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Information Meeting on ISTEA Legislation
March 23, 1998
AGENDA

I. Where are we on the President's policy priorities? (Janno Lieber)

II. Upcoming House Mark-up and Floor Action (Steve Palmer)

III. ISTEA Funding Levels

BNA
Daily Report for Executives

No. 55
Monday March 23, 1998

Regulation, Law & Economics

Transportation
House ISTEA Bill Moves to Markup; $9 Billion Special Project List in Flux

The House Transportation and Infrastructure Committee's $218 billion highway and transit bill moves to markup March 24, where lawmakers will add about $9 billion in special projects and fine-tune some policies before readying the legislation for floor action the following week.

With the House GOP leadership having already okayed the bill's funding increases, the six-year rewrite of the Intermodal Surface Transportation Efficiency Act proposed by Transportation Committee Chairman Bud Shuster (R-Pa) is expected to encounter no opposition from the panel's 73-member panel and could be approved on a unanimous vote. Both Republicans and Democrats on the committee strongly support the measure.

Besides providing overall increases for the federal highway and transit programs, members' individual states all stand to do well under the ISTEA rewrite. In addition, the funding increases will permit the committee to add to the list of $9 billion in projects for member's districts during the mark-up session now planned for March 24 at 3 p.m.

However, the contents of the project list as well as the policy changes that will be made during the full committee markup appear likely to be in flux until the day of the meeting. Aides to Shuster, ranking committee member Rep. James Oberstar (D-Minn), and others said March 20 they planned to work over the weekend on a lengthy managers' amendment that will be offered at markup.

"We're going to have a 100-page managers' amendment, with about 50 pages on policy and 40 to 50 pages on projects," an aide to Shuster said.

However, the bill that will be reported out of committee will not carry the offsets that the leadership said will be required to cover the spending increases in the legislation. While the bill will have language saying the offsets will be found, the specific offsets will not be identified until later, perhaps not until the House and Senate meet in conference to reconcile their competing ISTEA bills, another aide said.

After the Transportation Committee reports the bill, the Ways and Means Committee will meet March 26 at 10 a.m. to add the finance title to the legislation. The panel will extend the gas taxes that pay for surface transportation programs.

Spend, Offset, Guarantee

The Transportation Committee has been preparing the bill for markup since House Speaker Newt Gingrich (R-Ga) announced March 12 that the GOP leadership decided to allow Shuster's bill to finally move to the House floor. Over the objections of Budget Committee Chairman John Kasich (R-Ohio), the leadership agreed to let HR 2400 to go to the floor with its big funding increases intact. However, Gingrich and others said the increases still would have to be covered with still-to-be-identified offsets.

Shuster had been ready to move the bill last fall, but Gingrich then blocked the legislation amid charges from Kasich and others that the measure amounted to a "budget buster." However, after the Senate overwhelmingly approved a six-year ISTEA bill with $214 billion in highway and transit funding earlier this month, House leaders quickly relented and agreed to permit Shuster's bill to come to the floor. With a short-term ISTEA extension due to expire March 31, lawmakers are anxious to have the programs reauthorized in order to ensure that states do not lose funds for this year's construction season.

An aide to Shuster said the deal calls for the committee to have roughly $218 billion over six years in contract authority for the programs. That amount, he said, is $26.4 billion in outlays over the Congressional Budget Office baseline. In contrast, he said, Kasich wanted to limit the increase to about $17 billion, with the highway number kept at Senate levels and the transit number below the CBO baseline.

The second part of the deal requires offsets to be found and included in the final legislation, the aide said. However, there currently is no decision on what the offsets would be or where they would be added to the bill, he said.

The offsets could be added at the Rules Committee, he said, or on the floor. Another option is to work out the specific offsets with the Senate when the bill is in conference.

Third, the deal calls for the $218 billion in spending to be guaranteed, the aide said. In the House, that means the bill will go forward with language to take the Highway Trust Fund off budget, the aide said. After that, he added, it means House negotiators will explore alternatives to off-budget status to similarly guarantee the spending.

As part of this deal, the aide to Shuster said, the Transportation Committee agreed that the trust fund will no longer be credited with interest -- which is expected to be about $14.8 billion over the six years. Also, he said, the committee agreed to scale back the balances in the trust fund, a move that would help to reduce the overall federal debt.

