 it deposited in the fund.



SOURCE: Federal Highway Administration

As the above map shows, states fall into three categories when it comes to federal transportation funding:

- **"Recipient"** or **"donee"** states, clustered mostly in the Northeast and West, get back more money from the federal government than they pay into the Highway Trust Fund through gasoline, diesel and tire taxes.

- **"Donor"** states, clustered mostly in the South and Midwest, receive less money from the federal government than they remit to the trust fund.

- **"Borderline"** states, many of which are in the West, get back between $1 to $1.08 for every $1 they remit to the trust fund. However, officials in some of those states argue they too are shortchanged, since they do not get a complete share of the interest that has built up on the tax revenues they have deposited in the trust fund.

The map uses fiscal 1995 funding figures, which are the most recent available. Funding patterns vary somewhat from year to year, and it is not unusual for a few states to switch categories. However, Northeastern and Western states consistently have fared best, with Southeastern states lagging far behind.

Congress last revised the formula in 1991, supposedly to iron out many of the historic funding differences between the states.However, lawmakers also agreed to lock in certain age-old calculations, thereby allowing Northeastern and Western states to maintain their traditional advantages.

The complex formula established by the 1991 law takes into account eight programs and five separate funding mechanisms.

Using a sequence of 13 calculations, Federal Highway Administration officials add up funding for such programs as interstate highway construction, interstate maintenance, bridges and metropolitan planning. They also make five adjustments designed to boost funding for donor states and for states that built highways decades ago without federal assistance.

These calculations resulted from a deal lawmakers put together in 1991 to update funding formulas that had been used for seven decades. Congress adopted a hybrid approach: combining the average amount that each state received in the 1987-91 period with new adjustments intended to at least partially even out the funding distribution.

However, even as they instituted this complicated procedure, the lawmakers in 1991 left the four biggest transportation programs, which account for 70 percent of federal transportation funding, operating under a version of the longstanding formula that incorporates data from as long ago as 1916.

As a result, the calculations aimed at equalizing highway funding between the states "are essentially meaningless," according to a sharply critical 1995 General Accounting Office report.

— ***David Hosansky***

Staking Claims for Their States

Ground zero of the coming war between the states over federal highway spending may be the Senate Environment and Public Works Committee, where the two most powerful Republicans are poles apart over how to handle the money.

The division highlights the unusual nature of the highway debate, which tends to pit one state against another, rather than breaking along partisan lines.

Chafee

Warner

Getting first crack at the reauthorization of the omnibus highway measure will be Transportation and Infrastructure Subcommittee Chairman John W. Warner, R-Va., who wants the current formula overhauled. Virginia gets back only an estimated 80 cents for every $1 in gas tax money it remits to Washington — and that, says Warner, is "a gross inequity."

But Warner faces a strong opponent in John H. Chafee of Rhode Island, chairman of the full committee. His state gets back $2.34 for every dollar it remits to Washington, and Chafee wants to keep the situation just the way it is. "I like what we have in the bill," he says.

Such opposing views may make for some uncomfortable moments between the two normally congenial men.

In many ways, Warner and Chafee have more similarities than differences. Both are fourth-term senators who served formerly as secretary of the Navy. They are both seasoned negotiators who came to power in an age marked by senatorial courtesy and middle-ground deals, and occasionally face fire from more hard-line conservatives.

Despite such bonds, the two will be hard-pressed to bridge striking differences over transportation funding.

Warner wants to increase highway spending by as much as 44 percent — thus providing more money for everybody and making it easier to produce a Senate majority in favor of revising funding formulas. Chafee, however, says such a spending boost would conflict with deficit-cutting goals, which he sees as a higher priority.

Warner wants to mandate that all gas tax receipts go for transportation projects. But Chafee says that could shortchange social and other non-transportation programs that benefit when highway trust funds are used to offset the government's general fund spending. "This is a big source of revenue and it shouldn't be spent all on highways," Chafee said.

To be sure, the two men do agree on some ancillary transportation issues. For example, both oppose a plan by House Transportation and Infrastructure Committee Chairman Bud Shuster, R-Pa., to move the four transportation trust funds "off-budget," thereby preventing the balances of those funds from being used to offset the deficit.

But when it comes to splitting up the funds, Warner and Chafee will be fighting first for their states. And only one is likely to emerge the victor.

—David Hosansky

scenic byways, ferryboat facilities and bicycle trails). The rest was steered to mass transit, transportation safety and research. *(1991 Almanac, p. 147)*

Large as those numbers appeared in 1991, they seem almost miserly compared with some of the proposals floated by lawmakers in recent months.

Sen. John W. Warner, R-Va., chairman of the Environment and Public Works Transportation and Infrastructure Subcommittee, has won the backing of at least 56 senators for a proposal to increase authorized highway funding to $26 billion a year. That is a big boost above the current authorization level of $20.4 billion, and some 44 percent higher than the $18.1 billion spending level for fiscal 1997. *(Views of key Senate chairmen, box, this page)*

Such an increase, Warner believes, is necessary to get a majority of senators to agree to any compromise funding formula. "I need that money to work with a certain number of states to get them on," he said.

Shuster would go further, moving the four transportation trust funds "off-budget." This means that the trust funds would not be counted as part of the government's overall budget, and their balances would no longer be tapped to offset the federal deficit.

The House committee chairman also wants to end the practice of directing a portion of the 18.3-cent federal gasoline tax to the federal Treasury for deficit reduction.

Shuster's proposals make Warner's look modest. They could boost annual highway spending to about $30 billion a year, although he has declined to state a precise funding goal.

Politically, Warner and Shuster are in a strong position. Lawmakers in both parties like the idea of producing money for projects back home.

"It will play reasonably well with constituents because either roads are dangerous, or they are bumpy, or congested," said Burdett A. Loomis, a political science professor at the University of Kansas.

But they face resistance from fiscal conservatives in both Congress and the Clinton administration who want to restrain highway funding in order to meet their goal of balancing the budget by the year 2002.

Although exact figures are not yet available, Clinton's budget proposal, scheduled to be unveiled Feb. 6, reportedly will keep transportation spending roughly stable — perhaps increasing or decreasing by a few percentage points.

Faced with conflicting pressures, deficit hawks such as Senate Budget Committee Chairman Pete V. Domenici, R-N.M., are considering ways of boosting transportation funding by several billion dollars, but not to the level suggested by Shuster.

Budget Committee staffers also are looking at ways to guarantee future road spending, such as building a "firewall" around the Highway Trust Fund to prevent the balance from being tapped for other functions. That could help meet the demands of Shuster and his allies.

Asked how the transportation issue may be resolved, Domenici said: "I don't know yet. We're looking at ways to accommodate."

Squaring Off

Even though the funding forecast remains uncertain, congressional leaders are wasting no time staking out positions for their states.

Three camps are gathered for the funding formula battle: "recipient" states, which receive more from the trust fund than they contribute; "donor" states, which contribute more to the federal Highway Trust Fund than they receive; and "borderline" states, which receive just barely more than a dollar for every dollar they contribute to the trust fund.

Since the debate will be shaped largely by the GOP majority, the donor states could hardly have a stronger phalanx of spokesmen. All five top GOP leaders — Senate Majority Leader Trent Lott of Mississippi; Senate Majority Whip Don Nickles of Oklahoma; House Speaker Newt Gingrich of Georgia; and two Texans, House Majority Leader Dick Armey and House Majority Whip Tom DeLay — are from Southern donor states.

Throwing down the gauntlet, Lott is insisting on a formula that is better to Mississippi. The state is getting back only about 88 cents for every $1 it remits to the federal government in gas taxes, according to Federal Highway Administration records. "I can't defend that to my constituents, and so I'm going to be hard-pressed to schedule that bill without a little fairer formula," Lott said.

Yet even as Lott prepares to have the last word in the Senate, much of the actual detail will be filled in by Chafee and Shuster, whose Northeastern states benefit from the existing formulas.

Chafee, for one, is undeterred by Lott and voices skepticism over changing the formulas. "I think the existing legislation is very good legislation," he said.

Backstopping the recipient states' effort are such key figures as GOP Sens. William V. Roth Jr., R-Del., (chairman of the Finance Committee, which oversees transportation taxes) and Alfonse M. D'Amato, R-N.Y. (chairman of the Banking, Housing and Urban Affairs Committee, which oversees public transit).

Also likely to weigh in is Rep. Gerald B.H. Solomon, R-N.Y., chairman of the Rules Committee, which will be the last stop for the transportation bill before the House floor.

The Democratic minority also faces possible parochial divisions over the funding formula. Senate Minority Leader Tom Daschle comes from a recipient state, South Dakota, while House Minority Leader Richard A. Gephardt is from a donor state, Missouri.

The funding-formula coalitions are likely to produce sharply conflicting results in the House and Senate.

The House, in which representation is based on state population, will almost certainly favor large states such as California, Texas and Florida — all donor or borderline states under the current formula. But the Senate, in which every state has two members, will likely protect the interests of sparsely populated Western states, possibly hewing closer to the existing funding distribution.

"If you go strictly by the numbers, the donors have the votes in the House. The donees have the votes in the Senate," said West Virginia's Rahall, whose state is in the recipient group. "So the formula is going to go down to last-minute battles in conference, as it did in '91."

"If you go strictly by the numbers, the donors have the votes in the House. The donees have the votes in the Senate. So the formula is going to go down to last-minute battles in conference, as it did in '91."

—Rep. Nick J. Rahall II, D-W.Va.

Competing Proposals

Participants in the funding debate have so far put three general proposals on the table:

- **Staying the course.** The first, backed primarily by Northeasterners, would keep the current funding formulas intact. "Reauthorize ISTEA with simplification and refinement, but without significant changes," declared a statement drawn up in December 1996 by 14 governors, most from the Northeast. "Its fundamental structure is sound and should be preserved."

Advocates of the current formulas say it would not make any sense to begin allocating federal transportation dollars based on how much each state contributes in taxes.

Transportation needs are greater in some states than others, justifying some redistribution of federal gasoline tax receipts, they say. Northeastern officials also contend that even though they get money back for highways, they lose billions of dollars to other programs that benefit Southern and Western states.

"The basic reason for federalism is for Washington to use money and distribute money based on the needs of the people," said New York Transportation Commissioner John B. Daly.

- **STEP 21.** Southerners are generally rallying behind an alternate funding formula proposal, known as STEP 21 (for "Streamlined Transportation Efficiency Program for the 21st Century), which would guarantee each state a return of at least 95 percent of the funds it remits to Washington. Versions of the plan were introduced in the 104th Congress in the House by DeLay and Gary A. Condit, D-Calif. (HR 3775), and in the Senate by Warner and Bob Graham, D-Fla. (S 2143).

Supporters say the proposal would go a long way toward more fairly distributing gas tax receipts. "It brings into the modern era a formula to determine a more equitable allocation of the money paid by the driver," Warner said.

Warner and his allies say most states, other than a few in the Northeast, would receive a funding increase. And, by adding provisions to streamline federal transportation rules and give states more flexibility in road spending, they are hoping to win the backing of many recipient states, especially those in the West.

- **Turnback.** The most radical proposal would terminate most of the federal gas tax, returning the primary responsibility for highway building to the states. Sponsoring early versions of the plan in the 104th Congress were Mack (S 1971) and House Budget Committee Chairman John R. Kasich, R-Ohio (HR 3840).

Primary backing for the proposal comes from three large states that want more transportation money: California, Florida and Ohio.

Supporters say it would save money by reducing federal administrative costs, and give states more control over their road projects. "This is fundamental to those of us who talk about turning power back to the states," said Mack.

