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ISTEA [Intermodal Surface Transportation Efficiency Act] [Folder 2] [2]

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THE WHITE HOUSE
WASHINGTON

March 4, 1997

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: Gene Sperling

SUBJECT: Secretary Slater Memo on ISTEA

The Administration's \$175 billion ISTEA reauthorization proposal is undergoing final interagency clearance. The process has gone relatively smoothly, and we should be ready to transmit the bill in 7 to 10 days, in keeping with Secretary Slater's commitment to Congress.

Because of the importance of this bill, I have asked Secretary Slater to summarize for you the major issues it raises and the choices it reflects. I want to be sure, first, that you are comfortable with the positions the Administration is taking in its bill. Second, I want you to have an opportunity to offer additional ideas and comments on the ISTEA reauthorization, while we still have an opportunity to respond.

Key issues (in addition to the overall funding level, as set in your FY98 budget) are:

(1) the adequacy of 6-year funding for Administration priorities: welfare-to-work (\$600M); state infrastructure banks (\$900M) and other innovative financing (\$600M); congestion mitigation and air quality, or CMAQ (\$7.8B) and safety (approximately \$3B). (See budget table comparing ISTEA and ISTEA 2.)

(2) the balance, in terms of funding, between traditional programs (roads, bridges and transit) and newer programs, primarily environmental protection (see "Other Views" and "Administration Strategy" in Slater memo).

(3) the formula for allocating federal transportation funds to individual states (see "Administration strategy" in Slater memo).

(4) With regard to the Amtrak reauthorization, which Secretary Slater flags, the discussions between DOT and OMB are on course. We expect to transmit our Amtrak reauthorization bill by the end of next week.

____ Approve Administration's ISTEA Reauthorization Proposal

____ Disapprove

____ Need additional information



THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

February 24, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: RODNEY E. SLATER *RES*
RE: THE NATIONAL ECONOMIC CROSSROADS TRANSPORTATION
EFFICIENCY ACT (NEXTEA)

The Intermodal Surface Transportation Efficiency Act (ISTEA), which authorized \$157 billion in highway, transit, and safety programs over a six-year period, expires at the end of FY 1997. The reauthorization of these programs gives us a unique opportunity to ensure that transportation investment, the single largest federal program apart from defense and entitlements, focuses on achieving vital national goals and on preparing our economy and our communities for the challenges of the 21st century.

I am writing to request your approval of a comprehensive reauthorization proposal which we have developed with OMB and with other White House offices and Cabinet agencies. Our proposal, the National Economic Crossroads Transportation Efficiency Act (NEXTEA), expands on your Administration's successful efforts to build long-term prosperity. NEXTEA has also been designed to advance a broad range of national priorities highlighted by the Administration, such as improving safety and lowering health care costs, protecting our environment, speeding welfare recipients' transition to work, and bringing common sense to government's operations.

Attached is a summary of NEXTEA's major policy initiatives and how they can help us to achieve these goals, as well as a draft budget detailing proposed authorization levels. I am testifying before the Senate and the House this week on the subject of reauthorization, and hope to deliver the Administration's proposal at that time, so we can lead the debate that is unfolding.

Background: The Intermodal Surface Transportation and Efficiency Act of 1991

Responding to concern about the condition of our infrastructure and its impact on the economy and national competitiveness, the 1991 ISTEA legislation authorized record levels of federal highway and transit investment. But ISTEA did more than just provide additional resources; it revolutionized the U.S. transportation program by recognizing that, beyond

building roads and mass transit. Federal investment must also improve productivity, preserve our environment, protect safety, and strengthen communities. And ISTEA boldly reshaped the Federal program -- both in terms of dollars and process -- to reflect those goals.

We have made good on ISTEA's promise, and on your call to "Rebuild America." Working with Congress, over the past four years we have raised infrastructure investment by more than 20 percent over Bush Administration levels. These investments have already paid off, with substantial improvement in conditions and performance on both highway and transit systems. In addition, we have effectively implemented the progressive features of ISTEA. With DOT encouragement, states have used the power to shift funds among different categories. We have implemented the inclusive, results-oriented planning process required by ISTEA, bringing new stakeholders -- environmentalists, freight interests, community activists -- to the table. And we have made a success of ISTEA's environmental programs, which in FY 1996 supplied over \$1 billion for projects that help states and localities achieve Federal air quality goals.

DOT Outreach Efforts

In the past year, DOT conducted 14 regional hearings and over a hundred focus groups to help us develop an Administration reauthorization proposal. We heard many different people -- both transportation professionals and others -- and a lot of different ideas. But one point of consensus did emerge -- that ISTEA is working, and that we should build on its foundation as we shape a 21st Century transportation system. Our NEXTEA proposal reflects this core idea.

Other Views

As you know, ISTEA has been popular with urban interests including mayors and public transit advocates, environmentalists, preservationists and community activists. State views are more complex, as the country is split between so-called "donee" states that benefited from ISTEA formulas and "donor" states that receive back less than the full amount of their gas tax contributions to the Highway Trust Fund. States of the Northeast, which includes many large donee states, are supporting continuation of ISTEA, and especially its formulas. Donor states including Virginia, Florida, California, and others have founded a coalition, "STEP 21," to push a program that guarantees 95% return on gas tax collections. Traditional highway interests like the Highway Users Federation and the American Trucking Association want to roll back ISTEA's multi-modal and progressive features.

Despite their differences, these interests all support a strong Federal program. By contrast, a few Governors and Congressmen (Senator Mack, Representative Kasich, and Governors Voinovich, Wilson, and Engler) have voiced support for a radical devolution approach that would cut the Federal gas tax to two or three cents (excluding the 4.3 cents for deficit reduction) over the next few years.

Administration Strategy

The reauthorization bill is likely to be one of the major pieces of bipartisan legislation in this Congress. In developing our NEXTEA proposal, our goal has been to assure that the Administration can play a leadership role in the debate -- unlike the Bush Administration, which was effectively excluded when ISTEA was being developed.

As indicated above, many substantive issues in the debate will be driven by resources, particularly the growing balances in the Highway Trust Fund. Last year, the House passed a bill to take the transportation trust funds off budget by a 2-to-1 majority. This legislation will likely pass again this session. The Senate is under pressure to follow suit, or to find other strategies to spend out the trust fund balances. You have heard from mayors, governors and others urging that the Administration support high authorization levels. As you may recall, this issue was resolved during the budget process, after an appeal from Secretary Pena, by committing to authorization levels higher than anticipated year-by-year obligations. This puts us in the position of proposing to increase authorizations over ISTEA, but may prompt some criticism that actual spending levels will fall short. To this point, our position in the budget process -- that the authorization levels give room for transportation investment to increase in the event the economy performs well -- has been positively received by most constituencies.

The substance of our NEXTEA proposal builds on the foundation laid by ISTEA and links the Federal program more closely to Administration priorities. As detailed in the attached summary, our proposal contains a variety of new elements -- incentives for technology deployment, innovative finance tools, a dedicated fund for welfare to work transportation services and bigger resources for environmental protection. But we have also been mindful of the need to maintain credibility with traditional transportation interests and committee and subcommittee chairs -- particularly in light of the resource constraints discussed above. Further, our proposed formulas have been shaped to walk a fine line between the warring parties: as drafted, they recognize both the principle of equity and also fairness for Northeastern ISTEA donee states.

AMTRAK

One policy issue that has not yet been fully resolved has to do with Amtrak. The Department's NEXTEA proposal supports all surface transportation modes, including intercity passenger rail. For the first time, states and localities will have the ability to use federal transportation funds to participate in intercity rail passenger and freight projects. Amtrak reauthorization is included in the legislation as a clear statement that rail passenger service must be an integral part of our 21st century intermodal system. I believe NEXTEA should ultimately include Amtrak reauthorization in order for the Administration to lead the debate on this central aspect of our transportation future.

The Department's Amtrak reauthorization proposal fully funds Amtrak out of the Highway Trust Fund and enables Amtrak to become eligible for certain flexible funds previously limited to highways and transit. We also have suggested an approach which would convert federal operating assistance for Amtrak into capital which would allow commitment of much higher funding numbers under applicable scoring rules.

~~OMB has indicated that additional review of the Amtrak legislation will be necessary, and we are continuing to work with their staff.~~ I would urge that appropriate Amtrak reauthorization legislation be submitted to Congress as quickly as possible. Given Senator Lott's interest in this subject, it is likely that Congress will pass Amtrak legislation in this session. During your first term, this Administration has consistently supported Amtrak. By submitting an Amtrak legislative proposal soon, we can continue to lead the debate to ensure a visionary and intermodal surface transportation system for the 21st century.

I am confident that our NEXTEA proposal will position the Administration as a major player in this debate. Your leadership is essential to move forward this important legislation, and we will keep your staff apprised of opportunities for involvement.

attachment

SUMMARY: USDOT NEXTEA PROPOSAL

Investing for Trade, Jobs, and Economic Growth

Responding to concern about the condition of our infrastructure and its impact on the economy and national competitiveness, the 1991 ISTEA legislation authorized record levels of federal highway and transit investment.

We have made good on ISTEA's promise and on your call to "Rebuild America." Working with Congress, over the past four years we have raised infrastructure investment by more than 20 percent over Bush Administration levels. We also have completed construction of the Interstate Highways, and have designated the National Highway System, a network of roads most vital to our economy and national security.

As approved by OMB, NEXTEA builds on this success while helping us to move towards a balanced budget. It would authorize \$174 billion for surface transportation programs from FY 1998 through FY 2003, a nine percent increase over ISTEA. The proposed authorization levels would sustain core programs such as the National Highway System, maintenance of the Interstates, and bridge reconstruction.

As you said in his recent State of the Union address, "America is once again the most competitive nation and the number one exporter in the world." That is partly due to the growing efficiency of our freight system, which has cut costs by taking advantage of such advances as intermodal shipping and "just-in-time" deliveries. Therefore, we propose to continue these productivity improvements by making intermodal and rail freight facilities eligible for federal aid under certain circumstances.

With the success of NAFTA and GATT, we have seen a tremendous growth in north-south trade. To make the most of this opportunity, we also propose new programs to improve our border crossings and to invest in major trade corridors.