Project List Expands

Although the basic contents of the committee's ISTEA bill have been known for many months, the committee only set about finalizing its details after the leadership agreed to allow the legislation to go forward with its funding levels intact. Because of that, the specifics on the list of projects are only now being developed, aides said.

When HR 2400 first debuted, the legislation extended the surface transportation programs for only three years. However, after the leadership okayed the plan to expand it to a six-year bill and allow the higher funding levels, members knew they would have access to more project money, they said.

For some members, the go-ahead to make the three-year bill a six-year bill with big funding increases meant that they could expect to have many more projects in the legislation.

"We started out with four or five, now that's probably doubled," an aide to Oberstar said.

Aides said the projects will be split among House members in a ratio that roughly reflects the GOP and Democratic split. That means that while about 55 percent of the project funds would go to Republican districts, 45 percent would go to those controlled by Democrats, they said.

However, the aide to Shuster said it now appears that the House will not follow a Senate plan to put the projects under the so-called highway obligation ceiling. Instead, he said, the committee is discussing an alternative plan to put the projects under the minimum allocation program. Such a change would be proposed in the managers' amendment, he added.

"If the numbers all hold up, we'll put those under the minimum allocation program," the aide said, "to assure [donor] states are getting their full allocation."

White House Comments on Bill

While Transportation Secretary Rodney Slater has on several occasions indicated his support for the committee's bill and the funding increases in store for ISTEA programs, White House Spokesman Mike McCurry March 20 suggested that the administration now may decide to back away from earlier comments, particularly if the House follows the Senate and decides to use as offsets those that President Clinton identified in the FY 1999 budget to cover his own domestic spending initiatives.

"We have very real concerns about the amount of spending that is in their version of [ISTEA]," McCurry said March 20 when asked by reporters about the committee's bill.

Although the president's budget froze highway and transit funding at current year funding levels, McCurry said the administration supports some increases for the programs. "But the kinds of increases that they've been contemplating go well beyond those that would be offset in the context of the fiscal discipline to keep within the budget targets that have been established," he said. "So we've got real concerns about it."

"[W]e are going to continue to work hard on the Hill to kind of move the bill back in the direction that more closely resembles the president's own FY 1999 proposal," McCurry said.

By Nancy Ognanovich

BNA
Daily Report for Executives

No. 54
Friday March 20, 1998

Regulation, Law & Economics

Transportation
With ISTEA Moving, Officials Press For Projects, Fine-Tuning of House Bill

The prospect that the $218 billion highway and transit bill is finally moving to the House floor has generated a last-minute lobbying blitz, with lawmakers, state and local officials, and industry groups all pushing for projects and special provisions to be added on to the must-pass legislation.

With Speaker Newt Gingrich (R-Ga) having given the Transportation and Infrastructure Committee's six-year rewrite of the Intermodal Surface Transportation Efficiency Act (HR 2400) his blessing, officials were at work March 19 pressing for add-ons before the bill moves to markup March 24.

While the distribution of about $9 billion in project money remained the focus of many officials' lobbying efforts, lawmakers also were being asked to fine-tune many policies in the massive ISTEA rewrite, from expanding the role of local officials in transportation priority-setting to increasing funding for the Clinton administration's welfare-to-work program.

Among others, both city and county officials held meetings March 19 with House and Senate lawmakers to discuss the ISTEA rewrite, expressing support for the sharp funding increases in store for both highways and transit as well as projects that favor their own areas.

Meanwhile, Transportation Secretary Rodney Slater met with Transportation and Infrastructure Committee Chairman Bud Shuster (R-Pa) and other lawmakers throughout the day, pushing for inclusion of the Clinton administration's priorities in the reauthorization bill. Besides seeking more funds for the welfare-to-work program, Slater said he is would like to see the committee drop the legislation's provision limiting how much of the bill's transit funds can be used for maintenance.

At the same time, the issue of how the bill's funding increases will be covered within the budget remained unresolved, and the prospect that other federal programs ultimately will be cut was said to be generating complaints from other groups, including veterans. The White House also is said to have raised concerns about the growing prospect that lawmakers will follow the Senate and cover the bill with offsets identified by President Clinton for other spending programs. Rep. James Oberstar (D-Minn), the Transportation Committee's ranking Democrat, is said to have rejected White House urgings that he block such a move.