But the Clinton administration opposes the idea. Transportation Secretary-designate Rodney Slater says development of the nation's infrastructure should be overseen at the federal level. *(Slater confirmation hearing, p. 298)*

Even supporters of the turnback option concede that it is unlikely to pass. Instead, the proposal may be used as a negotiating ploy to make STEP 21 appear less drastic in comparison.

With no one proposal enjoying a clear advantage, lawmakers are bracing for a long season of negotiations.

Shuster predicted that Congress will have to produce some "combination of principle and politics" to garner a majority. But he would not speculate about the final bill. "We're going to pour the two elixirs into the pot, and stir, and see what we come up with," he said. ■

-> MARK-UPS -> STATEMENT

OFF-BUDGET -> SENT OUT OF COMMITTEE

STATE INFRASTRUCTURE BANKS -> 2ND & 3RD GENERATION

MARY -> LABOR
STATE NOT ON BOARD -

AGENDA
ISTEA Reauthorization: Strategy and Process
OEOB Room 231
March 10, 1997
11 a.m.

-> WHITE HOUSE EVENT

(1) KEY OP
(2) TRADE PRESS - HILL BRIEFINGS
(3) OUT-OF-TOWN

* SUSTAINING INVESTMENT
* ECONOMY / JOBS & EFFICIENCY
-> REALLOCATION OF $
- TRUST FUND
- DONOR (DONOR FORMULA
"BRIDGE GAP"
ZERO

I. Introduction (Gene Sperling)

II. Administration Priorities in ISTEA II (Mort Downey)

III. Legislative Strategy and Timetable (John Hilley and Steve Palmer)

IV. Outreach to Constituent Groups (Mort Downey, Katie McGinty, Cynthia Metzler, Marcia Hale)

A. Environment/Sustainable transportation -> MARIA ECHEVESTE
B. Welfare-to-work
C. Governors/Mayors -> NLC, 17 GOVS, NACO -> BRING GROUPS IN -> HEARING
C. Urban interests
D. Labor
E. Business

V. Opportunities for Presidential/White House Involvement (Sperling and Downey)

VI. Roll-out of Administration Bill (Sperling)

~~CEQ~~ CLEAN AIR ISSUES - CMAQ (FUNDED MANDATE)

SHUSTER -> PROJECTS & SHARE OF $
-> GO TO FLOOR BY RECESS.

SENATE -> FORMULAS NOT FUNDING LEVELS.

4.3¢ -> GENERAL FUND

TUES → MUBARAK / D.C. / PRESS T.M.
WED → EARLY CHILDHOOD
THURSDAY → NORTH CAROLINA
DOD E.O. / PRINCIPLES
VPOTUS – CALIFORNIA
FRIDAY → $ (TAPE RADIO ADDRESS – MEDICARE)

SAT → GRIDIRON
MONDAY → IRELAND / BRUTON
PRIMARY
* CSSO → STANDARDS
TUESDAY → KING HUSSEIN & CONGRESS & DEPART FOR HELSINKI

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o CITIZENS COMMITTEE (EB)
o ISTEA (ROOM 231 → $ FOR STATES) ~ BUDGET
o CPI COMMISSION (EB/GS)
o NEW DIGITAL ~~NAME~~ (MW)
o EO ON KID'S HEALTH

→ STANDARDS → JOINT ENDORSEMENT
→ ALL 4 PRINCIPALS
→ TEACHERS / SMART

FULL
PRIM...
STATE FISCAL ONLY
GOT IT

205-0687

from Dorothy

PRESIDENT WILLIAM J. CLINTON
REMARKS ANNOUNCING NEW TRANSPORTATION BILL
Wednesday, March 12, 1997

I have often talked about the need to build America's bridge to the 21st Century. That means finishing the job of balancing the budget -- to keep our economy the strongest in the world. It means giving our children the best education -- so they have the tools to succeed in the global economy and Information Age.

But building our bridge has a more literal meaning as well. America's bridges, highways and transit systems are a crucial source of our economic strength. They help us reach our jobs and our homes, move goods and services across the country, and keep our commerce reliable, efficient, and inexpensive. That is why I am proud that, even as we moved toward a balanced budget and cut the deficit by 63%, we still increased the Federal investment in transportation infrastructure by more than 20% in the past four years. Today, our bridges and highways are stronger. One hundred miles of new transit lines are under construction. That success is part of the reason nearly 12 million new jobs have been created since we took office, including 1.1 million new construction jobs.

Today, I am pleased to announce that we are taking the next big step to maintain and modernize the best transportation system in the world. I am submitting to Congress the National Economic Crossroads Transportation Efficiency Act -- known as NEXTEA. This comprehensive legislation commits $17~~4~~5 billion over the next six years to improve America's bridges, highways, and transit systems. At the same time, it will create tens of thousands of jobs, help move people from welfare to work, protect our air and our water, and improve highway safety.

I am especially proud that as we build America's infrastructure, we will help build better lives for those who are moving off welfare. One of the biggest barriers facing people who move from welfare to work is finding the transportation to get to their jobs, their training programs, or their children's day care centers. This bill provides $600 million over 6 years to help provide and pay for transportation so that those who now must work, can get to work. In doing so, it will help us reach our goal of moving 2 million more people off the welfare rolls by the year 2000.

For too long, too many believed that strong transportation and a clean environment could not go hand-in-hand. This bill proves that simply isn't true. NEXTEA provides more than $1.3 billion a year to reduce air ~~and water~~ pollution, and millions more to preserve wetlands and open space. By helping communities invest in cleaner methods of transportation; by supporting recreational trails, bike paths, and pedestrian walkways; by investing in scenic byways and landscaping -- this bill strengthens our infrastructure while protecting and enhancing our precious natural resources.

25

NEXTEA also builds on our progress in making our roads safer -- increasing annual highway traffic safety funds by 11 percent, and expanding our aggressive campaign to crack down on drunk and drugged driving.

At its heart, this bill is about more than our roads and our bridges. It is about cutting-edge jobs and commerce, and the infrastructure we need to sustain them. It is about the responsibility of those moving from welfare to work, and our responsibility to help them get there. It is about the community we share, and the steps we must take to make it safer and cleaner for our children.

The chance to reshape America's infrastructure comes only once every six years -- which means that this is the transportation bill that will carry America into the 21st Century. That is why we must work together to pass this legislation, building on a long, bipartisan tradition of transportation policy. Together, we can keep our economy on the right track, and ensure that the track itself is strong enough for the challenges and opportunities that lie ahead.

and other community-oriented projects

cut travel time

tech to [illegible] and improve safety.

THE WHITE HOUSE

WASHINGTON

March 11, 1997

ANNOUNCEMENT OF ADMINISTRATION'S ISTEA REAUTHORIZATION BILL

DATE:	**March 12, 1997**
LOCATION:	**OEOB Room 450**
TIME:	**9:30-9:45 a.m.**
FROM:	**Dorothy Robyn, NEC**

I. PURPOSE

You will announce the Administration's National Economic Crossroads Transportation Efficiency Act (NEXTEA), a six-year, $175 billion investment program to continue building and operating a safe, efficient and environmentally sound surface transportation system into the next century.

II. BACKGROUND

NEXTEA authorizes the Department of Transportation's highway, transit, highway safety, and rail programs (the rail title will be transmitted separately). It builds upon the current ISTEA framework, emphasizing flexibility, planning, intermodalism, safety, investment and environmental protection.

Funding. NEXTEA authorizes $174 billion over 6 years -- an increase of $17 billion or 11 percent (not counting inflation) over the $157 billion authorized by ISTEA. Approximately $5 billion of this increase is for programs included in NEXTEA that were not in ISTEA. Excluding these programs, NEXTEA authorizes $169 billion -- an increase of $12 billion or 8 percent over ISTEA. Actual spending under NEXTEA would be $149 billion over 6 years -- approximately equal to the 1997 enacted level.

Authorization levels in NEXTEA are higher than planned spending levels in case the Administration's economic growth and deficit projections prove too conservative, as they have in the recent past. If the budget situation were to improve, we would look toward increasing the obligation levels. Even at the higher authorized levels, the Highway Trust Fund balance would increase from $26 billion in 1997 to $48 billion in 2003.

NEXTEA proposed funding is sufficient to maintain federal-aid highways in their current condition and provide for some capacity expansion. NEXTEA also addresses capacity through technology (e.g., the Intelligent Transportation System, ITS) and through pricing policies (congestion pricing and elimination of the prohibition on Interstate tolling). Transit funding will maintain current conditions, address expected traffic increases on existing systems, and provide some funds to address other capacity expansion.

PRESIDENT WILLIAM J. CLINTON
REMARKS ANNOUNCING NEW TRANSPORTATION BILL
Wednesday, March 12, 1997

Acknowledgments: Secretary Slater; Senator Moynihan; Mayor Daley.

I have often talked about the need to build America's bridge to the 21st Century. That means finishing the job of balancing the budget -- to keep our economy the strongest in the world. It means giving our children the best education -- so they have the tools to succeed in the global economy and Information Age.

But building our bridge has a more literal meaning as well. America's bridges, highways and transit systems are a crucial source of our economic strength. They help us reach our jobs and our homes, move goods and services across the country, and keep our commerce reliable, efficient, and inexpensive. That is why I am proud that our administration increased the Federal investment in transportation infrastructure by nearly one-quarter in the past four years -- even as we cut the deficit by 63%. Today, our bridges and highways are stronger. One hundred miles of new transit lines are under construction. Congestion on America's roads is down. That success is part of the reason nearly 12 million new jobs have been created since we took office.

Today, I am pleased to announce that we are taking the next big step to maintain and modernize the best transportation system in the world. I am submitting to Congress the National Economic Crossroads Transportation Efficiency Act -- known as NEXTEA. This comprehensive legislation commits $175 billion over the next six years to improve America's bridges, highways, and transit systems. At the same time, it will create tens of thousands of jobs, improve highway safety, protect our air and our water, and help move people from welfare to work.

I am especially proud that as we build America's infrastructure, we will help build better lives for those who are moving off welfare. One of the biggest barriers facing people who move from welfare to work is finding the transportation to get to their jobs, their training programs, or their children's day care centers. This bill provides $600 million over 6 years to ensure that those who now must work, can <u>get</u> to work. It supports innovative means of transportation, such as vanpools. It helps pay for transportation to day care facilities and training centers that are located at transit links. It makes it much easier for welfare recipients to find jobs, and to meet their obligations to their employers and their families once they begin those jobs. In doing so, it will help us reach our goal of moving 2 million more people off the welfare rolls by the year 2000.

Another critical feature of this legislation is its landmark commitment to protecting our environment. NEXTEA provides more than $1.3 billion a year to reduce air and water pollution, and preserve wetlands and open space. It helps communities reduce congestion and improve air quality by nearly one-third, by helping them to invest in cleaner and more efficient methods of transportation. It supports cleaner and greener alternatives to our highways -- such as recreational trails for hiking and horseback-riding, bike paths to go to work or just go for a ride, and pedestrian walkways. NEXTEA also continues our investments in scenic and historic byways, and landscaping and planting to beautify America's roadsides.

At its heart, this bill is about more than our roads and our bridges. It is about our values. It is about the exciting opportunity of cutting-edge commerce, and the roads and bridges we need to sustain it. It is about the responsibility of those moving from welfare to work, and <u>our</u> responsibility to help them get there. It is about the community we share, and the steps we must take to make it safer and cleaner for all our children.