Bringing Innovation to Infrastructure Finance

The federal government alone cannot meet all of our infrastructure needs. In response to your January 1994 Executive Order on infrastructure, we launched a broad innovative finance initiative targeted at cutting red tape to speed construction projects and attracting new resources, especially private capital, to infrastructure investment. The 74 projects approved through this pilot program started an average of two years early and attracted \$1.2 billion in investment beyond that available through conventional financing. We since have made these strategies part of our routine way of doing business.

We already have begun the next step, the State Infrastructure Bank (SIB) program, which uses federal seed money to leverage private and nonfederal public funds in 10 pilot states. Under NEXTEA, we want to expand the SIB program by opening it to all states and to establish a Federal Credit Program for projects of national significance, such as California's Alameda Corridor.

Investing in Research and Technology

Technology offers another strategy for maximizing federal investment and improving system performance. In many cases, technology can provide additional capacity at lower monetary and environmental cost than new construction. Therefore, we propose making technology investments eligible for funding under all major investment categories. In addition, we propose a new incentive program for states and localities to deploy Intelligent Transportation Systems (ITS) in ways that ensure they are fully integrated and regionally and nationally compatible in order to maximize their long-term benefits.

Maximizing Flexibility to Shape our Transportation Future

* We have taken maximum advantage of the tremendous flexibility ISTEA afforded state and local decisionmakers to use federal funds in ways that best meet their communities' special transportation needs. The Department's NEXTEA proposal goes the next step by including all surface modes. For the first time, states and localities will have the ability to use federal transportation funds to participate in intercity rail and bus projects. I believe Amtrak reauthorization must ultimately be included in NEXTEA in order for the Administration to lead the debate on this central aspect of our transportation future.

Moving from Welfare to Work

Among the barriers faced by those making the transition from welfare rolls to payrolls is access to jobs, training, and support services such as day care. Poverty and federal welfare eligibility rules mean that few welfare recipients own cars, and existing public transit often provides inadequate connections to job and training centers.

Therefore, 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. This program will be closely coordinated with other assistance that will 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. We propose to 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.

Enhancing our Environment

Air quality has improved steadily in recent years, the result of cleaner cars and other strategies targeted at cutting pollution. In 1990, 140 million people lived in areas that violated the standard for ozone, a smog precursor. Today, only 64 million live in such areas

in spite of increased travel. Continuing that progress in the face of the growing travel generated by a growing population and an expanding economy requires that we strengthen our environmental mitigation efforts.

NEXTEA continues our support of the successful Congestion Mitigation and Air Quality Improvement Program, which targets funds to transit, traffic flow improvements, and alternatives such as ridesharing. It also sustains our commitment to such well-received programs as Transportation Enhancements (which funds bicycle paths, vegetation planting and other environmentally-friendly projects), Recreational Trails, and Scenic Byways.

Improving Safety and Controlling Health Care Costs

The human cost of transportation deaths and injuries is immeasurable. But accidents are also a huge burden on our economy. Motor vehicle crashes alone cost our economy more than \$150 billion annually, including \$11 billion paid directly by taxpayers for medical care and to make up lost tax revenues.

* Improving transportation safety can help to control these costs. The challenge we face is to increase safety even as travel increases. Under NEXTEA, we propose incentives to stem drunk and drugged driving and to reward state and local government efforts to increase safety belt use. In all safety areas, there will be a new emphasis on aggressive, performance-based management, focused on results, not process. We not only will provide higher funding but also greater flexibility to shift those funds to programs with the highest safety payoffs.

Revitalizing Communities

As you have said, we must do more "to revive and empower poor urban and rural neighborhoods." Transportation empowers isolated communities by providing access to jobs, markets, education and health care, and by attracting new businesses to locate in disadvantaged areas. We propose to continue the Administration's strong commitment to both urban and rural public transit. In addition, we propose to strengthen the role of urban and rural decisionmakers under the cooperative planning provisions pioneered by ISTEA.

Conclusion

As this summary suggests, transportation touches all aspects of American life. It is about much more than asphalt and concrete: it is about *people*, and about how government can best meet their needs today, and to assure opportunity tomorrow.

ISTEA was a landmark in that it recognized that transportation investment must support other national goals. Our proposal for its successor meets the needs of the American people by refining its programs to meet the challenges of the new century -- challenges to build our economy, improve Americans' safety, preserve our environment, and deliver cost-effective, common sense government.

2-28-1997 8:30PM

FROM DOT OST DAS POLICY 202 493 2005

P. 2

ISTEA REAUTHORIZATION PROGRAM PROPOSAL

(Dollars in Millions)

	Total ISTEA	Total ISTEA 2
Highway Infrastructure		
National Highway System	21,000	26,534
Interstate Maintenance Program	17,000	28,624
Surface Transportation Program/TE	23,900	34,771
Flexible Highway Infrastructure Safety		3,000
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	15,874
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	80
ITS/ATIS Integration Deployment	559	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
Miscellaneous Trust Funds		42
High Speed Rail	775	
Truman-Hobbs Bridge		102
Woodrow Wilson Memorial Bridge		400
Appalachian Highways		2,190
State Infrastructure Banks		900
Integrated Safety Planning		300
Gateway Border Crossing Pilot Program		270
RSPA Strat. Planning R&D & Intermod. Res.		60
Credit Reform Program		600
Other	45	
Budget Compliance	(2,557)	
FHWA Inflation in 2003*		537
Transit (with Inflation in 2003)		
Formula Capital	19,077	23,933
Discretionary Grants	12,422	5,776
FTA/Other		838
Safety		
Operations and Research (w/ '03 Inflation)	465	893
Highway Traffic Safety Grants (no Inflation '03)	1,151	1,386
Motor Carrier Safety Assist. Pgm Grants (Inflation '03)	537	603
Subtotal ISTEA Programs	166,985	169,282
ADDITIONAL ISTEA PROGRAMS		
TRANSIT (with inflation in 2003)		
WMATA		250
RAIL (with Inflation in 2003)		
AMTRAK Capital (HA)		1,344
NECIP (HA)		1,205
AMTRAK Operating (HA)		2,073
OTHER AGENCY ROAD PROGRAMS		3,213
Subtotal Additional Programs		8,085
TOTAL BA/CA (less MTF)	156,985	177,325
Total less other agencies	156,985	174,112



**U.S. Department of
Transportation**

Office of the Secretary
of Transportation

Assistant Secretary

400 Seventh St., S.W.
Washington, D.C. 20590

March 20, 1997

MEMORANDUM FOR: Marcia Hale
Assistant to the President for
Intergovernmental Affairs

FROM:  Steven O. Palmer
Assistant Secretary for Governmental Affairs

SUBJECT: U.S. DOT Outreach to Public Interest Groups on
ISTEA Reauthorization

U.S. DOT has made a concerted effort to reach out to Public Interest Groups during the development of our proposal for the Intermodal Surface Transportation Efficiency Act (ISTEA) reauthorization and to enlist their support for the President's National Economic Crossroads Transportation Efficiency Act (NEXTEA) proposal now that it has been finalized. Attached is a copy of the report entitled, "How to Keep America Moving," which documented the results of the 13 Regional Forums and over 100 focus groups we conducted on ISTEA reauthorization. One Governor, several Mayors, County Executives, State Legislators and City Councilmembers participated. Among them were Governor Almond, Mayors Daley, Campbell, and Rendell and County Executives McNamara, Janiszewski, and Villines.

Also attached is a draft calendar of meetings of ISTEA stakeholders we may have a DOT representative address.

Summary of 1997 Outreach to Public Interest Groups:

NGA: Because Secretary Rodney Slater had not yet been confirmed, we were not able to hold the luncheon requested with the National Governors' Association's (NGA) ISTEA Reauthorization Task Force February 4. Deputy Assistant Secretary for Governmental Affairs John Horsley covered the NGA Transportation Committee Meeting February 2. Federal Highway Administrator (FHWA) Slater met with Governor Paul Patton, February 5 on ISTEA, staffed by Horsley. Deputy Assistant Secretary for Budget and Programs Jack Basso and Horsley briefed NGA Transportation Reps. on ISTEA and Budget February 12. On March 17, Acting Federal Highway Administrator Jane Garvey and DAS Basso briefed NGA Washington Reps. on NEXTEA proposal.

USCM: December, Assistant Secretary Palmer and Secretary Peña attended POTUS meeting with 12 Mayors. FHWA Administrator Slater and Secretary Peña spoke at 5th Anniversary party for ISTEA at Union Station. Deputy Secretary Mortimer Downey staffed by Horsley, met with three Mayors prior to their meeting with OMB on ISTEA. January 18, Garvey of FHWA with Horsley, briefed the United States Conference of Mayors' Conference on ISTEA. February 22, Secretary Slater with Horsley met with the Mayors' Leadership Conference in Key West, Florida. On March 14, Secretary Slater and Mayor Daley held a press event on NEXTEA in Chicago.

NACo: March 1, Garvey of FHWA, with Horsley, addressed the Transportation Steering Committee. March 2, Horsley spoke to the County Executives on ISTEA. March 3, in presentation to the National Association of Counties on ISTEA, Horsley filled in for Secretary Slater who remained in Arkansas because of the storm disaster.

NLC: March 10, Secretary Slater spoke to Convention. March 12, NLC leadership joined POTUS for NEXTEA announcement. (March 6: Horsley spoke to the California League of Cities/Association of Counties Public Works Directors on ISTEA in Monterey.)

NCSL: March 6, Secretary Slater spoke to Convention.

We also work closely with two other organizations which involve city and county elected officials: the Association of Metropolitan Planning Organizations (A sub-committee of the National Association of Regional Councils) and the American Public Transit Association. The Secretary spoke to APTA March 10 and made a courtesy appearance at NARC February 8.