For his part, Slater continued to express support for the House and Senate plans to increase ISTEA funding, saying Clinton told the nation's governors earlier this winter he would back the spending. But the spending, he told BNA, must be accommodated within the context of a balanced budget. Also, he said, the administration wants Congress to identify different offsets to cover the transportation increases.

"There are other priorities for the American people," Slater said, citing the president's domestic spending initiatives outlined in the FY 1999 budget request.

Committee Readying For Markup

With the House GOP leadership intent on finishing the bill by the start of the Easter recess, Shuster's committee plans to work through the weekend to be ready for a markup now planned for 3 p.m. March 24.

During the next few days, Shuster and Oberstar are expected to meet to go over the projects and provisions that will be added during that session, particularly in the managers' amendment.

Fort Worth Mayor Ken Barr, who met with Shuster and other lawmakers March 19, said cities are backing the transportation spending levels in HR 2400 and are anxious that the bill moves quickly.

"We are very concerned about the rest of the process," Barr said at a meeting with other city and county officials. "There is a very long trip ahead of us."

Barr was one of many officials participating in a joint lobbying event organized by the U.S. Conference of Mayors and the National Association of Counties. Besides urging Congress to enact a bill that preserves the structure established in ISTEA, the officials said they want lawmakers to provide much more funding overall for the federal highway and transit programs as well as for local projects.

Atlanta Mayor Bill Campbell voiced his support for special funding for the city's multimodal rail terminal. The project, he said, will complement the city's other transportation facilities.

Meanwhile, Wayne Curry, county executive of Prince George's County, Md., made a pitch for funding for the Woodrow Wilson Bridge that connects Maryland to Virginia. While HR 2400 currently does not earmark the funds the two states want to replace the bridge, the recently-passed Senate bill (S 1179) provides almost $1 billion for the project.

However, local officials also are seeking other provisions, including language to give them a greater say in transportation planning. Such a measure to expand the role of local elected officials was recently added into the Senate bill, they said.

Administration Pushes Priorities

Slater, meanwhile, met with Shuster and Surface Transportation Subcommittee ranking Democrat Nick Rahall (D-WV) during the day to discuss the ISTEA bill. Shuster told BNA that while the administration does not support all elements of the legislation, the bill overall reflects many of the elements of DOT's own reauthorization plan.

Slater, who will accompany President Clinton on a five-country African tour that begins the week of March 23, said in his meetings with Transportation Committee leaders he has been pressing for the retention of ISTEA's basic principles, including a balance between highways and transit and preservation of ISTEA's environmental programs. Also, he said, ISTEA's affirmative action program remains a priority.

Slater also said the administration is at work to ensure that there is no effort to scale back ISTEA's safety provisions. Besides increasing the bill's funding for welfare-to-work, Slater said the administration also is talking to lawmakers about lifting the cap on use of transit funds for maintenance.

Another item being pushed by the administration is an initiative to lower the threshold for drunk driving, Slater said. Prior to the passage of S 1173, the Senate approved an amendment that puts pressure on states to adopt .08 blood alcohol content (BAC) laws.

Although HR 2400 provides incentives for states to adopt tougher drunk driving laws, Slater said the administration favors the sanctions endorsed by the Senate if states do not adopt them.

Slater, meanwhile, said the administration continues to oppose the House bill's language to take the Highway Trust Fund off budget. However, Slater said he has not yet said that the president would veto the bill if it came to his desk with that provision intact.

Battle on Drunk Driving Amendment

The secretary then met with Rep. Nita Lowey (D-NY), who is expected to offer the .08 BAC amendment when HR 2400 moves to the House floor. An aide said Lowey's bill (HR 981) to require the new standard has picked up many cosponsors in the past month, with the current tally standing at 111.

However, the Lowey amendment is already under heavy attack from the National Beer Wholesalers Association, who label it "federal blackmail" in full-page print ads.

The association criticized the amendment for imposing a federal mandate on states, saying the approach proposed by the Transportation Committee's bill is preferable because it instead relies on an incentive grant program to fight drunk driving.