The opportunity to reshape America's infrastructure comes only once every five years -- which means that this is the transportation bill that will carry America into the 21st Century. That is why we need this new legislation: to keep our economy on the right track, and to ensure that the track itself is strong enough and sturdy enough to carry into a new century and economy, with all the promise and possibility they will bring.

RS -- NEXTEA Ceremony White House -- 3/11/97
draft 1 -- by Ilene (2 minutes)

AFTER VP/ INTRO OF PRESIDENT

Thank you, Mr. Vice President. In 1956, the act that created the interstate was called the Federal Aid Highway Act.

We are calling ours NEXTEA -- the National Economic Crossroads Transportation Efficiency Act. Why crossroads? Because the interstate system that your father and President Eisenhower put in place helped us to build a national economy.

But today, we are at a crossroads and we have to find security and some stability as our businesses compete on an international stage. This is designed to help us in that regard. It is to speak as much about the next six years, as it is the next 60 years.

Mr. Vice President -- just as you were schooled in highways from your father, I learned about it from my mother. I was a little boy when the interstate came to Marianna, Arkansas, and it enabled my mother to get a job

17 miles away in a factory, where she earned more than my father, who was working five jobs.

I then went on to spend many years in Arkansas working for President Clinton, who as Governor and now President shaped my conviction that transportation is more than concrete, asphalt, and steel. It's about people and providing access to opportunity.

It is my honor to introduce, the person who will use transportation to provide opportunity for all Americans in the 21st century ... President Clinton.

MAR 11 '97 08:03PM DOT/OST/PUBLIC AFFRS

REMARKS PREPARED FOR DELIVERY
SECRETARY OF TRANSPORTTAION RODNEY E. SLATER
BRIEFING ON THE NATIONAL ECONOMIC CROSSROADS
TRANSPORTATION EFFICIENCY ACT
MARCH 12, 1997
WASHINGTON, D.C.

Mr. President, less than a month ago when I was sworn in, I said that I had three goals. I wanted safety to be my number one priority; second, that we will invest in our infrastructure to ensure that America's transportation system meets the needs of the American people; and third, that we will use a common-sense approach to running a department.

Today, as you propose how our country will invest in highways and transit into the next century, I set all three goals in motion.

Yes, this bill will make our roads safer. Yes, it will make our air cleaner, because we're investing 30 percent more in the next six years.

Yes, it will cut red tape to give states the flexibility to build projects they want, not Washington dictates, and to build them sooner, every day and in every way, as we have done under your leadership in the past four years.

Yes, we will continue to build transit systems. Not since Woodrow Wilson sat in the Oval Office has as much been spent on new transit construction, and I'm very proud of that.

I want the nation to know that the $175 billion we will invest will support almost one million jobs, across the country, in the next six years, as we build our roads and transit systems.

Mr. President, I know you promised America that we will build bridges. We will. But as important, we will also bridge gaps, especially the growing gap that America now faces of getting former welfare recipients, who may now have jobs, but no cars, to work. We are the <u>to</u> in welfare to work, and our access to jobs program will make a difference.

- more -

We developed NEXTEA by going around the country, by asking people what was good and bad about ISTEA, the previous law, and keeping the good.

I see Mayor Daley here. I remember when we went to Chicago, to hear what those in the heartland had to say. He stressed the need to continue mass transit funding. He said these systems must be considered national -- not just local -- assets. We listened, and learned from him.

And we listened and learned from Mark Schwartz, from Oklahoma City, who said preserving our investments in cleaning the air and solving the congestion problems were his priorities, and NEXTEA supports those efforts.

In NEXTEA, we've tried to be fair to all states. Forty-nine states will receive more dollars than they did under ISTEA. The formulas used to appropriate funds have been up-dated and make use of current data.

Now, I plan to visit our friends on Capitol Hill, to make this a bi-partisan bill. In 1991, when a Democratic Congress and a Republican President passed ISTEA, they rocked the boat.

The debate on NEXTEA will be different. I hope it's not about donors and donees, because NEXTEA builds more than roads and bridges.

I hope the debate is whether this is the transportation bill that will build a nation, a nation for the 21st century that can compete in a global economy.

From George Washington, to Lincoln, to Wilson, to Roosevelt, to Eisenhower -- our nation has always recognized that transportation is about the unity of a diverse nation and a diverse people. I look forward to helping President Clinton and Vice President Gore and this Congress carry that tradition into the 21st century.

Thank you.

# # # #

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NEXTEA

THE NATIONAL ECONOMIC CROSSROADS TRANSPORTATION EFFICIENCY ACT

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

MARCH 12, 1997

EXECUTIVE SUMMARY

The Intermodal Surface Transportation Efficiency Act (ISTEA) authorized federal highway, transit, and road safety programs for fiscal years 1992-97. It expires this year, and President Clinton proposes to reauthorize these programs for fiscal years 1998-2003.

This proposed legislation, the National Economic Crossroads Transportation Efficiency Act (NEXTEA), will authorize ~~about $175~~ $174 billion for surface transportation over the next six years and enable America to continue building and operating a safe, efficient, and environmentally-sound transportation system into the 21st century. The President's proposal will:

- ...continue **putting safety first**, even in the face of increased traffic. Under ISTEA, with its enhanced commitment to safety, highway fatalities have dropped to about 41,000 annually. That is still far too many, and growing traffic could increase this number. We propose targeting initiatives with the biggest safety payoffs: new and expanded programs to increase the proper use of safety belts and child restraints, to reduce drunk and drugged driving, and to continue research into building safer roads and safer vehicles.

- ...continue to **fulfill the President's promise to "rebuild America."** The President has worked to increase total infrastructure investment by 21 percent, to an average of $25.5 billion annually. Under NEXTEA, we propose to increase authorizations for our core highway programs by 30 percent over ISTEA levels.

- ...**reduce the barriers faced by those moving from welfare rolls to payrolls** by giving them affordable, convenient transportation to jobs, training, and support services such as day care. We propose a six-year, $600 million program to support flexible, innovative transportation alternatives, such as vanpools, to get people to where the jobs are.

- ...**continue to enhance our environment, especially air quality.** We propose to increase funding for the Congestion Mitigation and Air Quality Improvement Program (CMAQ) by 30 percent, to $1.3 billion annually. We also would act on new research on the dangers of particulate matter by allowing areas that do not meet health standards for this pollutant to receive CMAQ funds. Finally, we would continue funding for such key environmental and quality-of-life programs as scenic byways, bicycle and pedestrian facilities, and recreational trails.

President Clinton proposes to reauthorize the landmark Intermodal Surface Transportation Efficiency Act – ISTEA, which expires at the end of September 1997. His reauthorization proposal, the National Economic Crossroads Transportation Efficiency Act – NEXTEA, would authorize about $175 billion over the next six years (1998-2003) to improve America's highways, bridges, transit systems, and railroads, to lower the toll in lives and health care costs from motor vehicle crashes, to enhance America's environment, and to support mobility and economic prosperity.

The NEXTEA proposal makes good on the promise of ISTEA and on President Clinton's pledge to rebuild America:

> **"Just as constructing interstate highways in the 1950s ushered in two decades of unparalleled growth, creating the pathways of the twenty-first century will help put Americans back to work and spur economic growth."**
> *Putting People First*, Governor Bill Clinton and Senator Al Gore, 1992

Since President Clinton and Vice President Gore took office:

- Safety has improved, the result of partnerships to build safer vehicles and roads, to increase safety belt use, and to reduce drunk and drugged driving. Highway fatalities have been lower than in decades, averaging about 41,000 annually. Safety belt use has grown from 11 percent of motorists in 1982 to 68 percent last year. Alcohol-related fatalities have decreased from 57 percent of crashes in 1982 to 41 percent in 1995.

- Average annual federal investment in transportation infrastructure under President Clinton has been $25.5 billion, 21 percent higher than the average of the previous four years. This increased investment has produced real results:

  - On the National Highway System, the four percent of our roads which carry 40 percent of our highway travel, the condition of bridges and pavement has improved significantly since 1993.

  - Transit facilities have improved and average speeds are up. Over the last four years, federal funds have supported the construction of 100 miles of new rail transit lines serving more than 100 new stations.

- The quality of our environment has improved over the past several years, and the improvements have been especially striking in air quality. In 1990, 140 million Americans lived in areas violating health standards for ozone, a precursor of smog. Today, only 64 million people live in such areas.

Challenges remain despite these accomplishments:

- We must further improve transportation safety, even in the face of growing traffic: 41,000 deaths and three million injuries each year are still far too many.
- We must reduce congestion and its $50 billion-a-year cost to American travelers and businesses even as travel increases in the years to come.
- We must accommodate increasing trade, both international and domestic, in order to stay competitive in the global marketplace.
- We must improve Americans' access to jobs, to education, to health care, to recreation.
- We must continue enhancing the environment, especially the quality of our air.

NEXTEA was developed through an extensive process of consultation with our constituency and our partners: state and local officials, transportation providers, businesses, and the general public. During 1996, we held 13 major forums around the country and scores of meetings and listening sessions to hear how the promise of ISTEA has been translated into reality and to hear what Americans want from their surface transportation system. That process has resulted in NEXTEA, which will honor the President's commitment to build transportation systems for the 21st century.

NEXTEA is based on nine core policy principles:

Putting Safety First

Rebuilding America

Increasing Investment Through Innovative Financing

Ensuring Global Competitiveness

Improving Access to Jobs and Training

Protecting the Environment

Improving Transportation Through Technology

Strengthening Urban Communities

Serving Rural America

The following pages describe how NEXTEA would sustain these principles.

PUTTING SAFETY FIRST

More than 40,000 Americans die and three million are injured in motor vehicle crashes each year, inflicting a tragic toll on millions of families. In addition, these crashes cost our economy $150 billion annually, including $14 billion paid directly by taxpayers for expenses such as health care and emergency services. Improved safety can help to control these costs.

ISTEA SUCCESSES

✔ Under ISTEA, with its enhanced commitment to safety, highway fatalities have been lower than in decades, averaging about 41,000 annually. Safety belt use has grown from 11 percent of motorists in 1982 to 68 percent last year. Alcohol-related fatalities have decreased from 57 percent of crashes in 1982 to 41 percent in 1995.

KEY NEXTEA PROVISIONS

Our challenge is to continue the progress on safety even as traffic increases. Recently, we have seen warning signs that we may be approaching the limits of progress under ISTEA: the fatality rate has stagnated, increases in safety belt use have leveled off, and the number of alcohol-related deaths has increased. NEXTEA would attack these problems by focusing on three key areas: driver behavior, road design, and vehicle standards.

Safer Drivers

- NEXTEA would increase highway traffic safety funding by 11 percent to $333 million, and fund incentive programs to reduce drugged and drunken driving, to increase safety belt use, and to collect improved data on highway safety to better identify and solve safety problems.

  -> Highway + Truck increased by $2 billion,

- $9 million annually in financial incentives would be provided for states to increase proper use of safety belts and child restraints.

- NEXTEA would increase funding for drunk driving prevention by 60 percent to $40 million in 1998, and reward states for aggressively reducing drunk driving through administrative driver's license suspensions and revocations, programs to prevent minors from drinking, and effective sanctions for repeat offenders.

- NEXTEA would provide $5 million annually beginning in 1999 in grants to states to prevent drugged driving. A state would be eligible for these grants if it adopted five of nine countermeasures, including zero tolerance laws, administrative license suspension for those driving under the influence, and pre-license drug testing.