Two coalitions involving PIGs are key Administration allies in the NEXTEA debate. We have worked closely with the **Alliance for ISTEA Renewal**, which includes USCM, NACo, NLC, AMPO, APTA, the Surface Transportation Policy Project (a coalition of environmental organizations) and others. The second group, **ISTEA Works**, is made up of the 16 Governors who have signed a joint letter urging that ISTEA II be based on the current program. Their position is very close to our own. Their members consist of the Northeast Governors plus the Governors of Illinois, Colorado, Oregon and Washington. Southern mayors may also prove to be strategic allies. While Southern Governors who represent "donor states" support the STEP 21 proposal, their mayors prefer NEXTEA because it preserves CMAQ, STP and a decisionmaking structure more favorable to cities.

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Attachments

NEXTEA Interest Groups' 1997 Meetings and Conferences

NGA Transportation Reps	March 24, Hall of States	FHWA, FTA, Budg
National Association of County Engineers	March 24, Birmingham, Alabama	Horsley
American Consulting Engineers Council	April 4, D.C	NEXTEA speaker Requested
Association of Metropolitan Planning Organizations Policy Committee	April 10, D.C.	
APTA Commuter Rail	April 13-16 Dallas	
Central Iowa Regional Transportation Conference	April 14 Des Moines	S-1 Delined Speaker requested
Building Trades National Conference	April 14-16 Washington D.C.	S-1 recommended
California Councils of Government	April Monterey, Ca.	Garvey invited
Council of State Governments Eastern Regional Conference	April 18 D.C.	S-1 requested
Congresswoman Ellen Tausher Bay Area ISTEA Event	April 18 San Ramon, Ca	S-1 invited
National Association of State Budget Directors	April 20 Chicago	Basso
Georgia Association of Counties	April 21 Jekyl Is., Ga.	Horsley
AASHTO Spring Meeting	April 25-29 Des Moines	
APTA Bus Operations, Technology	May 4-7 Miami	
WTS National Conference	May 7-9 Baltimore	

American Consulting Engineers Council Annual Convention	May 11-14 Nashville	Speaker requested
Rebuild America Summit	May 15 Houston	S-1 invited
ITS Annual Meeting	June 2-5 Washington, D.C.	
International Bridge Conference	June 2-5 Pittsbourg	
ITE Annual Meeting	June 3-7 Boston	
National Association of Regional Councils	June 6-10 Charlotte, N.C.	
APTA Rapid Transit Conference	June 8-12	
U.S. Conference of Mayors	June 20-24 San Francisco D.C.	
Western Governors Association	June 22-24 Medora, ND	
Mississippi Valley Annual Meeting AASHTO	July 9-11 Chicago	
National Association of Counties	July 11-15 Baltimore	S-1 recommended
WASHTO Annual Meeting	July 25-31 Sun Valley, Idaho	
National Governors Association	July 27-30 Las VegasP	
National Conference of State Legislators	August 6-10 Philadelphia	
Western Councils of Governments	August California	
Association of Metropolitan Planning Organizations	September 4-7 Saratoga Springs, N.Y.	

SASHTO Annual Meeting

September 12-16
Little Rock

APTA Annual Meeting

September 21-25
Chicago

**Statement of Senator John H. Chafee
in the United States Senate
on "National Economic Crossroad Transportation Efficiency Act of 1997"**

March 18, 1997

Mr. President, today, I am introducing, along with my colleague from New York, Senator Moynihan, the National Economic Crossroad Transportation Efficiency Act of 1997, referred to as NEXTEA. NEXTEA is the Clinton Administration's legislative proposal for the reauthorization of the Intermodal Surface Transportation Efficiency Act.

I am introducing NEXTEA because it builds upon the landmark ISTEA legislation. It emphasizes environmental protection, system preservation, safety, and intermodalism. I would like to encourage my colleagues to take a serious look at this proposal.

In addition, I will be a cosponsor of the "The ISTEA Reauthorization Act of 1997", a bill that has been written by Senators Moynihan, Lieberman, and Lautenberg which will be introduced in the near future. This proposal also builds upon the program structure and emphasis of the original ISTEA.

Today's introduction does not mean that I endorse all the ideas in the Administration's proposal. I am still in the process of reviewing the bill's details and plan to ask the Administration questions about their provisions and the thinking behind some of their proposals.

Of particular interest to my colleagues is whether my introduction of the Administration's bill indicates my endorsement of the Administration's formula for distributing funds among the States. It does not.

The Administration's formula relies to a great extent on the contributions paid into the Highway Trust Fund by the individual states. I have serious concerns about setting national policy on the basis of where gasoline is purchased. The Federal Highway Administration's estimate of the Highway Trust Fund contributions is based upon where gasoline is purchased, not even where it is used. Let me give a couple of examples of the problems I see with this misplaced focus.

If you buy gas in Baltimore, Maryland and drive to Woonsocket, Rhode Island, you will drive through the States of Delaware, New Jersey, New York, Connecticut, and Rhode Island. Maryland will be the only State that gets credit for this trip.

Even if we were better able to estimate where gasoline is used, rather than just where it is purchased, setting national transportation policy on gasoline usage provides incentives that contradict policies of ISTEA such as environmental protection, intermodalism, and efficiency. Under a gas tax-based formula, States and localities that use transit significantly or use less gasoline because of good planning are actually penalized for their good work.

For example, programs or policies that encourage any of the following would be penalized: shifting highway usage to other modes such as transit, greater use of carpooling and High Occupancy Vehicle (HOV) lanes, progressive land use planning, and the use of alternative fuels, or electric vehicles. In other words, "no good deed, goes unpunished" under such a national policy.

Gasoline taxes are an efficient and low-cost way of raising revenue for transportation purposes. They should not, however, be attributed a policy importance that they do not deserve.

Let me conclude my statement by encouraging all of the members of the Senate to work together as we craft an ISTEA reauthorization proposal. I know we have some substantial disagreements that need to be resolved.

As we move forward, we need to keep in mind the diversity and uniqueness of the country and all of its transportation needs. All of us must resist the temptation to set a national transportation policy based solely on our own region's particular demands. The demands of the Northeast are different from those of the South; the demands of the South are different from those of the West. And so on.

We need to be cognizant of the population growth that has taken place in the South and Southwest and the strains that such growth has put on areas within that region. Many of the Western states, by contrast, with their low population density and the great distances involved in travel, rely on highways as the major mode of transportation. We also need to acknowledge the uniqueness of the Northeast United States; its older infrastructure and acute congestion make it more dependent on non-highway modes such as transit and Amtrak. Attempts to pass a new bill by forming alliances along regional lines will fail unless the bill recognizes the needs of all regions.

I am hopeful that the ISTEA reauthorization will build upon the strong record of its predecessor. Admittedly, the transition from old policies and practices to those embodied in ISTEA has not always been easy, and more work needs to be done. However, we should not let these bumps in the road cause us to retreat from the progress we have made.

Mr. President, I ask unanimous consent that the text of the bill and the section by section be printed in the record after the relevant statements.

News From
SENATOR JOHN CHAFEE
RHODE ISLAND



505 DIRKSEN BUILDING WASHINGTON D.C. 20510-3902 (202)224-2921

FOR IMMEDIATE RELEASE
Wednesday, March 12, 1997

Contact: Nicholas J. Graham
202/224-2921

**EPW COMMITTEE CHAIRMAN CHAFEE ENCOURAGED THAT
CLINTON ADMINISTRATION'S "NEXTEA" PROPOSAL BUILDS UPON
THE LANDMARK ISTEA 1991 BILL**

Washington, D.C. -- Environment and Public Works Committee Chairman John H. Chafee (RI), commenting on the Administration's ISTEA proposal unveiled this morning at the White House, said that he is "encouraged" that the Clinton Administration's proposal for reauthorization of the Intermodal Surface Transportation Efficiency Act will be received by the Congress shortly.

Chafee said, "ISTEA was a tremendous step forward in our approach to transportation. I am heartened to see that the Administration recognizes this and recommends that the ISTEA reauthorization build upon ISTEA's strong record."

He added, "I am glad that the Administration's proposal will be received by the Congress shortly. The Administration's proposal will facilitate the development of a bipartisan legislation to address the nation's surface transportation needs."

Chafee was encouraged that the proposal builds upon the landmark ISTEA legislation and its emphasis on environmental protection, system preservation, safety, and intermodalism. Chafee said he was "pleased to see that the Administration increases funding for some of the important environmental programs of the original ISTEA legislation such as the Transportation Enhancements Program and the Congestion Mitigation and Air Quality program."

Chafee added: "It's a step in the right direction when a proposal advocates increases in environmental programs rather than eliminating them, or providing flat funding levels while the traditional programs see large increases".

In addition to retaining the important components of the existing ISTEA legislation, Senator Chafee said it was important that the "Administration is putting significant efforts into developing and expanding upon new financing tools such as State Infrastructure Banks, new forms of Federal credit assistance, and other ideas. Clearly, our significant infrastructure problems call for new ideas and its critical that the Administration adds to the set of ideas Congress must consider to stretch our funding and come up with new sources of revenue."

Regarding the Administration's commitment to safety, Chafee commented, "The Administration is making a lot of strong statements about the importance of safety. I hope that the Administration will deliver on this commitment and not make these commitments empty words."

"And let me just say that I do not believe the Administration has done a good job of putting their stated concerns about safety into concrete actions or proposals

Chafee concluded: "Although we need to study the details of their proposal, I am encouraged by what I've heard so far regarding the structure and emphasis of the program. We will need to look at whether their funding levels are adequate and their proposals at distributing the funds to the States; but it looks like a helpful addition to the debate on the ISTEA reauthorization."

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**Committee on
Transportation and Infrastructure
U.S. House of Representatives**

**Congressman Bud Shuster, Pennsylvania
Chairman**

**FOR IMMEDIATE RELEASE: MARCH 13, 1997
CONTACT: Jeff Nelligan, Director of Communications, 202-225-9446
ATTENTION: ADMINISTRATION'S ISTEA LEGISLATION**

**CHAIRMAN SHUSTER COMMENTS ON ADMINISTRATION'S
PROPOSAL FOR ISTEA REAUTHORIZATION**

WASHINGTON -- Congressman Bud Shuster (R-PA), Chairman of the House Transportation and Infrastructure Committee, today released the following statement on the Administration's proposal for ISTEA Reauthorization:

"In the past, this Administration's legislative submissions were routinely referred to as 'DOA' or 'Dead on Arrival.' Well, that's not going to be the case with this one."