By Nancy Ognanovich

3/23/98 1:30 PM

The Honorable Bud Shuster
Chairman
Committee on Transportation and Infrastructure
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

We appreciate your commitment to act on H.R. 2400, the Building Efficient Surface Transportation and Equity Act (BESTEA), this month in committee and to move to consideration by the full House by April 1. Timely enactment of comprehensive, multi-year legislation reauthorizing the Nation's surface transportation programs is a top priority of the Clinton Administration, as I know it is for you and your Committee. I share your hope that final passage can occur by May 1.

It is critical that the legislation produce a balanced surface transportation program that provides for the mobility needs of our country while supporting our key national priorities. This means making our transportation system as safe and accessible as possible, protecting the human and natural environment, rebuilding our transit and highway systems, providing job opportunities, and advancing America's economic growth and competitiveness.

this

The Administration can only support the funding levels included in H.R. 2400 if they remain within the terms of the Balanced Budget Act and protect the President's priorities. We strongly oppose efforts to move the transportation trust funds "off-budget," as this would endanger the bipartisan budget agreement of last year, force cuts in other national priorities, and circumvent the Budget Enforcement Act.

We are pleased that BESTEA includes many of the provisions advanced by the President last spring. There are significant and solid areas of agreement. Like the President's proposal, BESTEA is a six-year bill that builds upon the successes of ISTEA by retaining the basic program structure for transit and core highway programs, including the bridge program, as well as continuing the effective metropolitan and statewide planning processes. The bill demonstrates a strong, ongoing commitment to safety. And, it retains ISTEA's highly successful environmental programs including the Congestion Mitigation and Air Quality Improvement Program, transportation enhancements, scenic byways and recreational trails programs – programs that have resulted in innovative, low-polluting transportation alternatives across the country. BESTEA also firmly supports Intelligent Transportation Systems technologies.

We are pleased that the Committee bill retains, as does the Senate-passed measure, the current Disadvantaged Business Enterprise program. It is essential to continue equal opportunity in competition for construction contracts. The Administration strongly opposes any effort to eliminate or curtail our highly successful Disadvantaged Business Enterprise program, which has significantly increased the percentage of women- and minority-owned construction firms involved in building or Nation's roads, bridges, and transit systems. Termination of the DBE program would be a serious blow to our efforts to assure fundamental fairness. Our DBE program is fair, effective, and constitutional, and must be preserved.

The Administration notes that H.R. 2400 continues the application of the Davis-Bacon Act and other Federal labor standards and employee protection requirements afforded working people on federally assisted highway and transit projects. The Administration firmly supports the continued application of these protections.

We are pleased that the House funding for the Appalachian regional highway program, which is consistent with the President's program and the Senate bill, will significantly advance completion of this vital measure for continuing development in the Appalachian region. The border crossing and trade provisions, similar to those in the Administration's proposal, will facilitate improvement of transportation at border crossings, thus making it possible to realize the positive economic benefits from the North American Free Trade Agreement.

While there is much that BESTEA and the Administration's proposal have in common, we have some serious concerns about a number of provisions in BESTEA. Let me highlight our major concerns:

Demonstration Projects: The Administration strongly opposes mandatory spending for "high priority" demonstration projects. The Administration believes that individual States are better able to define high priority transportation projects. If demonstration projects are nonetheless included in BESTEA, they should be subject to obligation limitation similar to Senator McCain's provision in S. 1173.

Safety: Although we applaud the safety provisions in BESTEA, we do have a number of concerns. You have made a strong commitment in BESTEA to reducing drunk driving on our Nation's highways, and we encourage the next step -- inclusion in BESTEA of a .08 blood alcohol level as the national standard. An equally strong companion program to combat drugged driving is essential. It is clear that seat belt use saves lives. Accordingly, it is important that BESTEA encourage the States to improve their seat belt usage rates to 85 percent or enact primary seat belt laws. The Department of Transportation frequently plays a significant role in promoting effective safety measures, such as the use of child safety seats, seat belts, and drunk driving countermeasures, to State legislatures when they deliberate on these issues. Any amendment to limit the Department's current ability to perform this important function will seriously compromise our efforts to reduce the personal and economic losses resulting from vehicle crashes.