Safer Roads

- Under ISTEA, funding was set aside to eliminate road hazards and to make highway-rail grade crossings safer. Grade crossing deaths alone have dropped by 31 percent. NEXTEA would build on this progress by replacing this set-aside with a flexible, six-year, $3.2 billion Infrastructure Safety Program. States would now have the ability to transfer funds to enforcement and behavioral programs if they would have a greater impact on safety.

Safer Vehicles

- States would have increased flexibility for tougher enforcement, such as targeting shippers who encourage truckers to violate rules and increasing penalties for violators. States also would be reimbursed for border enforcement and other high-priority activities that improve trucking safety.

- Under NEXTEA, the freeze on the size and weight of larger combination trucks on Interstate Highways and other routes would continue. We are doing a comprehensive study of this and related issues, and may soon propose additional steps in future safety legislation.

- Much progress on safety has been the result of vehicle design aimed at protecting motorists in crashes. NEXTEA would build on the progress to date with a $45 million annual research program targeted at improving crash avoidance and crash worthiness. In addition, more than a third of intelligent transportation systems research would be focused on collision avoidance systems and other "smart vehicle" technologies that prevent crashes.

- A new focus on performance in safety programs would measure effectiveness by looking at quantifiable results, not at how much money or effort is put into solutions.

REBUILDING AMERICA

America's prosperity and quality of life are linked to our transportation system's efficiency, which keeps production costs low and maintains our international competitiveness. When President Clinton promised to "rebuild America" five years ago, this system suffered from inadequate capacity, deteriorating infrastructure, and poor connections among different forms of transportation. The President has worked with Congress to make good on his promise, taking advantage of ISTEA to raise infrastructure investment to record levels.

ISTEA SUCCESSES

✔ Under President Clinton, federal transportation infrastructure investment increased 21 percent, to an average of $25.5 billion annually.

✔ Many indicators of highway conditions and performance have stabilized or improved. The condition of bridges and highway pavement, which had been deteriorating, has stabilized. We have kept pace with our transportation system's maintenance requirements and stopped its deterioration.

✔ Transit investment has increased, including over $3 billion transferred using ISTEA's flexible funding provisions. Nearly 26,000 new buses and nearly 600 new rail cars have been bought for state and local transit agencies, and more than 100 miles of new transit lines serving more than 100 new stations are under construction. Transit speeds have improved by an average of about 10 percent.

KEY NEXTEA PROVISIONS

■ NEXTEA builds on ISTEA's successes while helping us to move towards a balanced budget. It would authorize about $175 billion for surface transportation programs from 1998 through 2003, an 11 percent increase over ISTEA. The proposed authorization levels would sustain or expand core programs such as the National Highway System, maintenance of the Interstate Highways, bridge reconstruction, and mass transit.

■ NEXTEA gives state and local officials greater flexibility to target funds towards projects that best meet community needs, including Amtrak and intercity rail passenger facilities. It also increases the tools available to them by making intelligent transportation systems eligible under all major program categories and by expanding innovative finance strategies to cut red tape and to leverage private and nonfederal public resources.

INCREASING INVESTMENT THROUGH INNOVATIVE FINANCING

In spite of ISTEA's record investment, the federal government alone cannot meet all of our infrastructure needs. President Clinton recognized this in his January 1994 Executive Order on infrastructure, in which he directed us to cut red tape to speed construction and supplement federal funds by leveraging private and nonfederal public investment.

ISTEA SUCCESSES

✔ President Clinton's Partnership for Transportation Investment accelerated 74 projects worth $4.5 billion, including $1.2 billion in investment beyond that available through conventional financing. Projects are advancing an average of two years ahead of schedule, saving interest and inflation costs.

✔ Some innovative finance initiatives also advance other national priorities, such as in Missouri and Arizona, where entrepreneurs were given permission to install fiber optic cable within highway rights-of-way in return for reserving part of the cable as the backbone of statewide intelligent transportation systems.

✔ The new State Infrastructure Bank program uses federal seed money to leverage private and nonfederal public funds in 10 pilot states. Among the proposed uses of these funds are: a loan to start construction on a highway interchange without waiting for the full federal funding to be accumulated; a loan to finance a toll road's interest costs while it is being built, before revenues can begin to pay off the construction debt; and a loan to buy new light rail vehicles.

✔ We provided a direct loan to California's Alameda Corridor, which will speed shipping from Los Angeles' port by creating a dedicated freight rail corridor. We also provided standby lines of credit to secure private financing for California toll roads; at a cost of just $18 million, we supported $2.5 billion in construction financing

KEY NEXTEA PROVISIONS

- NEXTEA would open the State Infrastructure Bank program to all states, increase the federal seed money dedicated to these banks, and allow states to use up to 10 percent of their regular federal-aid highway funds to capitalize their banks.

- $100 million annually would be dedicated to help leverage private and nonfederal public resources for projects of national significance, such as interstate trade corridors.

ENSURING GLOBAL COMPETITIVENESS

Under President Clinton, America is once again the most economically-competitive nation in the world and its leading exporter, and this is due in great measure to the reliability and low costs of our transportation system. In an increasingly-global economy, keeping transportation efficient is crucial to our continued competitiveness and to taking advantage of the markets opened by NAFTA and GATT.

ISTEA SUCCESSES

- ✔ Seamless connections among different forms of transportation, such as between trucks, railroads, and seaports, are important for efficiency, and ISTEA-funded projects are making possible these connections. These projects include truck-rail freight transfer facilities in Stark County, Ohio, and Auburn, Maine, and projects in Portland, Oregon and Seattle designed to improve rail and truck access to seaports.

- ✔ Projects such as the Red Hook barge transfer, which daily takes hundreds of trucks off New York's crowded streets, often have important social and environmental benefits, and ISTEA made them eligible for funding through such flexible initiatives as the Congestion Mitigation and Air Quality Improvement Program and our innovative finance programs.

KEY NEXTEA PROVISIONS

- ■ NEXTEA would facilitate trade by creating new programs to improve border crossings and develop major trade corridors within the U.S., cutting congestion and eliminating bottlenecks.

- ■ NEXTEA would support projects of national significance, such as those focused on trade corridors, through funds dedicated to supporting projects of national significance and by expanding the State Infrastructure Bank program.

- ■ The proposal would expand funding eligibility to include access to intermodal terminals and water ports. This is a vital change since much international trade -- 98 percent by weight, 50 percent by value -- is shipped through ports. These programs also would make eligible for funding Amtrak and intercity rail passenger and public freight facilities and intelligent transportation systems projects, which can improve the logistics crucial to "just-in-time" deliveries.

IMPROVING ACCESS TO JOBS AND TRAINING

One of the biggest barriers faced by those moving from welfare rolls to payrolls is finding transportation to jobs, training, and support services such as day care. Poverty and welfare eligibility rules mean that few welfare recipients own cars, and public transit often provides inadequate connections to job and training centers. This problem is becoming more serious, since two-thirds of new jobs are in suburbs. To support his comprehensive welfare reform initiative, President Clinton proposes to build on existing transit programs that work with innovative approaches to helping people make the transition to the working world.

ISTEA SUCCESSES

✔ Our Livable Communities program integrates transit with jobs, schools, and housing. In Corpus Christi, local residents worked with local officials on developing three bus transfer centers and improving pedestrian access to local amenities, and a Los Angeles neighborhood initiative generated a hundred new jobs and helped to cut crime by 19 percent.

✔ The Joblinks program provides transportation and training in both urban and rural areas. Oregon's Glendale-Azalea School District used Joblinks funds to transport 400 unemployed and undereducated residents to training and to jobs in the first year alone. The success of initiatives such as Joblinks and Livable Communities provides a model for new efforts to improve community access to jobs and other necessities.

KEY NEXTEA PROVISIONS

■ NEXTEA includes a six-year, $600 million grant program to support flexible, innovative transportation alternatives, such as vanpools, to get people to where the jobs are. Funding would also provide access to training centers and to support services such as day care at transit links. This program would be closely coordinated with other human services assistance that would be provided to states and localities working to meet the special needs of the welfare population.

■ Since transportation and construction jobs are among America's best-paying, we want to open opportunities in these fields for welfare recipients and other disadvantaged people. NEXTEA would increase incentives for states and localities to provide job training in conjunction with federally-funded technology and construction projects, and to enable them to offer hiring preferences to welfare recipients and residents of Empowerment Zones and Enterprise Communities.

PROTECTING THE ENVIRONMENT

Scientific research demonstrates the effects of pollution on our health and on the ecological systems which sustain human life. President Clinton has taken advantage of ISTEA's landmark environmental provisions to reduce air and water pollution, to preserve wetlands and open space, and to make transportation facilities more compatible with the environment.

ISTEA SUCCESSES

✔ The largest ISTEA environmental initiative is the Congestion Mitigation and Air Quality Improvement Program (CMAQ), which authorized $1 billion annually under ISTEA to help communities meet national standards for healthy air. CMAQ has funded such innovative projects as cleaner natural gas buses in Cleveland and Boise, a child care center to promote ridership at a San Jose transit facility, and an inspection and maintenance program in Indiana, which ensures that auto emissions systems continue to cut pollution.

✔ ISTEA supported important travel alternatives, such as bikeways and pedestrian paths, and preserved scenic and historic roadside vistas, supporting tourism and strengthening local economies.

KEY NEXTEA PROVISIONS

■ NEXTEA would increase CMAQ funding by 30 percent, to $1.3 billion annually, and expand funding eligibility to include scrappage of higher-polluting pre-1980 vehicles. It also would act on new research on the dangers of particulate matter by allowing areas that do not meet health standards for this pollutant to receive CMAQ funds. NEXTEA also would ensure that no state loses CMAQ funds as a result of the Environmental Protection Agency's proposed changes in air quality standards.

■ NEXTEA would increase Transportation Enhancements funding by more than 25 percent, supporting projects designed to strengthen the cultural, aesthetic, and environmental aspects of our transportation system.

■ The National Scenic Byways program, which designates roads of aesthetic or historic value and funds improvements to them, would be continued, and the list of eligible activities would be expanded to include scenic byway marketing programs. Funding for recreational trails, bicycle transportation and pedestrian walkways, landscaping, and wildflower plantings also would be continued, as would ISTEA's commitment to inclusive transportation planning which reflects such community values as environmental preservation.

IMPROVING TRANSPORTATION THROUGH TECHNOLOGY

Technology can improve the performance of roads and transit systems and effectively increase their capacity, especially in urban areas where new construction is too expensive or environmentally unsound. Technology also can make travel safe: most automobile crashes involve human error, and advanced collision avoidance systems and highway-rail grade crossing warnings can save hundreds of lives annually. Finally, technology can provide the logistical support needed for such innovations as "just-in-time" deliveries, which are cutting costs and improving productivity at nearly a third of U.S. companies.

ISTEA SUCCESSES

✔ ISTEA established a major federal commitment to intelligent transportation systems (ITS), the application of advanced information and communications technologies to travel. The federal role includes providing seed money for development and deployment, assistance in the creation of technology standards to promote system integration, and the coordination of public and private research efforts.

✔ The first generation of ITS is already being deployed: in Denver, synchronized traffic signals reduced travel times by over 15 to 20 percent, and in Seattle, ramp metering has cut accident rates by more than 60 percent. *Operation TimeSaver*, an initiative to reduce travel times in 75 cities by 15 percent over the next decade, was launched last year. Under this initiative, states may use their federal transportation funds to deploy ITS systems.

✔ Overall federal transportation research and technology investment increased to record levels, $930 million in 1997 alone. Initiatives resulting from this investment include high-performance materials, such as Superpave asphalt, which cost less and last longer, and the application of global positioning satellite systems to aviation and maritime navigation.