"There are some good components to this proposal. For example, I am pleased by the emphasis placed on safety and on Interstate Maintenance and the National Highway System. Moreover, there is recognition of the need to help border areas and trade corridors; there's a focus on Appalachian Regional Commission issues; and, there's some good news on innovative financing. These are issues that merit further attention."

"On the other hand, we have some very serious concerns with the proposal. First, the funding levels are far below what the Highway Trust Fund annually earns in revenue. This means the balances in the Trust Fund will continue to skyrocket. We are also concerned that Trust fund dollars are put to new uses such as funding for Amtrak and for the Washington Metro. This is an unacceptable diversion of funds, given our enormous highway and transit needs."

"The best way to fund the new reauthorization bill is by taking the Highway Trust Fund off budget, and, equally important, by placing the 4.3 cents currently going in to the general fund, back into the Highway Trust Fund. Assuming this happened, we could take one-half cent and dedicate it to Amtrak, with the stipulation that much-needed reforms be implemented simultaneously."

"We are anxiously awaiting the submission of a bill and look forward to working with all parties to fashion the ISTEA Reauthorization legislation," concluded Shuster.

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For Immediate Release
March 12, 1997

For Further Information
Jeff Whelan (202) 224-9704

LAUTENBERG STATEMENT ON CLINTON'S NEXTEA PROPOSAL

(Washington D.C.) -- Senator Frank R. Lautenberg (D-NJ), the ranking Democrat on the Senate Transportation Appropriations Subcommittee and the senior Democrat on the Senate Budget Committee, today issued the following statement on President Clinton's transportation plan -- NEXTEA.

"The President's plan recognizes what we have been saying all along: that ISTEA works," said Lautenberg. "By building on the success of ISTEA instead of turning back the clock, the President's plan generally provides a good road map for the nation's transportation system into the 21st Century.

"This is also a plan that recognizes New Jersey's unique transportation needs and positions us well in the looming battle over ISTEA reauthorization. It puts us on the right track."

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NEWS

The United States Conference of Mayors

1620 Eye Street, N.W. • Washington, D.C. 20006
Phone (202) 293-7330 • Fax (202) 293-2352

March 14, 1997

CONFERENCE OF MAYORS PRESIDENT APPLAUDS ADMINISTRATION'S TRANSPORTATION PROPOSAL New Legislation Would Continue Successful ISTEA Structure Mayors Support

Speaking as President of The U.S. Conference of Mayors, Chicago Mayor Richard Daley said today that "mayors across this country appreciate the efforts of the Clinton Administration to preserve transportation funding. It's extremely important for cities like Chicago to be able to rely on federal funding to help move millions of people around our large metropolitan areas."

Daley spoke in Chicago at a formal announcement of the Administration's proposal to reauthorize the federal transportation law. The announcement was made there by Transportation Secretary Rodney Slater. The Administration proposes a six-year, \$175 billion investment in highways, bridges and mass transit. The plan increases spending on Interstates and other highway networks and provides \$600 million to help people on welfare get to their jobs. While it eliminates subsidies for mass transit operation, it allows public transit providers more flexibility in the use of the funds they receive. Transit funding would increase to \$5 billion annually, with intercity rail terminals becoming eligible for these funds. Funding for the Congestion Mitigation and Air Quality Improvement (CMAQ) program, a high priority for cities, would increase by 30 percent to \$1.3 billion annually.

"Many people in Washington want to undercut the existing transit and highway programs we have in place," said Daley. "This proposal is a critical step in improving our transportation systems."

Daley also used the occasion to call for greater state legislature support for transportation, saying "we also need the state to live up to its responsibility in this area by increasing funding. At a time when we're moving toward a balanced federal budget, federal funding alone cannot meet all of our transportation needs."

The U.S. Conference of Mayors has strongly supported the continuation of federal transportation support in its current, highly successful form, the Intermodal Surface Transportation Efficiency Act (ISTEA). The mayors have recommended that the ISTEA structure be continued but modernized to more effectively address clean air directives, transportation requirements of the Americans with Disabilities Act, transportation needs of welfare recipients seeking work, and to further strengthen the local and regional government roles in solving transportation problems. The new bill, entitled the National Economic Crossroads Transportation Efficiency Act (NEXTEA), responds to many of the mayors' goals, principally retention of the current program structure, and calls for a modest overall increase above current ISTEA funding levels.

CONTACT: Chip Brown, (202) 861-6715, or Kevin McCarty, (202) 861-6711

SURFACE TRANSPORTATION POLICY PROJECT

1400 Sixteenth Street, NW #300, Washington, D.C. 20036; Tel: 202.939.3470; Fax: 202.939.3475;
E Mail: jcorless@transact.org

FOR IMMEDIATE RELEASE
March 12, 1997

Contact: Hank Dittmar, Roy Kienitz
Surface Transportation Policy Project,
202.939-3470

PRESS STATEMENT

STPP Supports Clinton Administration "NEXTEA" Proposal, Recommends as Basis for Congressional Action

Washington, D.C. -- Hank Dittmar, executive director of the Surface Transportation Policy Project (STPP), offers the following comment on the Clinton Administration's proposal for the reauthorization of ISTEA.

"In the release of their NEXTEA proposal this morning, President Clinton and Vice President Gore have clearly recognized that the debate over transportation funding involves far more than just squabbles between the states over federal dollars. The administration has put forward a sound proposal -- legitimately crafted after months of soliciting input from state agencies, local officials, the general public and many other stakeholders -- that will strengthen the economy, protect the environment and continue the important work begun under ISTEA to make all our communities more livable. The administration's bill appropriately builds upon the successful framework established under ISTEA and ought to be the basis for Congressional action in the coming months."

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The Surface Transportation Policy Project is a national public interest coalition of over 200 groups supporting transportation investments that conserve energy, protect the environment, ensure greater local control, strengthen the economy, promote social equity, and make communities more livable.



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NEWS RELEASE

FOR IMMEDIATE RELEASE
March 14, 1997

PORTS POSITIVE ABOUT ADMINISTRATION'S ISTEA BILL

Alexandria, VA — Following the unveiling of the Administration's proposal to reauthorize the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA), U.S. members of the American Association of Port Authorities (AAPA) indicated strong support for provisions designed to maintain the intermodal focus of the bill and expand eligibility and funding opportunities for port access and freight mobility projects.

"The Administration's proposal contains an 11 percent increase in funding as well as some key provisions that will promote freight mobility and projects providing improved access to America's seaports," said AAPA president Kurt J. Nagle. "After hearing in numerous outreach meetings over the past several years that ISTEA has not worked as well as it should to meet the needs of ports and freight mobility, the Department of Transportation has responded with specific ideas to improve the transportation planning process in those areas," he continued.

U.S. ports are particularly pleased with several features, including (1) designation of intermodal connectors as part of the National Highway System (NHS), (2) NHS eligibility for publicly-owned intermodal surface freight transfer facilities, including publicly-owned rail access lines or roads to a seaport, (3) Surface Transportation Program Fund eligibility for publicly-owned rail freight facilities, (4) expansion of the State Infrastructure Bank program, and (5) creation of a Transportation Infrastructure Credit Enhancement Program to benefit large, capital-intensive projects.

Under the proposal, state and metropolitan transportation planning would consider the economic viability of the state or metropolitan area, especially global competitiveness, productivity and efficiency, as well as how to enhance the integration and connectivity of transportation across and between modes for people and freight. It specifically provides that state transportation plans be developed in consultation with freight shippers as well as other interested parties.

The American Association of Port Authorities was founded in 1912 and today represents more than 140 public port authorities in the United States, Canada, the Caribbean and Latin America. AAPA port members are public entities mandated by law to serve public purposes. Port authorities facilitate waterborne commerce and contribute to local, regional and national economic growth.

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E-mail: aapa@ix.netcom.com

Internet: www.aapa-ports.org



FOR IMMEDIATE RELEASE:

March 14, 1997

Contact: David Hirsch, (202) 783-7400 (x215)

Gawain Kripke, (202) 783-7400 (x212)

"Give Rail a Lifeline"

Friends of the Earth Praises Plan to Strengthen Amtrak

Friends of the Earth today praised a proposal to provide new funding for Amtrak out of the Highway Trust Fund. The bill, known as the "Intercity Passenger Rail Trust Fund Act of 1997" would guarantee Amtrak a secure source of financing for capital improvements for five years. The bill, S. 436 was introduced by Senators William Roth (R-DE) and Daniel Moynihan (D-NY).

"Friends of the Earth is thrilled Senators Roth and Moynihan have taken this step to help Amtrak," said David Hirsch, Transportation Policy Coordinator for Friends of the Earth. "Amtrak helps reduce the amount of cars clogging the highways and gives Americans more options of getting around this country."

The legislation would transfer one-half cent of the 4.3 cents-per-gallon motor fuels tax currently used for deficit reduction into a new trust fund for Amtrak. This will allow Amtrak to spend \$3.8 billion over the next five years for urgently needed capital improvements. States that are not currently served by Amtrak could use the money for capital improvements in intercity passenger rail or bus service.

Unlike highways and transit, passenger rail does not have a reliable source of federal funding, which has led to service cuts. President Clinton's National Economic Crossroads Transportation Efficiency Act (NEXTEA) calls for Amtrak funding from the Highway Trust Fund, but does not set up a dedicated source of funding.

"The President's proposal is a step in the right direction, but it does not do enough," said Gawain Kripke, Director of the Appropriations Project at Friends of the Earth. "Highways have a trust fund, airports have a trust fund, rail should have a trust fund."

Amtrak has pledged to end its reliance on federal operating assistance by 2002. To meet this goal, Amtrak needs to upgrade passenger rail infrastructure. Last year, Senator Roth introduced an amendment that would have allowed states to use transportation dollars to help fund Amtrak. This year's plan would not require Amtrak to directly compete with highways and transit for funding, and would instead create a separate trust fund.