We strongly oppose selective exemptions from Federal truck size and weight limitations, hazardous materials standards, or hours of service requirements, as these exemptions pose a serious threat to all motorists. We believe legislative restrictions on access to electronic records will only benefit carriers with poor safety records and ineffective safety management systems -- the carriers that expose the public to the greatest risk of injury. Finally, like the Senate bill, BESTEA should contain "one-call" damage prevention provisions. 1

Environment: We have serious reservations about the environmental streamlining provisions of BESTEA. Although we support streamlining the Federal process, we believe most of the bill's goals can be, and are being, accomplished administratively, and therefore the current provisions regarding the National Environmental Policy Act (NEPA) need to be deleted. We strongly oppose the proposed pilot program that would delegate to the States the existing statutory responsibilities assigned to Federal agencies. States are already provided a substantial role in preparing the environmental analyses required by NEPA; the Department, as lead agency for Federally assisted transportation projects, should continue to be responsible for ensuring that the environmental impacts of those projects are considered from a national perspective.

In its September 23, 1997 letter to you, the Department of Justice, which has extensive experience defending legal challenges to Federal transportation projects, provided greater detail about the shortcomings of Section 502 and why it would actually impede the environmental review process, cause further delays, and reduce the opportunities for public participation. In addition to our NEPA concerns, we urge you to include, under the Congestion Mitigation and Air Quality Improvement program, funding eligibility for potential new non-attainment areas that may result from the recently promulgated Clean Air Act standards.

Welfare to Work: We are pleased that BESTEA includes an Access to Jobs program to help people move from welfare rolls to payrolls. The limit on the number of projects and the low funding levels, however, will make it difficult, if not impossible, for State and local communities to succeed in moving people from welfare to work.

Transit: We are pleased that BESTEA defines transit capital to include preventive maintenance, thus paralleling the highway capital definition. However, we urge the Committee to include paratransit as an eligible capital expense. Moreover, the establishment of a cap on preventive maintenance negates the effectiveness of this provision, and we urge that the cap be removed.

National Park Roads and Parkways: We urge funding for National Park roads and parkways at the level proposed by the Administration. Nationwide, the National Park Service maintains more than 8,000 miles of roads and some 1,250 bridges. This system serves all Americans - every day. The Federal Highway Administration (FHWA) has determined that 40 percent of park roads currently are rated in poor or failed condition, and the repair, rehabilitation, and construction needs for the park road system exceed $2.2 billion. At the funding levels proposed in BESTEA, FHWA estimates that additional park roads will deteriorate into poor or failed conditions at an accelerating rate in excess of one percent per year. Annual funding of $161 million is essential to balance resource protection with safe and efficient access for the more than 270 million annual visitors to America's national parks.

Intermodalism: We are disappointed that BESTEA fails to build upon the ISTEA commitment to intermodalism. The Administration's flexibility provisions would allow State and local governments to use National Highway System and Surface Transportation Program funds for publicly owned rail and intercity bus passenger projects, as well as publicly owned intercity freight rail infrastructure.

Research and Technology: We are pleased that BESTEA provides sufficient funding for data programs so that we are better able to measure the efficiency and effectiveness of the Nation's transportation system. Given the importance of research and technology in improving the safety and efficiency of our transportation system, however, we are concerned about the lack of support for research and technology deployment. These investments are essential for spurring technological innovation in transportation in this country, as well as fostering the technological breakthroughs in transportation for the 21st century.

Innovative Financing: We urge you to provide, as innovative financing tools, the State infrastructure bank and credit enhancement provisions proposed by the Administration. The Administration firmly supports extending the Federal labor standards and employee protection requirements already afforded working people on federally assisted highway and transit projects to projects assisted by innovative financing programs.

Finally, I want to reiterate the detailed safety, environmental, and mobility concerns contained in my September 16, 1997 letter to you. We hope that the Committee will carefully consider our views as you continue your deliberations. We are encouraged by your commitment to timely action and look forward to working with you to resolve any outstanding concerns.

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

Sincerely,

Rodney E. Slater

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

Record Type: Record

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

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

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

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

March 18, 1998

TALKING POINTS ON H.R. 2400, THE BUILDING EFFICIENT SURFACE TRANSPORTATION AND EQUITY ACT

I am pleased that the Senate has overwhelmingly passed ISTEA II and that the House is now moving forward on their BESTEA bill. Your timetable is an ambitious one, but I really appreciate your efforts to try to get to conference in April and have an agreement in hand by May. As we all know, it is crucial that these vital programs and operations not be disrupted.