KEY NEXTEA PROVISIONS

■ NEXTEA would provide states and localities with ITS training and technical assistance, and fund a $600 million incentive program to help cities integrate their ITS programs and to help rural areas deploy ITS to improve safety. mobility, and commercial vehicle operations. It also would expand the eligibility of all major program categories to include ITS, so technology will always be considered as a strategy for meeting travel demand.

■ NEXTEA would increase overall federal investment in technology research for initiatives including advanced composites for stronger, safer roads and bridges and second-generation ITS technologies such as collision avoidance systems.

STRENGTHENING URBAN COMMUNITIES

Sound transportation is crucial for sustaining economic prosperity and a high quality of life in our cities. Targeted infrastructure investment can reduce congestion and improve connections so businesses can take advantage of the city's proximity to suppliers, support services, markets, and amenities. Such investment also can generate jobs for city residents, directly through construction, and indirectly by attracting new businesses.

ISTEA SUCCESSES

✔ ISTEA strengthened the role of cities in the transportation planning process, giving cities greater control over a substantial portion of federal funds and enabling them to choose projects which best met urban needs.

✔ Together with the increased flexibility of many programs, this enabled funding to be transferred to such urban needs as transit. Over $3 billion traditionally earmarked for highways was used for high-priority transit projects, most in cities, and overall transit funding increased under ISTEA, reaching a record $6 billion in 1995 alone.

KEY NEXTEA PROVISIONS

■ NEXTEA sustains investment in mass transportation by increasing direct federal transit funding to $5 billion, by increasing the flexible Surface Transportation Program, and by making Amtrak and intercity rail terminals eligible for funding. Transit programs would be streamlined to make it easier for local officials to select the options that make the most sense for their communities

■ NEXTEA includes a six-year, $600 million program to support flexible, innovative transportation alternatives, such as vanpools, to get people to where the jobs are and to provide access to training and such support services as child care.

■ Technology can provide needed additional urban travel capacity with less disruption to established communities and at less cost than new construction. NEXTEA proposes to make intelligent transportation systems eligible under all major programs, and to create an incentive program to ensure that these technologies are fully integrated.

■ NEXTEA would further strengthen the role of central cities in regional planning and simplify federal planning requirements.

SERVING RURAL AMERICA

Transportation is as vital to rural areas as it is to cities. Sound transport is vital for shipping raw materials and agricultural products. Tourism, generated by the four in five Americans who drive for pleasure in rural areas, sustains many local economies. And many rural residents rely on transit to reach schools, health care, and other necessary services.

ISTEA SUCCESSES

✔ ISTEA provided over $1 billion for projects in rural America, such as protecting scenic roadside vistas, preserving historic transportation facilities, and beautifying communities with bicycle and pedestrian facilities.

✔ ISTEA benefitted rural areas with provisions like special transit programs for small communities, transportation enhancements, scenic byways, and set-asides for off-system bridges.

KEY NEXTEA PROVISIONS

■ NEXTEA would strengthen rural communities' involvement in transportation planning by requiring coordination with local rural officials when statewide transportation plans are developed.

■ NEXTEA would increase investment in core programs affecting rural areas, such as the National Highway System, Transportation Enhancements, and Rural Transit Assistance, and expand funding eligibility to include Amtrak and intercity rail, a key lifeline for rural America.

■ NEXTEA would raise authorizations for the Federal Lands Highways Program to $525 million, funding improvements on roads in national parks and forests, Indian reservations, and other public lands.

FOR IMMEDIATE RELEASE
Wednesday, March 12, 1997

DOT 30-97
Contact: Bill Adams
Tel.: (202) 366-5580

President Clinton Unveils Reauthorization Proposal for Transportation for the Twenty-First Century

President Clinton today proposed a six-year, $175 billion National Economic Crossroads Transportation Efficiency Act (NEXTEA) program to continue building and operating a safe, efficient and environmentally-sound surface transportation system into the next century.

"Our nation's prosperity and quality of life depend greatly on our transportation system," President Clinton said. "This landmark legislation puts safety first, protects our environment, continues rebuilding our transportation infrastructure and spurs job creation throughout our economy."

"NEXTEA will build on past success," Transportation Secretary Rodney E. Slater said. "President Clinton promised to re-build America at a time when our transportation system suffered from inadequate capacity and deteriorating infrastructure. Working together with Congress, we've made great improvements. The core elements of this bill will set a firm foundation to carry us into the next century."

NEXTEA's eight core elements are:

- Putting safety first,
- Rebuilding America,
- Ensuring global competitiveness,
- Improving access to jobs and training,
- Protecting the environment,
- Improving transportation through technology,
- Strengthening urban communities and
- Serving rural America.

The bill would authorize about $175 billion for surface transportation programs from

--more--

1998 to 2003, an 11 percent increase over the Intermodal Surface Transportation Efficiency Act of 1991. According to Slater, the proposal builds on ISTEA's success while helping the United States toward a balanced budget. The proposed authorization levels would expand core programs like the National Highway System, maintenance of the Interstate highways by 30 percent and mass maintain mass transit investment at high levels.

Secretary Slater said that the challenge in safety is to continue progress even as traffic increases. "We've recently seen warning signs that tell us to re-focus on traffic safety: the fatality rate has stagnated, safety belt use has leveled off and the number of alcohol-related deaths has increased. NEXTEA will seek to improve safety on our roads by focusing on driver behavior and road design."

NEXTEA would increase NHTSA overall safety funding by 11 percent to $333 million and fund incentive programs to reduce drugged and drunken driving, to increase safety belt use and collect improved data on highway safety to help solve safety problems, he said.

The President's proposal would increase the amount of funding available for transportation through the use of innovative financial tools. It would open the State Infrastructure Bank (SIB) program to all states, increase the amount of federal seed money available to these banks and allow states to use up to 10 percent of their regular federal-aid highway funds to capitalize these banks.

U.S. competitiveness would get a boost from the proposed transportation bill because it would create new programs to help international trade by improving border crossings and developing major trade corridors within the United States -- corridors that would have reduced congestion and fewer bottlenecks. Trade aspects of the bill would expand the eligibility of existing programs to include access to intermodal terminals and access to ports.

A six-year, $600 million competitive grant program in NEXTEA would support flexible, innovative transportation alternatives for people trying to get to work and off welfare. It also would increase incentives to provide job training so that welfare recipients could take advantage of transportation and related careers.

To help protect the environment, NEXTEA would increase funding for the Congestion Mitigation and Air Quality Improvement Program (CMAQ) by more than 25 percent to $1.3 billion annually, increase transportation enhancements funding by more than 25 percent and continue funding for National Scenic Byways, recreational trails, bicycle transportation and pedestrian walkways.

Secretary Slater said that technology can help deliver additional safety and capacity for less monetary and environmental cost so NEXTEA will invest in research and fund a $600

--more--

million incentive program to help urban areas integrate their intelligent transportation systems to provide smoother service.

Transit funding from the federal government would increase to $5 billion annually under NEXTEA, and intercity rail terminals would become eligible for these funds. Secretary Slater said local officials would find it easier to fit transit funds to their community's needs because transit funding options in NEXTEA are streamlined.

Noting his commitment to rural America and its essential contribution to American prosperity, Secretary Slater said the proposed bill would extend to rural areas the benefits of inclusive planning by requiring states to consult rural officials in developing transportation plans. It also would raise authorizations for the Federal Lands Highways Program to $525 million.

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Revised
March 10, 1997

NATIONAL ECONOMIC CROSSROADS EFFICIENCY ACT (NEXTEA)

Reauthorization of ISTEA
Bill Summary

I. OVERVIEW

- NEXTEA builds upon the current ISTEA framework, emphasizing flexibility, planning, intermodalism, safety, investment, innovation and protection of the environment. It authorizes the Department of Transportation's highway, transit, highway safety, and rail programs (the rail title will be transmitted to Congress separately).

- *Funding* - NEXTEA authorizes $174 billion over 6 years, an increase of $17 billion or 11 percent over the $157 billion authorized by ISTEA. Approximately $5 billion of this increase is for programs include in NEXTEA that were not in ISTEA. Excluding these programs, NEXTEA authorizes $169 billion, an increase of $12 billion or 8% over ISTEA. Actual spending under NEXTEA would be $149 billion over 6 years. 1998 funding for ISTEA programs is approximately equal to the 1997 enacted level. See attached table for funding details by mode.

  Authorizations levels in NEXTEA are higher than planned spending levels in case the Administration's economic growth and deficit projections prove too conservative, as they have in the recent past. If the budget situation were to improve, we would look toward increasing the obligation levels. Even at the higher authorized levels, the Highway Trust Fund balance would increase from $26 billion in 1997 to $48 billion in 2003.

  Highway funding is sufficient to maintain Federal-aid highways in their current condition and provide for some capacity expansion. Capacity is also addressed through technology, i.e., the Intelligent Transportation Systems (ITS), and through pricing policies, i.e., congestion pricing and elimination of the Interstate tolling prohibition. Transit funding will maintain current conditions, address expected traffic increases on existing systems, and provide some funds to address other capacity expansion.

- *Eligibility* - Eligibility for highway funds would be expanded to include intercity passenger rail (Amtrak), ITS, publicly-owned and publicly-sponsored privately-owned bus terminals, publically-owned freight rail, and publicly-owned intermodal freight transfer facilities.

  Eligibility for transit funds would be expanded to include intercity passenger rail and ITS. Privately-owned freight railroads and ports would not be made eligible for NEXTEA funding. These interests will push Congress hard to make themselves eligible. Traditional highway groups strongly oppose increased eligibility, including funding Amtrak from the Trust Fund.

- *Formulas* - The funding allocation formulas for the two largest highway programs, the National Highway System (NHS) and the Surface Transportation Program (STP) would be revised. The NHS formula would be based 90% on contributions to the Highway Trust Fund and 10% on State population. The STP formula would be based 70% on contributions to the Trust Fund and 30% on State population. Contributions to the Trust Fund are used as a proxy for highway usage.

  Three "equity adjustments" to these formulas seek to balance the claims of the donor and donee States and ease the transition to the new formulas. Formulas for other highway programs and transit remain mostly unchanged. The funding formula is the most sensitive issue on the Hill. DOT's proposal attempts to strike a balance between programmatic justification and Congressional concerns. Thereby, DOT hopes to be a larger player in determining the shape of the final bill.

II. HIGHWAYS

- *Core Infrastructure Programs* - The National Highway System (NHS), Surface Transportation Program (STP), Interstate Maintenance, Bridge and Federal lands programs are all retained. All but the Bridge program receive higher funding levels. Transferability of funds among these programs and to transit is retained with slight modifications.

  The funding distribution among these programs reflects a decision to direct funds toward STP, while providing sufficient funds to maintain the interstates and the National Highway System. STP is the most flexible infrastrucuture porgram. Green groups would prefer more STP funds, traditional highway groups would prefer more NHS and interstate funds.

- *Environmental Programs* - The Congestion Mitigation and Air Quality (CMAQ) program, Transportation Enhancements, Scenic Byways, and Recreation Trails are all retained. Funding for CMAQ will grow by 26% and Transportation Enhancements grows 29%. Geographic eligibility for CMAQ funds will be expanded to include new non-attainment areas, once EPA issues final national air quality standards. Even with the large increase to CMAQ, once the new non-attainment areas are established, there likely will be criticism that CMAQ funds are spread too thin.

  An additional $30 million over 6 years for research will address global climate change and brownfields issues. Analyses and pilot programs would be conducted to develop further decisionmaking and modeling tools of land use, urban sprawl, and brownfield revitalization. These tools will support decision making regarding transportation's impact on these issues. They also will provide a foundation for future development of performance based environmental laws associated with transportation.