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FOR IMMEDIATE RELEASE:

March 14, 1997

Contact: David Hirsch
(202) 783-7400 (x215)

NEXTEA is Strong on Clean Air, Environment

Friends of the Earth Praises Administration Proposal

Friends of the Earth today praised key provisions of President Clinton's proposed reauthorization of the major transportation policy bill. The President's proposal, the National Economic Crossroads Transportation Efficiency Act (NEXTEA) contains increased funding for clean air and environmental programs, increased funding for transit, improved local control, and strong safety protections.

"NEXTEA shows a strong commitment to helping solve the nation's air quality problem," said David Hirsch, Transportation Policy Coordinator for Friends of the Earth. "The President's plan will give communities many of the important tools they need to fight air pollution and help them make appropriate transportation choices."

The President's proposal would:

- ◆ increase funding for the Congestion Mitigation and Air Quality Improvement Program (CMAQ) by 30 percent to \$7.8 billion over 6 years. CMAQ funds have been used to purchase cleaner buses and maintain transit.
- ◆ increase funding for the Transportation Enhancements program by 25 percent to which has been used to fund bike paths and pedestrian walkways.
- ◆ maintain the current freeze on truck size and weights, keeping large dangerous trucks off the road.
- ◆ strengthen communities involvement in transportation planning.
- ◆ increase funding for transit programs.

Reservations about NEXTEA:

The proposal calls for almost \$2.2 billion over the next six years to fund Appalachian highways. These highways were recently targeted by House Budget Chairman John Kasich as a prime example of government waste. In NEXTEA, the highways are singled out in a special line-item. NEXTEA would also increase funding for the Intelligent Transportation System, which includes the Automated Highway System (AHS). Both are targets of the Green Scissors Coalition as examples of fiscally wasteful and environmentally harmful spending. For more information on Green Scissors, please see <<http://www.foe.org/eco/scissors97>>.

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LABORERS' INTERNATIONAL UNION OF NORTH AMERICA

FOR IMMEDIATE RELEASE

March 13, 1997

CONTACT: David Roscow
202/942-2246

LABORERS' GENERAL PRESIDENT PRAISES NEXTEA

*Coia urges Administration to remove transportation trust funds
from federal budget*

Washington, D.C. -- Today, Arthur A. Coia, General President of the 750,000-member Laborers' International Union of North America, commended the the Clinton Administration for putting forth a solid transportation budget proposal as the debate on the Intermodal Surface Transportation Act (ISTEA) continues.

"The Laborers' have long recognized the vital need for maintaining a sound infrastructure and its contribution to the health of a strong economy," said Coia. "We look forward to working with the Administration, Congress, and the Transportation Construction Coalition (TCC) to develop viable legislation that will put our contractors and members to work, and our nation on the go."

The National Economic Crossroads Transportation Efficiency Act (NEXTEA) proposed by the Clinton Administration would increase transportation spending by \$17 billion. This six-year \$175 billion program is designed to improve America's highways, bridges and mass transit into the next century and increases highway spending by 30%.

"This is a good step in the right direction, but we need to go further" said Coia. "We also urge the Administration to endorse taking the transportation trust funds off the unified federal budget and redirecting the 4.3 cents gas tax, now dedicated to the general fund, to the highway trust funds to increase our ability to meet the demands of the our nation's infrastructure. This is good for the American workers, American communities and the national economy . . . and is the only way we can ensure that the bridge to the 21st Century is a stable one."

Founded in 1903, LIUNA represents some 750,000 workers in construction, environmental remediation, maintenance, food service, health care, clerical, and other occupations. The Union also has members in state, local, and municipal government, and postal service.

- 30 -

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AT WORK

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OF AMERICA



PRO BIKES

For Immediate Release
March 13, 1997

Contact: Karen Nozik
202/463-6622

BFA Praises Clinton's "NEXTEA" Proposal to Increase Surface Transportation Funding by \$17B

WASHINGTON, DC-- March 13, 1997-- The Bicycle Federation of America welcomed President Clinton's and Vice President Gore's announcement of the National Economic Crossroads Transportation Efficiency Act (NEXTEA), noting that the administration's proposal to increase funding for Surface Transportation, CMAQ and Enhancements is in keeping with the 64 percent majority of Americans who support broader transportation choices such as bicycle lanes, bike trails, and sidewalks. A bipartisan national opinion survey released in February by the Bikes Belong Campaign showed that two-thirds of voters in every region of the country favor using gasoline taxes to increase transportation options.

Calling NEXTEA "one of the most important pieces of environmental legislation to be considered by Congress in the next two years," President Clinton said that "helping communities invest in cleaner methods of transportation by supporting bike paths and pedestrian walkways strengthens our infrastructure while protecting and enhancing our precious natural resources."

Vice President Gore said, "this bill relates particularly to the challenge of sustainable development -- mobility and growth coupled with sustainable, environmentally sound communities. Our bill continues and enhances ISTEA's support for bicycle and pedestrian travel, making these options available in a flexible way to states and local communities."

BFA Executive Director Bill Wilkinson highly praised Clinton's and Gore's remarks adding: "the Administration's proposal resonates loudly with a majority of Americans who recognize that bike trails and bike lanes are important to creating safe communities for our children."

The \$175 billion proposed spending from FY98-FY2003 would be an 11 percent increase over ISTEA passed in 1991. In addition, NEXTEA would increase CMAQ funding by 10 percent to \$1.3 billion annually, and would increase Transportation Enhancements funding by more than 25 percent. The basic structure of ISTEA would be preserved.

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STAYING ON THE RIGHT ROAD

for more information contact: Michael Replogle
Environmental Defense Fund 202-387-3500

*Distributed
as op-ed
to 100 papers
this week!*

Six years ago the Bush Administration signed into law "ISTEA," which expanded state and local flexibility to solve transportation problems and brought other long-overdue reforms. ISTEA – the Intermodal Surface Transportation Efficiency Act – expires in September. Congress is considering competing proposals to replace this law, including the "NEXTEA" bill announced on Wednesday, March 12th, by President Clinton. The battle between states over transportation funding should not overshadow the more important fight over whether America's metropolitan areas will lose funding and control over transportation spending to the states and the road builders, as some in Congress propose. The outcome will determine whether we continue with reforms that help transportation support sustainable economic and community development or instead diminish our transportation choices and sacrifice environmental progress.

In his announcement, the President said, "Make no mistake about it, this is one of the most important environmental bills to be considered by this Congress." While this bill would expand funding for core highway programs by 30%, it is being praised by the Environmental Defense Fund and other green groups as a step towards environmental progress.

Some Congressional proposals like STEP 21 would dismantle ISTEA programs that protect the environment. NEXTEA would preserve these small but important programs, like the Congestion Management Air Quality Program, or "CMAQ," which accounts for only 5% of ISTEA spending and which the Administration would boost in line with other programs. CMAQ helps locally-directed initiatives to reduce pollution and congestion, like buying clean buses, and enhancing transportation choices such as ridesharing, transit, bicycling, and walking, and provides vital support for Clean Air Act mandates on local communities. NEXTEA would also spur innovative financing and management of transportation. It would remove federal restrictions that bar states from experimenting with effective and successful market-based strategies, such as High Occupancy Toll express lanes that are cutting traffic congestion in southern California on I-15 and State Road 91.

Many states that get back less federal highway aid than the gasoline tax revenue they contribute have called for revised ISTEA funding formulas more to their benefit. NEXTEA's expanded funding would boost fund for 49 out of 50 states and ensure greater fairness than the current system, without dismantling the successful reforms of ISTEA. NEXTEA deserves support as a framework for taking our national transportation system into the next century.

<Show: ALL THINGS CONSIDERED> <Date: MARCH 12, 1997> <Time: 20:00>
<Head: Highway Money> <Sect: News; Domestic> <Tran: 031212np.212> <Type:
PACKAGE>

LINDA WERTHEIMER, HOST:

President Clinton has proposed renewing the legislation that regulates federal spending on virtually every transportation project in the country. This year the 1991 Intermodal Surface Transportation Policy Act will expire. Many lawmakers would like to replace the law, known by its acronym ISTEA with something quite different. Now a huge legislative battle is beginning over the bill. At issue is how much money each state will receive for highway and transit projects over the next six years and how the money can be spent. NPR's Kathleen Schalch reports.

KATHLEEN SCHALCH, NPR REPORTER:

President Clinton says his bill will do what he calls the old fashioned work of investing in the nation's roads and bridges. It would spend \$175 billion over the next six years. But some of the sharpest increases in funding will go toward newer, smaller programs. The proposal would more than double spending for drunk driving prevention and expand programs to encourage people to use seat belts and child safety seats. It would launch a new program to help former welfare recipients get to work. And perhaps most importantly, the president says, his bill would boost spending on efforts to reduce traffic congestion, improve air quality and build paths, sidewalks and hiking trails.

WILLIAM J. CLINTON, PRESIDENT OF THE UNITED STATES:

Make no mistake about it: this is one of the most important pieces of environmental legislation that will be considered by the Congress in the next two years.

(APPLAUSE)

And I think it should be thought of in that way...

(APPLAUSE)

SCHALCH: Environmentalists and public transit advocates have welcomed the president's bill. Hank Ditmar (ph) is Executive Director of the Surface Transportation Policy Project. He says it's important to consider needs beyond highway construction.

HANK DITMAR, EXECUTIVE DIRECTOR, SURFACE TRANSPORTATION POLICY PROJECT:

Appropriately, I think, the president took the high ground today by challenging us to think about transportation as more than just a battle between the states for highway funds. I think he continues with some important innovations that were begun in 1991 when the transportation law really was refashioned to be about doing a better job of managing the transportation system and responding to community and environmental needs.

SCHALCH: But other groups are less impressed with the president's proposal.

WILLIAM FAYE (PH), PRESIDENT AND CEO OF THE AMERICAN HIGHWAY USERS ALLIANCE:

Well, the president's proposal is highway robbery.

SCHALCH: William Faye is the President and CEO of the American

Highway Users Alliance, which represents AAA, truckers, auto makers and asphalt and concrete industries. He says the government is collecting 14 cents in taxes on each gallon of gas for the nation's Highway Trust Fund and using the money to subsidize things like mass transit.