BESTEA. BESTEA and the Administration proposal, NEXTEA, have much in common. I am very pleased about that. I appreciate your strong bipartisan efforts to retain the ISTEA program structure, the Disadvantaged Business Enterprise program, environmental programs, safety programs, core highway programs, transit programs, and much more.

Budget Issues. I recognize your determination to address funding issues. From the Administration's perspective, any additional transportation spending must fit within the Balanced Budget Agreement, and there must be a proper balance in the way funding is distributed among highway, transit, safety, and environmental programs. The Administration continues to be strongly opposed to any effort to take the Highway Trust Fund off-budget.

Safety. The Department is very concerned about any exemptions from Federal truck size and weight limitations, hours of service requirements, or hazmat regulations. There are serious concerns too about the safety consequences of restricting enforcement officials' access to electronic records of motor carriers. I urge that the .08 blood alcohol content level be adopted as the national standard and also that the incentive program for drugged driving be included. I urge action to increase seat belt usage. I want to ensure that funding levels are sufficient to continue and expand all our safety efforts, particularly our Section 402 safety grant programs. Finally, I urge that you reject any provision limiting the Secretary's ability to provide safety data and information to State legislatures and others considering measures to improve highway safety.

Welfare to Work. I am pleased that BESTEA includes an "Access to Jobs" program, but urge that the funding be increased and that the number of projects not be limited. Transportation is the "to" in Welfare-to-Work, and the need is so critical.

Transit. I am pleased that BESTEA defines transit capital to include preventive maintenance, but having a cap will negate the effectiveness of this provision. I urge removal of the cap.

Environment. You are to be commended for continuing ISTEA's Congestion Mitigation and Air Quality Improvement (CMAQ) program, transportation enhancements, scenic byways, and recreational trails provisions. I am concerned, however, about the environmental streamlining provisions and their potential impact on the National Environmental Policy Act.

National Park Roads and Parkways. The funding levels in BESTEA are too low to support this important program. I urge you to amend BESTEA to authorize the full $161 million that the Administration requested to ensure that these roads are maintained.

Intermodalism. I urge the House to include the Administration's flexibility provisions, which would allow State and local governments to use National Highway System and Surface Transportation Program funds for publicly owned rail and intercity bus passenger projects, as well as publicly owned intercity freight rail infrastructure.

Research, Technology, and Innovation. I urge a stronger emphasis on research and technology deployment and on adding more innovative financing tools such as the State infrastructure bank and credit enhancement provisions supported by the Administration.

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 level authorized by ISTEA.

■ **"REBUILDING AMERICA" -- $175 BILLION INVESTMENT WHILE BALANCING THE BUDGET**
- Increases funding for core highway programs by more than 30 percent over ISTEA levels.
- Provides greater flexibility for states and localities to target funds to projects 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 about 25 percent to $392 million.
- Increases highway and truck safety funding by $2 billion over six years.
- Increases funding for drunk driving prevention by 73 percent compared to ISTEA.
- Expands and creates 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 35 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 by about 20 percent, to an average of $25.5 billion annually.

✔ Many indicators of highway conditions and performance have stabilized or improved. The condition of highway pavement, which had been deteriorating, has stabilized, and the number of deficient bridges has decreased. 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 public 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.

COMMITTING 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 total fatal 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 $392 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.

- $20 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 73 percent compared to ISTEA, to $44 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 use funds for 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 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. Under separate authority, we also provided a direct loan to California's Alameda Corridor, which will speed shipping from Los Angeles' port by creating a dedicated freight rail corridor.

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 -- 95 percent by weight, 75 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 an average of $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 35 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 related enhancements along 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 Los Angeles, traffic signal control systems reduced travel times by 18 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, $933 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, mostly in cities, and overall transit funding increased under ISTEA, reaching over $5 billion in 1995 alone.

KEY NEXTEA PROVISIONS

- ■ NEXTEA invests in mass transportation by providing direct federal transit funding of $5 billion a year, by increasing the flexible Surface Transportation Program, and by making Amtrak and intercity public 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 about $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 such as 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, the Surface Transportation Program, Transportation Enhancements, and rural transit assistance, and expand funding eligibility to include Amtrak and intercity public rail service, a key lifeline for rural America.

- NEXTEA would raise authorizations for the Federal Lands Highways Program to $525 million, 17 percent more than under ISTEA, funding improvements on roads in national parks and forests, Indian reservations, and other public lands.