  There was considerable internal Administration discussion regarding NEXTEA funding for environmental programs. The funding levels reflect current knowledge of the interrelationship between transportation and the environment and does not reflect an effort to force a sacrificial "pro-environment" vote on this bill.

- *Planning* - The planning process is simplified by focussing on 7 broad goals rather than 21 factors and broadened to include the operation and maintenance of the transportation system, not just capital investment. Participation is expanded by requiring freight transportation be considered and rural officials be consulted. NEXTEA would make it easier to designate or redesignate an MPO by reducing the population threshold from 75% of affected population (including the central city) to 51% of affected population (including the central city). Highway and transit planning requirements would be made identical, to improve intermodal coordination.

- *State Infrastructure Banks(SIBs)* - SIBs are made permanent, funded at $150 million annually, and can be used for the same broader range of activities as NHS and STP.

- *New Programs* - Four new programs are proposed:

    -- $45 million annually for planning and infrastructure at border crossings and trade corridors.,
    -- $100 million annually for a Transportation Infrastructure Credit program to support large, nationally significant projects beyond the scope of the normal Federal-aid highways program,
    -- $100 million annually for an incentive program to spur the integrated deployment of ITS technologies (not individual projects), and
    -- $400 million over 3 years for the federal share of replacing the Woodrow Wilson bridge.

- *Appalachian Development Highways* - Funding for Appalachian Development highways is transferred from the Appalachian Regional Commission to NEXTEA and increased by $200 million, to $290 million annually. This provision will be controversial because it earmarks funds for one region, at the expense of the remaining States. The Administration traditionally argues against doing this through highway demonstration programs (no new demos are funded in NEXTEA.)

III. TRANSIT

- *Streamlining* - The Fixed Guideway Modernization, Urban Area Formula grants, and bus discretionary programs would be combined into a single Formula Programs account. The entire program would be distributed by formula. This provides transit operators with greater flexibility and predictability in funding levels.

- *Operating Assistance* - Operating assistance would no longer be a set-aside under the formula grants program. Instead, areas under 200,000 would be permitted to use all their transit funds for either capital or operating costs. The definition of capital would be expanded to include preventative maintenance, as is done now in the highway program. This change will mitigate the impact on larger cities. These cities rely on operating assistance for only 5% of their operating costs. This proposal makes programmatic sense but is controversial among some unions because it limits the direct federal support for items such as driver's salaries.

- *New Starts* - Funding for new transit systems will be provided at $634 million per year, slightly below the 1997 level of $800 million. Funding is sufficient to meet our commitments under existing and about to be signed multi-year Full Funding Grant. However, some projects may be stretched out somewhat over time.

- *Access to Jobs and Training* - A new $100 million per year program would allow State and local entities, including non-profit organizations, to compete for grants to provide additional transportation services to those making the transition from welfare to work. Grants will be based on the severity of the welfare transportation problem in a given area, and the ability of a proposed service to coordinate traditional transit with social service transportation provision. This new program is being closely coordinated with HUD's existing Bridges to Work program.

- *ADA Paratransit* - To help address the additional cost of providing paratransit service as mandated by the Americans with Disabilities Act, NEXTEA makes contracted ADA paratransit service an eligible capital expense for all transit operators. Combined with local funds on a 50/50 matching basis, Federal capital funds would offset the estimated $600 million per year cost of paratransit operation.

- *Parking Cash-out* - NEXTEA would allow employers to offer employees taxable cash in lieu of parking benefits, on a strictly voluntary basis. This change is intended to help reduce VMT and therefore mitigate environmental damage. It will result in modest income to the Treasury.

IV. HIGHWAY SAFETY

- *Funding* - Over six years, funding for highway and truck safety is increased by nearly $2 billion compared to ISTEA. National Highway Traffic Safety Administration (NHTSA) 1998 spending increases to $333 million, an 11% increase over 1997 enacted.

- *NHTSA Programs* - NHTSA safety grant programs are redesigned to include performance standards. States that meet these standards receive either supplemental funding or authority to transfer funding to other programs. The safety grant and drunk driving programs are continued, new programs target drugged driving, occupant protection, and improving State highway safety data. In addition, NHTSA will implement an $8 million research and education program to reduce air bag risks for children and small adults.

- *FHWA Programs* - To highlight infrastructure safety, NEXTEA replaces the current set-aside under the Surface Transportation Program with a stand-alone $500 million Infrastructure Safety program. A new $50 million Integrated Safety program would encourage States to coordinate better their infrastructure and behavioral safety programs.

National Economic Crossroads Transportation Efficiency Act (NEXTEA)

Authorized Contract Authority/Budget Authority
($ in millions)

	1998	1999	2000	2001	2002	2003	98-03
Federal Highway Administration	**22,841**	**22,730**	**22,659**	**22,631**	**22,622**	**22,695**	**136,178**
Surface Transportation Program	5,874	5,815	5,783	5,793	5,754	5,752	34,771
National Highway System	4,480	4,405	4,392	4,419	4,419	4,419	26,534
Interstate Maintenance	4,480	4,405	4,392	4,419	4,419	4,419	26,534
Bridge Program	2,694	2,653	2,646	2,661	2,661	2,661	15,976
Congestion Mitigation	1,300	1,300	1,300	1,300	1,300	1,300	7,800
Federal Lands Program	525	525	525	525	525	525	3,150
Infrastructure Safety	500	525	550	550	550	575	3,250
State Infrastructure Banks	150	150	150	150	150	150	900
Infrastructure Credit Program	100	100	100	100	100	100	600
Federal Transit Administration	**5,110**	**5,110**	**5,110**	**5,110**	**5,110**	**5,247**	**30,798**
National Highway Traffic Safety Administrat	**379**	**379**	**379**	**379**	**379**	**379**	**2,271**
AMTRAK and Other Rail	**797**	**875**	**835**	**824**	**859**	**773**	**4,963**
OTHER	**35**	**55**	**55**	**55**	**55**	**55**	**310**
Total NEXTEA	**29,162**	**29,149**	**29,038**	**28,999**	**29,025**	**29,148**	**174,520**

THE WHITE HOUSE

WASHINGTON

March 11, 1997

ANNOUNCEMENT OF ADMINISTRATION'S ISTEA REAUTHORIZATION BILL

DATE:	**March 12, 1997**
LOCATION:	**OEOB Room 450**
TIME:	**9:30-9:45 a.m.**
FROM:	**Dorothy Robyn, NEC**

I. PURPOSE

You will announce the Administration's National Economic Crossroads Transportation Efficiency Act (NEXTEA), a six-year, $175 billion investment program to continue building and operating a safe, efficient and environmentally sound surface transportation system into the next century.

II. BACKGROUND

NEXTEA authorizes the Department of Transportation's highway, transit, highway safety, and rail programs (the rail title will be transmitted separately). It builds upon the current ISTEA framework, emphasizing flexibility, planning, intermodalism, safety, investment and environmental protection.

Funding. NEXTEA authorizes $174 billion over 6 years -- an increase of $17 billion or 11 percent (not counting inflation) over the $157 billion authorized by ISTEA. Approximately $5 billion of this increase is for programs included in NEXTEA that were not in ISTEA. Excluding these programs, NEXTEA authorizes $169 billion -- an increase of $12 billion or 8 percent over ISTEA. Actual spending under NEXTEA would be $149 billion over 6 years -- approximately equal to the 1997 enacted level.

Authorization levels in NEXTEA are higher than planned spending levels in case the Administration's economic growth and deficit projections prove too conservative, as they have in the recent past. If the budget situation were to improve, we would look toward increasing the obligation levels. Even at the higher authorized levels, the Highway Trust Fund balance would increase from $26 billion in 1997 to $48 billion in 2003.

NEXTEA proposed funding is sufficient to maintain federal-aid highways in their current condition and provide for some capacity expansion. NEXTEA also addresses capacity through technology (e.g., the Intelligent Transportation System, ITS) and through pricing policies (congestion pricing and elimination of the prohibition on Interstate tolling). Transit funding will maintain current conditions, address expected traffic increases on existing systems, and provide some funds to address other capacity expansion.

Eligibility. Eligibility for highway funds would be expanded to include intercity passenger rail (Amtrak), ITS, and publicly owned/sponsored bus terminals, freight rail and intermodal freight transfer facilities. Eligibility for transit funds would be expanded to include intercity passenger rail and ITS. Privately owned freight railroads and ports would not be made eligible for NEXTEA funding.

Formulas. The funding allocation formulas seek to balance the claims of the donor versus donee states and programmatic justification versus congressional concerns. By walking this fine line, DOT hopes to be a larger player in determining the shape of the final bill.

III. PARTICIPANTS

Pre-brief participants:

Secretary Slater
Gene Sperling
Katie McGinty
Bruce Reed
Michael Deich, OMB
Dorothy Robyn, NEC

Event participants:

President
Vice President
Secretary Slater
[Bruce Reed]
[Katie McGinty]
[Members in audience]

IV. PRESS PLAN

Open press.

V. SEQUENCE OF EVENTS

- **You**, Vice President and Secretary Slater are announced off-stage.
- Vice President welcomes audience, gives brief remarks and introduces Secretary Slater.
- Secretary Slater gives brief remarks and introduces you.
- **You** make remarks.

VI. REMARKS

To be provided by speechwriter.

VII. ATTACHMENTS

National Journal articles.

NEXTEA Proposal
(Dollars in Millions)

	Total ISTEA	Total NEXTEA
Highway Infrastructure		
National Highway System	21,000	26,534
Interstate Maintenance Program	17,000	26,534
Surface Transportation Program/TE	23,900	34,986
Flexible Highway Infrastructure Safety		3,250
Interstate Transfer	960	
Interstate Construction	7,200	
Minimum Allocation	6,003	3,591
Donor State Bonus	2,832	
Hold Harmless	6,495	
90% of Payments	1,600	
Wisconsin	30	
Ferry Boats	100	
Demos	7,261	
NHS Corridors	248	
Bridge Program	16,100	15,976
Cong. Mitigation/Air Quality Impr. Program	6,000	7,800
Interstate Reimbursement	4,000	6,000
Recreational Trails Program	180	42
Scenic Byways Program	80	90
ITS/ITI Integration Deployment	659	600
FHWA Research & Tech. Programs	87	1,566
Federal Lands	2,600	3,150
Tax Evasion	45	30
Congestion Pricing		84
Bureau of Transportation Statistics	90	186
Emergency Relief Program	600	600
High Speed Rail	775	
Woodrow Wilson Memorial Bridge		400
Appalachian Highways		2,190
State Infrastructure Banks		900
Integrated Safety Fund		300
Border Gateway Crossing Pilot Program		270
RSPA Strat. Planning R&D & Intermod. Res.		135
Credit Reform Program		600
Other	45	
ISTEA Budget Compliance	(2,557)	
Transit		
Formula Capital	19,077	23,930
Discretionary Grants	12,422	5,776
FTA/Other		839
Safety		
Operations and Research	465	889
Highway Traffic Safety Grants	1,151	1,392
Motor Carrier Safety Assist. Pgm Grants	537	600
Subtotal ISTEA Programs	**156,985**	**169,240**
ADDITIONAL PROGRAMS		
TRANSIT		
WMATA		250
RAIL		
AMTRAK Capital (HA)		3,415
AMTRAK Operating (HA)		1,354
Subtotal Additional Programs		5,019
TOTAL	**156,985**	**174,259**

FORMULAS

Purpose

Apportionment formulas are the basis for distributing most program funds to the States. NEXTEA revises formulas for the STP and NHS programs because current law formula factors are outdated and relate only loosely (if at all) to program goals. The new NHS and STP formulas are designed to more effectively distribute program funds among the States on the basis of overall Federal-aid program goals (e.g., safe, efficient, environmentally sound transportation) and individual core program goals (e.g., maintain and improve the NHS). No changes are proposed for the Interstate Maintenance and Bridge Programs because it was felt that these formula factors are generally effective in achieving program goals.