FAYE: Uncle Sam is thrilled to take all of that money from highway users and then put less than two thirds back of those funds, back into roads and bridges. SCHALCH: Faye says the president would even use Highway Trust Fund money levied from truckers to subsidize their competition, railroad companies that haul freight. He argues that mass transit ridership has not increased while road use has and he says poor roads cause 13,000 traffic fatalities each year. Faye says he's hopeful that the president's bill will be dead on arrival because key Members of Congress want to spend more money than the president on roads and bridges. But debates over priorities may be drowned out by more traditional arguments between states. Some states put much more money into the highway trust fund than they get back and they don't like the fact that other more sparsely-populated states receive more than they give. And, while the Clinton administration wants to use surplus highway trust funds to balance the budget, lawmakers will demand that more of the money be spent. The debate over funding for the nation's transportation network is expected to last at least six months. In Washington, this is Kathleen Schalach reporting.

<Dateline: Kathleen Schalach, Washington, DC; Deborah Adams, Washington, DC; Linda Wertheimer, Washington, DC> <High: President Clinton today proposed a blueprint for the next major capital investment in America's highways, bridges and mass transit: a six-year, \$175 billion program that increases highway spending by 30 percent: NPR's Kathleen Schalach reports> <Spec: Budget; Clinton; Infrastructure; Transportation> <Copy: Content and programming copyright (c) 1997 National Public Radio, Inc. All rights reserved. Transcribed by Federal Document Clearing House, Inc. under license from National Public Radio, Inc. Formatting copyright (c) 1997 Federal Document Clearing House, Inc. All rights reserved. No quotes from the materials contained herein may be used in any media without attribution to National Public Radio, Inc. This transcript may not be reproduced in whole or in part without prior written permission. For

OST/PA
3/20/97

NEXTEA News

3/12 - 3/20

Highway Trust Fund Clash Might Shift Gears on Hill

Bill Would Give Green Light to Special Budget Category

WASH POST FED PAGE

3/19 By Don Phillips
Washington Post Staff Writer AH7

For years, House Transportation and Infrastructure Committee Chairman Bud Shuster (R-Pa.) has spearheaded a battle to move the highway trust fund from the federal budget, an action that would allow yearly transportation spending to rise by billions of dollars. The Senate has always killed the idea as bad budget policy.

Now, Shuster said, this may be the year for a House-Senate compromise that could satisfy the desire for greater highway and transit spending, while technically keeping

*"People tell me they
[Chafee and Bond]
offered the bill because
they felt us breathing
down their necks."*

— Rep. Bud Shuster (R-Pa.),
transportation committee chairman

the highway trust fund as a part of the federal budget.

He said the vehicle may have been provided by Sens. John H. Chafee (R-R.I.) and Christopher S. Bond (R-Mo.) when they introduced the "Highway Trust Fund Integrity Act of 1997," which would put the trust fund in a special budget category.

Under the Chafee-Bond bill, all of the previous year's federal gasoline tax receipts would have to be spent fully. The trust fund itself would continue to be counted as a part of the unified federal budget, although it would become "budget neutral" with outflow equaling income every year.

What difference would that make? In political terms, it could become a fig leaf that allows legislators to say they won the philosophical battle but still provide more money to their states for highways.

Transportation spending is a hot topic this year because expiring highway/transit legislation must be reauthorized for another six years, and several bills have been introduced that would result in higher spending.

"People tell me they [Chafee and Bond] offered the bill because they felt us breathing down their necks," Shuster said in an interview. "I'll take it any way I can get it."

In practical terms, a compromise em-

bodying the principles of the Chafee-Bond bill would have one major drawback: Depending on how it is structured, it could raise the deficit by \$2 billion to \$3 billion a year at a time when Congress and President Clinton are declaring themselves dedicated to balancing the budget.

Although the on-budget/off-budget argument is an arcane Washington issue, the end product is money.

With the trust fund counted as part of the overall federal budget (on budget), congressional appropriators have been forced to include trust fund spending under their maximum budget allocations. By spending a little less for highways, the appropriators can make a little more room for other functions such as aviation.

Technically, gas tax revenues will continue to flow into the fund and it will continue to grow, although most of that growth will come from interest accumulating on the balance in the fund. About \$22 billion a year flows into the fund, but on average less than \$20 billion a year has been spent.

If, however, the trust fund were off budget or in a special category as proposed by Chafee-Bond, the budget allocations apparently would be unaffected by how much of the trust fund was spent.

Shuster said that he will push for early House passage of a bill taking the fund off budget, but "I'm quite willing to compromise" if the Senate passes some form of Chafee-Bond.

The next step must be to return to the trust fund the 4.3 cents per gallon of the gasoline tax now going to the Treasury for "deficit reduction," Shuster said. If that were done, he said, money would be available for more needed transportation projects—not just highways and transit.

Amtrak, politically popular but cash-starved, could have its much-desired half-penny per gallon of the gasoline tax. That would produce a dedicated fund of about \$700 million a year for capital spending for the passenger train network.

"I strongly support that [half-cent] for Amtrak, within the context of that money being available," he said.

If the 4.3 cents is not returned to the fund and some compromise is not reached on the on-budget/off-budget question, "I would just as strongly oppose the half-cent" for Amtrak, he said.

Shuster also said:

■ This is not the year to develop a new method, such as user fees, to fund the Federal Aviation Administration. He said he felt there was a chance to move this year on

FAA funding "until a couple of weeks ago" when the accounting firm Coopers & Lybrand issued a report saying the FAA has no idea how to quantify its costs and can't manage money.

Until some way is developed to accurately determine the cost of FAA's various services, "I would support a continuation of the present system," he said. FAA functions, including air traffic control, are now funded mostly from a 10 percent ticket tax on passengers and from the general fund.

■ One of his major goals this year will be to streamline the permit process for new highways and other transportation projects. The mass of environmental, historic preservation and other requirements must not be allowed to delay projects indefinitely, he said.

"Nobody wants to turn their backs on historic preservation or the environment, but we've got to find a way to streamline this process," he said.

Highway blueprint stirs hopes, doubts

BY TOM CONNORS

JOURNAL OF COMMERCE STAFF

1A 3/19

WASHINGTON — The road to a national highway system that will speed the movement of international trade, a major goal of President Clinton's new highway spending plan, still stretches miles into the future.

Manufacturers, transportation companies and ports welcomed the increased emphasis on trade and freight hauling in the six-year, \$174.3 billion

highway blueprint proposed by Mr. Clinton last week.

But there was at least as much skepticism as hope over whether Mr. Clinton's plan will mean serious money for opening trade-related bottlenecks in the highway system. These include easing domestic traffic burdens that slow the movement of exports and imports and improving border crossings, port approaches and intermodal access.

The skepticism reflects in part concerns that Mr. Clinton's package offers too little new funding overall and not enough to meet those specific objectives, and that Congress will continue to limit annual highway spending as part of its effort to balance the federal budget.

Those concerns specifically extend to the president's proposal for a new initiative to improve congested border crossings and highways that carry heavy trade traffic.

Nafta provided impetus

Total U.S. trade with Canada and Mexico, a major focus of the initiative, grew from a combined \$240.6 billion in 1991 to \$419.8 billion in 1996, partly because of the 1993 North American Free Trade Agreement.

Border crossing projects would receive \$252 million of the \$270 million available under the trade initiative over the six years of the Clinton proposal.

That "will not be adequate to meet the needs, especially as we're presuming that the volume of freight will continue to grow significantly," said Ray Chamberlain, the American Trucking Associations' vice president for freight policy.

In annual terms, the border proposal would provide \$1.4 million in planning funds and \$40.6 million for pilot projects. It would authorize eight projects over the six years with at least two each on the Canadian and Mexican borders. No one project could receive more than \$40 million under this program.

That level of funding is still "chicken feed" relative to the scope of border backups, according to William D. Fay, president of the American Highway Users Alliance, which represents carriers, shippers and motorists.

The \$3 million a year the initiative would authorize for trade-congested highways would be strictly planning money; no funds are specifically earmarked for construction of new projects.

Typically, those projects do not involve new roads but rather widen existing routes, reduce curves and congestion areas and add connectors to other highways.

'Paper labels'

Many of those projects are linked to the 30 major roads designated as "congressional priority corridors" under the National Highway System. Without specific funding, those designations are "paper labels," according to Mr. Chamberlain of the trucking group, but he sees hope for some projects.

The main reason is the \$26.5 billion President Clinton has

Those who are skeptical see Mr. Clinton's package offering too little new funding overall and not enough to meet specific objectives.

recommended for National Highway System spending over the next six years — \$5.5 billion more than the expiring highway law would provide.

The combination of the additional money and the congressional tendency to earmark funding for specific "demonstration" highways in key lawmakers' home states could provide a big boost for some trade corridor projects, Mr. Chamberlain says.

"If there's a \$5.5 billion increase on the table for (National Highway System) mileage," he explained, some earmarking of funds for such projects is "more than likely."

Mr. Fay of the users' alliance thinks there is substantial need for, as well as congressional interest in, expansion of trade corridors from Pennsylvania northward to Canada, to Mexico from California, and from the Midwest through Texas.

But he is concerned that the level of funding the president proposed also will be "wholly inadequate."

Bob Voltmann, director of policy for the National Industrial Traffic League, said his preliminary look at the president's program seems to indicate that government highway planners will "pay more attention to freight. We've been calling for that for three years, so we're happy with that."

CONTINUED ON NEXT PAGE

FROM PRECEDING PAGE

Port, rail officials happy

Railroad and port officials, meanwhile, praised the president's recommendation to relax funding eligibility standards for projects involving port approaches and access to intermodal terminals so they can now better compete for National Highway System money.

Paul Oakley, the Association of American Railroads' executive director for policy, legislation and economics, said the proposals would help correct a basic shortcoming of the existing highway system: the absence of links to facilities like intermodal terminals, seaports and airports.

"To make the leap from the NHS system to that facility, you frequently (have) had to travel on little local streets (in) residential neighborhoods, two lanes and parking on both sides. Trying to get 18-wheel trucks through those is not a very pleasant experience either for the trucker or for the people that live there," he said.

The president's proposal does not include specific dollar amounts for financing such projects, but it helps level the playing field in the competition for funding, according to Jean Godwin, senior vice president of the American Association of Port Authorities.

While past legislation has favored other highway spending, ranging from mass transit to scenic uses, the Clinton proposal "brings us closer to the ability to compete... It's a great start," she said.



Truckers slam Clinton proposal to take the 'free' out of freeway

3/19/16

BY CHRIS ISIDORE
 JOURNAL OF COMMERCE STAFF

ORLANDO, Fla. — President Clinton's proposed highway program is already taking a toll on many of the nation's leading trucking companies.

The administration's proposal to allow tolls on interstate freeways was one of the hottest topics of discussion at the Interstate Truckload Carriers Conference' annual meeting.

Representatives of trucking companies that move trailer loads of freight directly from origin to destination vowed to make defeating the proposal one of their key objectives in the coming year.

"We know Clinton's vision is a toll bridge to the future," said Don Orr, president of Roberson Inc., of Champaign, Ill., and the ITCC's outgoing chairman.

Truckers argue that fuel taxes were used to build those highways and continue to cover the cost of maintaining them. The heads of the nation's leading trucking groups believe the public will also rebel against the proposal, but the money at stake has them worked up.

"I think in some areas like Pennsylvania it's a real threat," said Lana Batts, ITCC president, referring to the proposal to put tolls on Interstate 80 through the state. "If we don't treat it

like a real threat, it will happen. It strikes at the very heart of this industry."

Thomas Donohue, president of the American Trucking Associations, also expressed his dismay at the toll plan.

Truckers were concerned about continued downward pressure on rates, despite general agreement that freight levels are stronger than last year. While some carriers say they are seeing a better mix of freight, and they're able to pass on some less attractive cargo, few are trying for or receiving rate increases.

"I think there will be a lot of freight, but I think it'll be a challenge on pricing," said Herb Schmidt, senior vice president of operations at Contract Freighters Inc. in Joplin, Mo.

Some carriers blame third-party logistics providers for forcing down rates.

"We're seeing some of the turmoil we went through during deregulation," said Daniel E. England, chief executive of C.R. England and Sons Inc., a Salt Lake City refrigerated carrier. He points to shippers who are giving their business to a large group of carriers in order to get the lowest price. Sometimes the carriers are unfamiliar with the costs of moving that freight.

"There's very few carriers who have obtained that level of

sophistication to be able to price in an informed manner," said Mr. England. He related instances of customers using what is referred to as a "mega-bids" to force the price down, including one shipper who used to be his largest account and who left for lower prices after going to a third-party logistics provider.

Some carriers say they are having better luck winning rate increases.

"We're seeing rates go up 4% to 5%," said Max Fuller, co-chairman of U.S. Xpress, one of the industry's current profit leaders. He said some of the rate increases are replacing fuel surcharges imposed last year.

Mr. Orr was able to win a rate increase from most of his customers of about 3 cents a mile. He attributed that to his niche of the market, which is flatbed and specialized cargo.

He is passing it onto his drivers with 10% pay increases.

Despite concerns about attracting and retaining qualified drivers, none of the carriers seems ready to follow J.B. Hunt Transport Services, which increased driver pay an average of 33%.

Mr. Orr said a difference in equipment is stopping him from losing drivers to Hunt, but that he was following similar pay raises at other companies.



StarTribune Editorial

NEXTEA

The issue is transportation policy

President Clinton's proposed \$175 billion transportation plan might seem at first glance a step backward from the nation's movement toward a more energy- and development-efficient national transportation policy. Yet its proposed 30 percent increase in federal dollars for major highways and no money at all for subsidizing mass transit operations actually add up to a resounding reconfirmation of that policy improvement.

Hank Dittmar of the Surface Transportation Policy project calls Clinton's plan "a sound proposal . . . that will strengthen the economy, protect the environment and . . . make all our communities more livable." A spokesman for the American Public Transit Association tells the New York Times that his organization is "pleased with the overall direction of the president."

Clearly there's more here than meets the initially raised eyebrow. For one thing, the new highway money would mainly be spent in the most cost-efficient way: on maintaining and preserving the existing road system rather than on new construction. For another, the plan's flexibility would allow state and local governments to use more of the federal transportation aid they receive for transit and other nonhighway purposes.

The six-year plan, in other words, is specifically designed to further the policy reforms incorporated into 1991's landmark ISTEA (for Intermodal Surface Transportation Efficiency Act). The linkage is symbolized by the new

plan's rather contrived title of National Economic Crossroads Transportation Efficiency Act (NEXTEA).

Unfortunately the plan now goes to a Congress whose members seem far less interested in sound transportation policy than in grabbing as much of the money as possible for their districts. Thus a huge and bitter argument is building up on Capitol Hill over whether the money (mostly federal gas tax revenues) should be apportioned to the states according to where it was raised or according to mileage and need.

The whole idea of a national transportation system, however, argues against simply giving the money back to the states in proportion to what they contributed. If that's how it's to be done, then what's the point of having a federal gas tax? Why not just let the states raise all the money they need through their own gas taxes? And then let them spend it where and how they want?

Actually, that idea has some serious proponents. But the ISTEA/NEXTEA approach makes better sense.

It's a way to give states greater freedom in how they spend their transportation dollars while at the same time assuring an overall interstate system that can serve the transportation needs of a vigorous and expanding national economy. As Dittmar points out, Congress needs to keep in mind that a lot more is at stake in the debate over transportation funding than just squabbles between states over federal dollars.

Clinton Proposes \$175 Billion Road Bill

Virginia, Maryland Leaders Call Funds for Wilson Bridge Inadequate

By Don Phillips and Alice Reid
3/13 Washington Post Staff Writers A4

The Clinton administration yesterday proposed a six-year \$175 billion bill to improve the nation's highways, bridges and mass transit, including the Woodrow Wilson Bridge over the Potomac River.

"This bill will literally be our bridge to the 21st century," President Clinton said.

But the governors of Virginia and Maryland immediately branded the \$400 million contribution to help replace the Wilson Bridge as inadequate. Their reaction typifies the administration's major problem as Congress rewrites the country's basic surface transportation legislation this year: a growing movement on Capitol Hill and in the states to step up spending for transportation infrastructure.

The legislation affects the lives of almost every voter in basic ways, from pothole repair to bridge construction. Tiny changes in funding formulas can make the difference in almost every lawmaker's pet project. Major battles lie ahead over how to distribute the money to individual states, as do fights between highway builders and environmentalists.

The administration's bill would allow states greater flexibility in spending federal dollars—excluding Amtrak passenger trains and intercity buses for the first time—and would spend 30 percent more than the last six-year bill to mitigate air pollution and congestion. Funding also would be increased for bike paths, pedestrian walkways and other "transportation enhancements" that have been denied by highway builders.

Hank Dittmar, executive director of the Surface Transportation Policy Project, said he was "basically" pleased with the bill, and said that by boosting funding for the Congestion Mitigation and Air Quality Improvement Program, "they're putting some money where their mouth is."

But a proposal to allow states to impose tolls on existing interstate highways, which Transportation Secretary Rodney E. Slater called "a minor suggestion," drew fire. States may charge tolls on interstate bridges and tunnels, but may not impose new tolls on highways.

The American Automobile Associ-

ation said it was "unalterably opposed" to interstate tolls. "The public has already paid for these roads through the 18.3 cents-per-gallon federal gas tax," said James L. Kolstad, AAA vice president for public and government relations. "Adding tolls is double taxation clear and simple."

After six years, the bill also has a new name. The 1991 bill was called "iced tea," for the Intermodal Surface Transportation Efficiency Act

"It is now fundamentally unfair that the hard-working taxpayers of this region should be penalized."

—Virginia Gov. George Allen

(ISTEA). The new bill is called "next tea" for the National Economic Crossroads Transportation Efficiency Act (NECTEA).

The bill represents an 11 percent increase over the ISTEA bill, with more money for both highway and transit funding. Within that amount are winners and losers. All high-speed rail and ferry boat subsidies are eliminated, as are all highway "demonstration projects," many of which are likely to be reinserted by Congress.

The big winner is the 13-state Appalachian Highways program, a pet project of veteran Sen. Robert C. Byrd (D-W.Va.).

Appalachian highways and the Woodrow Wilson Bridge are the only two specific highway projects earmarked in the bill. The Wilson Bridge runs from Alexandria to Prince George's County and is the only interstate bridge owned 100 percent by the federal government.

Virginia Gov. George Allen (R) said that if the bridge had been owned by either Virginia or Maryland, it would have been replaced in the early 1980s with 90 percent federal funds, rather than less than a third of the cost of its proposed replacement. "It is now fundamentally unfair that the hard-working taxpay-

ers of this region should be penalized because the federal government refused to pay for the upkeep of its deteriorating property," he said.

Maryland Gov. Parris N. Glendening (D) said the bridge "is not a state project. It is a national responsibility," and said he would work with the Maryland delegation to get a "fair" share of funds.

Last fall, a regional panel chose a design for a 12-lane, 244-foot wide \$1.5 billion drawbridge to replace the six-lane bridge.

"Now that the administration has abdicated its responsibility, we will have to turn to Congress to fulfill the federal government's responsibility," said John G. Milliken, who heads the Washington Board of Trade's transportation panel. "This almost certainly guarantees the highest possible toll for our region's citizens."

Rep. James P. Moran Jr. (D-Va.), who wants to see the bridge design scaled back, said the funding proposal "means that we can have a bridge that is significantly wider than the American Legion Bridge, that can accommodate 10 lanes plus some extra space on each side—probably 150 feet of asphalt wide."

The bill also would:

- Impose a funding formula that would guarantee every state except Massachusetts at least 95 percent of its average funding over the last six years. Massachusetts would get less because it received unusually high fund distributions over the last six years for Boston's Central Artery Project.

- Create a \$600 million program to support transportation alternatives to allow people to work, including van pools and day-care centers at transit stations.

- Make "intelligent" transportation systems eligible for funding under all major program categories, and fund research on "smart vehicle" technologies to prevent crashes.

- Continue the moratorium on increases in the size and weight of trucks on major federal highways.

- Expand funding eligibility to include access to public freight facilities, ports and "intermodal" terminals, where truck trailers are placed aboard trains for long-haul trips.