Formulas

NHS: 75% according to a State's contributions to the Highway Account of the HTF (HA/HTF) as a percent of total HA/HTF contributions by all States; 15% according to a State's Commercial Vehicle Contributions (CVC) to the HA/HTF as a percent of total CVC by all States; 10% according to a State's public road mileage as a percent of total public road mileage within all States; ½% minimum; use the latest available data.

STP: 70% according to a State's contributions to the HA/HTF as a percent of total HA/HTF contributions by all States; 30% according to a State's total population as a percent of total population within all States; ½ % minimum; use latest available data.

Retain Current Formula for IM (i.e., 55% Interstate Lane Miles; 45% Interstate VMT; ½% minimum);

Retain Current Formula for HBRRP (i.e., 100% of the relative share of costs to repair deficient bridges; 1/4% minimum; 10% maximum).

Special Note on Interstate Reimbursement Program: The Administration is proposing reauthorization of the Interstate Reimbursement Program, at $1 billion annually, or a total $6 billion over the reauthorization period. State shares for this program are based on each state's original cost of constructing routes which later became part of the Interstate System.

Special Note on Other Revised Formulas: Apportionment formulas for CMAQ and Infrastructure Safety are revised (see individual fact sheets).

Equity Adjustments

NEXTEA equity adjustments provide for an orderly transition from current law formula factors to alternative formula factors that relate well to program purpose and goals, but in a fashion which will not abruptly alter any State's apportionment dollars from one year to the next. NEXTEA discretionary allocations (Public Lands Discretionary, Bridge Discretionary, Scenic Byways, etc.) are not calculated in the base for these equity adjustments. Following are the formulas for the three proposed equity adjustments:

Minimum Allocation: Each State receives apportionments of at least 90 percent of its percent contributions to the HA/HTF.**

90 Percent of Apportionments: Each State receives apportionments of at least 90 percent of its prior year's dollar apportionments throughout NEXTEA years. Special Provision for Alaska: Alaska will receive 90 percent of its FY97 apportionments in FY98 (like all other States), and 100 percent of its prior year's dollar apportionments thereafter (unlike all other States), throughout all years of NEXTEA.**

Funding Cap for Minimum Allocation and 90 Percent of Apportionments Adjustments: Combined funding for the MA and 90 Percent of Apportionments equity adjustments shall not exceed $790M in FY1998, $674M for FY1999, $583M for FY2000, $528M for FY2001, and $508M for FY2002-2003.

State Percentage Guarantee: Each State's share of NEXTEA annual apportionment dollars received must equal at least 95 percent of its average ISTEA (FY92-97) percent apportionments throughout all NEXTEA years. Special Provision for Massachusetts: In calculating each State's average ISTEA percent apportionments, Massachusetts' annual Interstate Construction funds, which were significantly higher than all other States under ISTEA, shall be capped at the level of the next highest State.

3/11/97

TABLE 1. NEXTEA APPORTIONMENT FORMULAS FOR CORE HIGHWAY PROGRAMS

Core Program	Current Law Formula	Administration's Proposal
National Highway System	Relative Share of 87-91 Federal Program Percent[1]	**75% HTF Contributions (Highway Account)** **15% Commercial Vehicle Contributions to HTF (Highway Account)** **10% Public Road Mileage**
Surface Transportation Program	Relative Share of 87-91 Federal Program Percent[2]	**70% HTF Contributions (Highway Account)** **30% State Population**
Interstate Maintenance	**55% Interstate Lane Miles** **45% Interstate VMT**	No alternatives proposed.
Bridge Rehabilitation and Replacement	**Relative share of costs to repair deficient bridges[3]**	No alternatives proposed.

[1] The NHS Formula under ISTEA is, generally speaking, based indirectly on Postal Route Mileage, Land Area, and Population (Urban/Rural), where the weighting of each varies by Primary, Secondary, and Urban System Programs (the precursors to the NHS.)

[2] The STP Formula under ISTEA is, generally speaking, based indirectly on Postal Route Mileage, Land Area, and Population (Urban/Rural), where the weighting of each varies by Primary, Secondary, and Urban System Programs (the precursor programs to NHS.) This formula is the same as for the NHS, but applied to the total funds for NHS, Interstate Maintenance, Bridge R&R, and STP, adjusted so that no State can receive no less than 70 percent of its percent FY 87-91 apportionments and allocations (except for States that receive Interstate System apportionment of more than $50 million in FY92.) Each State's apportionment made for Interstate Maintenance, NHS, and Bridge R&R is then deducted from these STP State apportionments with the remainder being each State's STP apportionment.

[3] To determine each State's apportionment, the square footage of deficient bridges is multiplied by the respective unit price on a State-by-State basis, as determined by the Secretary; and the total cost in each State divided by the total cost of the deficient bridges in all States determines the apportionment factors. No State shall receive more than 10 percent or less than 0.25 percent of the total apportionment for any one fiscal year.

<u>NOTE</u>: During NHS designation negotiations, FHWA agreed that it would not propose the use of either NHS Lane Miles or NHS VMT as NHS program apportionment factors. Substituting Principal Arterial Miles is not an option because of limited FHWA control over how States designate their Principal Arterial systems.

Source Material: "Highway Statistics: Summary to 1985", Federal Highway Administration.

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TABLE 2. COMPARISON OF EQUITY ADJUSTMENTS UNDER ISTEA AND NEXTEA			
ISTEA		**NEXTEA**	
Equity Adjustment	**Formula**	**Equity Adjustment**	**Formula**
Minimum Allocation	Each State receives apportionments of at least 90 percent of its *percent* contributions to the Highway Account of the HTF.	*Minimum Allocation*	Each State receives apportionment of at least 90 percent of its *percent* contributions to the Highway Account of the HTF.
Donor State Bonus	Starting with the State having the lowest return (apportionments compared to HTF contributions), each 'donor' State is brought up to the level of return for States with the next highest level of return, with the process repeated until all authorized funds in each FY are expended.		
Hold Harmless	Each State receives an addition to its regular apportionments so that its total apportionments in each FY will equal an 'established' percentage identified in previous transportation authorizing legislation.	*90 Percent of Apportionments*	Each State receives apportionment of at least 90 percent of its *prior year's dollar apportionments* throughout NEXTEA years. [1]
		State Percentage Guarantee	Each State receives NEXTEA apportionment dollars of *at least* 9 percent of its average ISTEA (FY92-97) *percent apportionment* throughout all NEXTEA years. [1]
90 Percent of Payments Adjustment	Each State receives an allocation in an amount that ensures its apportionments for the FY and allocations for the previous FY will be at least 90 percent of its HTF contributions (Highway Account).	Proposing to Discontinue	

[1] *Special '90 Percent of Apportionments' Provision: Alaska will receive 90 percent of its FY97 apportionments in FY98 (lik all other States), and 100 percent of its prior year's dollar apportionments thereafter (unlike all other States), throughout all years of NEXTEA.*

[1] *Special 'State Percentage Guarantee' Provision: In calculating each state's average ISTEA percent apportionments, Massachusetts' annual Interstate Completion funds, which were significantly higher than all other states under ISTEA, are capped at the level of the next highest state.*

Source Material: "Financing Federal-Aid Highways", Federal Highway Administration, May 1992.

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ISTEA Equity Adjustments		NEXTEA Equity Adjustments
Minimum Allocation	→	Minimum Allocation
Donor State Bonus	→	Minimum Allocation
Hold Harmless	→	90 Percent of Apportionments
Hold Harmless	→	State Percentage Guarantee
90 Percent of Payments Adjustment	→	Proposing to Discontinue

NEXTEA; Proposed Highway Program; Aggregate Totals for FY 1998-2003
(Dollars in Thousands)

STATE	I-MAINT	NHS	BRIDGE	STP/TE	CMAQ	INFRASTRUCTURE SAFETY RAIL/ HIGHWAY	INFRASTRUCTURE SAFETY HAZARD ELIMINATION	METRO PLANNING	90% MINIMUM ALLOCATION	REIMB	90% OF APPORT	STATE % GUARANTEE	Grand Total	Pct
Alabama	490,532	561,081	271,138	627,048	37,551	27,923	38,646	12,692	108,176	28,883	0	(44,372)	2,204,048	1.83%
Alaska	196,954	125,104	48,714	416,053	37,551	1,375	5,550	5,888	0	28,883	542,418	247,635	1,408,491	1.17%
Arizona	544,253	423,508	37,373	532,224	102,310	4,938	34,418	18,610	21,916	28,883	0	(35,116)	1,748,432	1.45%
Arkansas	281,781	384,069	164,428	401,520	37,551	27,250	25,921	5,888	100,093	28,883	0	(26,492)	1,457,182	1.21%
California	2,496,280	2,277,838	1,209,165	3,309,140	1,459,748	42,486	216,967	178,434	0	313,094	0	(218,334)	11,503,150	9.56%
Colorado	470,070	324,288	127,376	405,723	163,252	13,181	34,893	16,661	0	28,883	0	(26,769)	1,584,309	1.32%
Connecticut	318,227	225,221	231,108	822,003	203,850	1,476	22,700	17,206	0	329,847	79,541	468,683	2,251,178	1.87%
Delaware	127,731	125,104	37,373	157,994	37,551	1,073	5,177	5,888	0	40,437	0	(10,424)	538,328	0.45%
Dist. of Col.	127,731	125,104	94,338	161,190	37,551	73	3,492	5,888	0	28,883	0	(7,229)	584,248	0.49%
Florida	988,191	1,128,133	293,284	1,574,856	188,791	22,950	103,107	71,312	531,454	32,149	0	(103,908)	4,908,428	4.08%
Georgia	922,289	922,858	244,838	1,078,380	112,197	33,446	60,017	22,847	344,852	48,524	0	(71,217)	3,791,248	3.15%
Hawaii	127,731	125,104	87,873	378,682	37,551	23	7,753	5,888	0	28,883	23,181	208,244	830,648	0.69%
Idaho	234,521	160,169	39,481	226,209	37,561	10,228	15,488	5,888	0	28,883	0	57,325	758,418	0.63%
Illinois	874,344	847,712	545,476	1,149,290	421,414	63,940	90,893	59,408	0	497,947	0	(75,829)	4,550,425	3.78%
Indiana	583,430	707,811	182,232	808,721	84,551	45,853	48,280	18,867	271,608	175,032	0	(53,359)	2,926,384	2.43%
Iowa	356,124	338,317	243,977	349,044	37,551	28,951	32,911	8,605	0	28,883	0	(23,030)	1,472,363	1.18%
Kansas	362,634	331,430	231,137	329,835	37,551	35,850	34,071	7,137	0	106,290	0	(21,769)	1,475,436	1.23%
Kentucky	440,278	480,484	169,042	557,061	52,123	14,691	33,670	6,947	151,507	32,927	0	(36,754)	1,950,709	1.62%
Louisiana	477,349	415,486	347,877	518,898	37,551	31,416	34,717	15,611	0	28,883	0	(34,236)	1,907,589	1.58%
Maine	127,731	131,428	100,441	158,974	37,551	2,529	10,669	5,888	0	39,659	0	(10,489)	615,068	0.51%
Maryland	420,508	368,095	198,168	545,388	187,884	2,467	34,874	25,094	0	161,169	0	(23,334)	1,943,445	1.61%
Massachusetts	424,402	388,757	671,268	946,888	254,414	3,724	41,214	33,144	0	296,920	419,286	312,939	3,479,817	2.89%
Michigan	813,109	784,593	390,779	1,055,411	212,283	30,348	74,489	40,726	0	239,153	0	(89,635)	3,650,892	3.03%
Minnesota	498,235	409,667	129,038	475,256	111,682	31,171	46,315	16,612	0	28,883	0	(31,357)	1,745,060	1.45%
Mississippi	305,964	339,029	212,536	377,442	37,551	27,076	26,602	5,888	0	28,883	0	(24,903)	1,360,971	1.13%
Missouri	690,870	660,845	487,621	747,288	72,413	27,381	48,480	19,498	0	77,885	0	(48,304)	2,833,569	2.35%
Montana	392,644	156,825	72,710	330,450	37,551	7,621	14,967	5,888	0	28,883	0	162,032	1,047,339	0.87%
Nebraska	205,828	245,628	148,448	229,349	37,551	22,851	22,870	5,888	0	28,883	0	(15,132)	947,296	0.79%
Nevada	226,159	178,943	37,373	200,860	37,551	1,560	15,949	6,384	0	28,883	0	(13,253)	731,663	0.61%
New Hampshire	127,731	125,104	74,090	157,994	37,551	1,620	9,141	5,888	0	28,883	0	(10,424)	568,002	0.47%
New Jersey	285,829	809,207	810,394	870,793	415,739	8,357	53,390	46,451	0	370,283	0	(57,454)	3,470,444	2.88%
New Mexico	418,379	261,823	42,652	348,247	37,551	5,222	18,883	5,888	0	28,883	0	62,897	1,167,723	0.97%
New York	899,754	1,004,999	1,494,929	1,571,487	771,789	12,914	125,845	98,907	0	975,099	0	(103,685)	6,955,722	5.78%
North Carolina	538,091	742,588	393,871	824,166	74,979	26,894	57,829	17,607	285,466	37,548	0	(60,976)	3,078,959	2.56%
North Dakota	193,868	140,827	37,373	205,603	37,551	20,071	15,832	5,888	0	28,883	0	37,385	686,168	0.57%
Ohio	978,434	821,790	526,655	1,196,044	308,528	46,690	83,641	48,843	0	270,347	0	(78,914)	4,377,772	3.64%
Oklahoma	344,247	451,201	252,558	480,973	37,551	26,965	35,609	9,489	26,826	95,892	0	(31,734)	1,761,311	1.46%
Oregon	381,612	342,773	198,190	394,414	54,986	10,459	31,062	9,950	0	82,028	0	(26,023)	1,505,475	1.25%
Pennsylvania	663,402	1,031,430	1,494,929	1,345,808	424,803	23,978	89,585	50,501	0	371,439	0	(88,795)	5,495,850	4.57%
Rhode Island	127,731	125,104	95,687	205,153	42,420	345	6,823	5,888	0	28,883	0	36,735	638,034	0.53%
South Carolina	437,688	459,753	162,723	532,238	37,551	18,736	31,342	9,997	144,206	28,883	0	(35,117)	1,863,116	1.55%
South Dakota	237,581	140,808	51,577	241,870	37,551	10,111	15,990	5,888	0	28,883	0	73,552	770,457	0.64%
Tennessee	639,417	598,913	283,509	707,699	72,194	20,238	44,125	15,541	0	28,883	0	(46,693)	2,408,519	2.00%
Texas	1,925,821	1,841,558	589,048	2,397,337	354,237	86,004	157,058	79,682	341,944	210,270	0	(158,174)	8,082,953	6.71%
Utah	431,972	189,301	56,864	237,470	58,901	6,750	17,820	9,246	0	28,883	0	(15,668)	1,049,208	0.87%
Vermont	127,731	125,104	74,660	157,994	37,551	1,648	5,535	5,888	0	28,883	0	(10,424)	564,994	0.47%
Virginia	745,039	651,838	331,971	830,600	142,304	10,677	50,068	28,834	0	116,111	0	(54,802)	2,905,442	2.41%
Washington	552,421	450,637	373,477	583,488	136,525	12,775	44,603	22,525	0	78,252	0	(38,499)	2,252,713	1.87%
West Virginia	204,185	198,205	293,830	266,605	37,551	8,293	15,938	5,888	0	28,883	0	16,838	1,059,378	0.88%
Wisconsin	343,861	529,816	128,474	871,200	80,558	26,069	46,742	17,770	209,526	28,883	8,979	156,873	2,251,178	1.87%
Wyoming	311,454	136,657	37,373	178,133	37,551	7,608	7,832	5,888	0	28,883	0	9,715	746,380	0.62%
Puerto Rico	127,731	125,104	79,556	157,994	37,551	78	24,766	14,691	0	0	0	(10,424)	567,689	0.47%
Apportioned	25,546,272	25,020,809	14,949,293	33,683,646	7,509,645	953,147	2,175,872	1,177,503	2,517,593	5,776,650	1,073,407	0	120,383,837	100.00%
Non-App	987,728	1,513,191	1,026,707	1,302,354	290,355	38,853	84,128		0	223,350	0	0	5,464,666	
Total Program	26,534,000	26,534,000	15,976,000	34,986,000	7,800,000	990,000	2,260,000	1,177,503	2,517,593	6,000,000	1,073,407	0	125,848,503	

Note. Estimates are based on latest available data and therefore subject to change

FHWA, HFS-30

11-Mar-97 6:15 PM

Percent Comparison

NEXTEA .vs. ISTEA

STATE	NEXTEA Average	NEXTEA % Share	ISTEA Average	ISTEA % Share
Alabama	367,341	1.83%	304,559	1.76%
Alaska	234,748	1.17%	212,564	1.23%
Arizona	291,405	1.45%	253,541	1.47%
Arkansas	242,897	1.21%	207,437	1.20%
California	1,917,192	9.56%	1,613,207	9.33%
Colorado	264,052	1.32%	200,694	1.16%
Connecticut	375,196	1.87%	340,471	1.97%
Delaware	89,721	0.45%	72,873	0.42%
Dist. of Col.	97,375	0.49%	88,613	0.51%
Florida	818,071	4.08%	734,049	4.25%
Georgia	631,875	3.15%	520,222	3.01%
Hawaii	138,441	0.69%	125,696	0.73%
Idaho	126,403	0.63%	113,709	0.66%
Illinois	758,404	3.78%	614,211	3.55%
Indiana	487,731	2.43%	393,602	2.28%
Iowa	237,061	1.18%	202,447	1.17%
Kansas	245,906	1.23%	198,431	1.15%
Kentucky	325,118	1.62%	267,345	1.55%
Louisiana	317,931	1.58%	252,951	1.46%
Maine	102,511	0.51%	87,377	0.51%
Maryland	323,907	1.61%	296,446	1.72%
Massachusetts	579,970	2.89%	830,000	4.80%
Michigan	608,482	3.03%	495,498	2.87%
Minnesota	290,843	1.45%	247,025	1.43%
Mississippi	226,828	1.13%	197,220	1.14%
Missouri	472,261	2.35%	381,416	2.21%
Montana	174,557	0.87%	158,942	0.92%
Nebraska	157,883	0.79%	138,599	0.80%
Nevada	121,944	0.61%	103,093	0.60%
New Hampshire	94,667	0.47%	83,312	0.48%
New Jersey	578,407	2.88%	488,685	2.83%
New Mexico	194,621	0.97%	176,885	1.02%
New York	1,159,287	5.78%	944,887	5.47%
North Carolina	513,160	2.56%	455,654	2.64%
North Dakota	114,365	0.57%	104,847	0.61%
Ohio	729,629	3.64%	630,685	3.65%
Oklahoma	293,552	1.46%	245,760	1.42%
Oregon	250,912	1.25%	205,604	1.19%
Pennsylvania	915,975	4.57%	747,375	4.32%
Rhode Island	106,339	0.53%	96,821	0.56%
South Carolina	310,519	1.55%	226,079	1.31%
South Dakota	128,409	0.64%	116,338	0.67%
Tennessee	401,420	2.00%	359,150	2.08%
Texas	1,347,159	6.71%	1,130,379	6.54%
Utah	174,868	0.87%	128,454	0.74%
Vermont	94,166	0.47%	76,345	0.44%
Virginia	484,240	2.41%	392,376	2.27%
Washington	375,452	1.87%	326,942	1.89%
West Virginia	176,563	0.88%	159,282	0.92%
Wisconsin	375,196	1.87%	340,305	1.97%
Wyoming	124,397	0.62%	111,998	0.65%
Puerto Rico	94,615	0.47%	82,980	0.48%
Total	20,063,973	100%	17,283,381	100%

RS -- NEXTEA Ceremony White House -- 3/11/97
draft 1 -- by Ilene (2 minutes)

AFTER VP/ INTRO OF PRESIDENT

Thank you, Mr. Vice President. In 1956, the act that created the interstate was called the Federal Aid Highway Act.

We are calling ours NEXTEA -- the National Economic Crossroads Transportation Efficiency Act. Why crossroads? Because the interstate system that your father and President Eisenhower put in place helped us to build a national economy.

But today, we are at a crossroads and we have to find security and some stability as our businesses compete on an international stage. This is designed to help us in that regard. It is to speak as much about the next six years, as it is the next 60 years.

Mr. Vice President -- just as you were schooled in highways from your father, I learned about it from my mother. I was a little boy when the interstate came to Marianna, Arkansas, and it enabled my mother to get a job

17 miles away in a factory, where she earned more than my father, who was working five jobs.

I then went on to spend many years in Arkansas working for President Clinton, who as Governor and now President shaped my conviction that transportation is more than concrete, asphalt, and steel. It's about people and providing access to opportunity.

It is my honor to introduce, the person who will use transportation to provide opportunity for all Americans in the 21st century ... President Clinton.

REMARKS PREPARED FOR DELIVERY
SECRETARY OF TRANSPORTTAION RODNEY E. SLATER
BRIEFING ON THE NATIONAL ECONOMIC CROSSROADS
TRANSPORTATION EFFICIENCY ACT
MARCH 12, 1997
WASHINGTON, D.C.

Mr. President, less than a month ago when I was sworn in, I said that I had three goals. I wanted safety to be my number one priority; second, that we will invest in our infrastructure to ensure that America's transportation system meets the needs of the American people; and third, that we will use a common-sense approach to running a department.

Today, as you propose how our country will invest in highways and transit into the next century, I set all three goals in motion.

Yes, this bill will make our roads safer. Yes, it will make our air cleaner, because we're investing 30 percent more in the next six years.

Yes, it will cut red tape to give states the flexibility to build projects they want, not Washington dictates, and to build them sooner, every day and in every way, as we have done under your leadership in the past four years.

Yes, we will continue to build transit systems. Not since Woodrow Wilson sat in the Oval Office has as much been spent on new transit construction, and I'm very proud of that.

I want the nation to know that the $175 billion we will invest will support almost one million jobs, across the country, in the next six years, as we build our roads and transit systems.

Mr. President, I know you promised America that we will build bridges. We will. But as important, we will also bridge gaps, especially the growing gap that America now faces of getting former welfare recipients, who may now have jobs, but no cars, to work. We are the <u>to</u> in welfare to work, and our access to jobs program will make a difference.

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