- Increase funding for roads in national parks and forests, Indian reservations and other public lands.



U.S. DEPARTMENT OF TRANSPORTATION

THE NEW YORK TIMES NATIONAL THURSDAY, MARCH 11, 1997

Clinton Proposes Increases In Spending on Highways

By MATTHEW L. WALD

WASHINGTON, March 11 — The Clinton Administration today announced a six-year transportation plan that would sharply increase maintenance money for Interstates and other major highways.

The plan would also provide more money for enforcing truck safety laws and for arresting those driving under the influence of alcohol or drugs.

In addition, the President's proposal would provide \$600 million to help people on welfare get to work, including financing van pools, and increase spending on vehicle safety studies and on computerized "intelligent" road and vehicle systems to reduce traffic. It would eliminate Federal subsidies for mass transit operations, but increase the amount of money under the control of state and local governments.

Over all, the plan would authorize \$175 billion in spending, about \$17 billion more than the last six-year plan, which was approved by Congress in 1991. But actual spending under the old plan did not reach the authorized levels, and it is unclear whether Congress will fully fund this plan if it is adopted.

Like the plans of previous administrations, this one contains no "demonstration projects," or money earmarked for specific roads or bridges — but Congress has always added them.

"Today, we're taking the next big step to maintain and modernize our transportation system and to make sure it is the best in the world," said President Clinton, announcing the plan at the White House today.

Later at a news conference, Transportation Secretary Rodney E. Slater said that with the Interstate highway system complete "the great majority of the dollars will go to preserving the system that we have, and that could include some enhancement expenditures."

As calculated by the Administration, spending for maintenance of the Interstates and other major highways would increase by 30 percent but mass transit investments would be maintained at high levels.

Asked if this was a shift toward highways, Mr. Slater said the plan was "clearly about more than highways."

"We will continue a sustained record level of transit investment because of this bill," he said.

The proposal would also let the states charge tolls on Interstate highways. Mortimer L. Downey, the deputy secretary, called this "a minor suggestion."

"We do not believe that a lot of states will take advantage of the opportunity," Mr. Downey said. The Transportation Department would have no authority over the tolls charged, he said, but the courts have determined that the fees must be "just and reasonable."

The new plan, the National Economic Crossroads Transportation

Efficiency Act, would replace the the Intermodal Surface Transportation Efficiency Act of 1991, which allowed states more power to make spending choices, including those between highways and other transportation systems.

Dennis M. Kouba, a spokesman for the American Public Transit Association, offered this view of the new plan: "We're not completely happy with the transit authorization levels proposed, but at the same time, the flexible fund programs beneficial to transit are proposed to have a large increase in authorization."

In addition, he noted, the plan would let transit authorities use capital for repairs, the sort of flexibility he said highway departments had had for years. "We are pleased with the overall direction" of the President's proposal, he said.

The Administration's proposal comes as a major battle is developing in Congress over whether the highway financing system, largely financed by the gasoline tax, is a mechanism for unfair subsidies among the states. Officials in some Eastern states say they get back less

A transportation plan that would cut Federal subsidies for mass transit.

than 70 cents for each dollar they pay in taxes. And some Plains states say their roads are used mainly for long-haul transportation across their borders, for which residents should not have to pay.

The Administration's plan calls for a guarantee that each state will receive at least 90 percent of what it pays. It was not clear whether Congress would accept that compromise.

The authorization bills sometimes have an air of unreality, even as they are passed. Mr. Downey said that under the current plan authorization in the first five years was kept low because it came under an overall national budget plan passed earlier. But in the final year, which ends on Sept. 30, a larger amount of money was authorized for transportation — but the money was never appropriated at the higher level.

Under today's proposal, New York State would receive an average of \$1.159 billion, or 5.78 percent of the national pie, up from \$994.9 million or 5.47 percent; New Jersey \$78.4 million, or 2.88 percent, up from \$488.7 million, or 2.83 percent, and Connecticut \$373 million, or 1.87 percent. Connecticut's dollar amount would be higher than the previous \$340.5 million, but the percentage would decline from 1.97 percent.

Highway Bill's Amtrak Funds Upset Many

3/13 BY ASRA Q. NOMANI A3

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON — President Clinton's plan to pump more fuel-tax money into non-road spending such as funding for Amtrak is drawing protests from traditional road-lobbying interests such as the auto, oil and construction industries — as well as from Amtrak itself.

Mr. Clinton and Transportation Secretary Rodney Slater announced a sweeping, \$175 billion, six-year transportation bill yesterday in a briefing room packed with special-interest lobbyists who are gearing up to fight for a piece of the action. Congress and the White House periodically go through this exercise, earmarking transportation spending from the billions of dollars the federal government collects annually from fuel taxes and puts into the Highway Trust Fund. The administration plans to depart from past practice by allowing states to generate more money for transportation projects by charging tolls on existing federal highways.

This legislation represents the second phase of the 1991 Intermodal Surface Transportation Efficiency Act, or Istea, which expires Sept. 30. Administration officials call the new bill the National Economic Crossroads Transportation Efficiency Act, or Nextea.

Invoking the administration mantra, Mr. Clinton declared: "This bill will literally be our bridge to the 21st century." The administration said spending would increase 11% over the \$157 billion authorized in Istea, and that spending on "core" highway programs such as roadways and bridges would rise 30% to \$97 billion.

Critics contend the increase in spending on non-road projects actually means less spending on the country's roads. The administration didn't release the full bill, but issued a 13-page summary that was sometimes sparse on budgetary details.

Mr. Clinton announced the proposed legislation after White House officials became convinced it could be touted as a pro-environment initiative. It would authorize \$1.3 billion a year, or a 30% increase from current levels, for programs to reduce traffic congestion and improve air quality.

The administration is attempting to sell its plan as visionary. Spending on such nontraditional projects as bicycle paths, pedestrian walkways, highway landscaping and wildflower planting would grow 25% to \$3.5 billion. The plan also includes \$600 million over six years for intelligent

transportation technology to cut travel time and improve safety.

But in a move that is raising considerable concern, the administration for the first time proposed using a chunk of the highway trust-fund dollars — an estimated \$4

billion to \$5 billion over six years — on Amtrak, which long has been criticized as a money-loser that already receives too big a federal subsidy. The move to assist the railroad passenger service has caused consternation among groups trying to safeguard fuel-tax dollars for traditional transportation spending like roads and bridges.

The issue is likely to produce fireworks today, when Amtrak and administration officials testify at a Senate transportation subcommittee hearing. Republican Sen. John Warner of Virginia, chairman of the panel, said he opposed the plan "to siphon funds" from the highway trust fund. He wasn't alone. "You and I are driving cars. Why should we pay for Amtrak?" said GOP Rep. Jay Kim of California, a member of the House Transportation and Infrastructure Committee. Rep. Kim heads a group of California lawmakers pushing to secure more federal dollars for the state, which he says has little Amtrak service. "I've got a problem with that."

Amtrak officials yesterday indicated they would prefer to be left out of the legislation to avoid the dispute. Instead, Amtrak would like to receive a half-cent from a 4.3-cent-per-gallon additional tax on gasoline purchases; revenue from that tax goes to the Treasury to help finance all government operations. The administration opposes an allocation for Amtrak, as do Republican budget leaders.

Various corporate interests also lined up to oppose the proposal. Michael Toohey, director of federal government relations at Ashland Inc., a petroleum and construction company, said the administration has "lost its focus" from improving the nation's roads. Stephen Sandherr, executive vice president of the Associated General Contractors, which represents major construction companies, said, "This is more of an attempt by the federal government to get people to do what they don't want to do: give up their cars."

Ports and borders get road funds

3/B
BY TOM CONNORS B
JOURNAL OF COMMERCE STAFF

WASHINGTON — The \$174.3 billion highway program that President Clinton proposed Wednesday contains funding to help international trade shipments move within this country and to improve border crossings and access to ports.

The president said the six-year program, which would replace the expiring highway act, "will literally be our bridge to the 21st century," improving the nation's infrastructure and its environment.

The proposal will be a lightning rod for debate on both the new authority it would give states to charge tolls on existing highways, as well as for the more traditional legislative arguments over how highway funds should be allocated among the states.

Congressional consideration of the bill also will bring another battle over the restrictions on truck sizes and weights. The trucking industry "absolutely" will be looking for relief in this area, a spokesman said.

The Department of Transportation said the bill would aid movement of traffic destined for international trade by developing major trade corridors within the United States that would have reduced congestion and fewer bottlenecks.

The proposal is aimed in particular at the problems faced by north-south traffic, related to the North American Free Trade Agreement, in what is primarily an east-west interstate system.

As a result, Nafta traffic can find its way onto two- or four-lane roads.

The funding for such new corridors was not spelled out by DOT, but it said that the measure would provide \$270 million over the next six years for the new pilot program for border gateway crossings.

William D. Fay, president of the Highway Users Federation, which represents shipper, carrier and passenger interests, said the \$270 million amounts to "chicken feed" when compared with the amount of improvement needed.

The proposed new highway law, like the expiring act, apparently will not earmark money specifically for clearing up port area bottlenecks and providing access to intermodal terminals, one of the railroad industry's priorities.

But, while waiting on details from DOT, port sources said they were encouraged by the proposed changes in eligibility standards that would make port-related projects much more likely to get funding under long-standing sections of the highway program.

Mr. Fay of the highway users group said it will contest the new toll authority proposed for the states as a form of "double taxation" on highways that already have been paid for.

Similar opposition will come from the trucking industry.

While most transportation industry groups saved their formal reaction statements for Senate highway hearings opening today, Mr. Fay characterized the president's overall proposal as "highway robbery" for failing to live up to the president's own promises for increased highway funding.



No Tolls on the Interstates

One of the public's most legitimate gripes is the condition of the nation's highways. Motorists and truckers pay some \$31 billion a year in gas and highway taxes, but the money never seems to make it all the way through the pipeline from Washington. Now President Clinton wants to add chutzpah to the injury by allowing states to charge tolls on federal interstate highways.

Don't get us wrong: private toll roads using technology that eliminates the need for stopping have worked wonders in clearing up traffic congestion in places such as Southern California and the Washington, D.C., suburbs. But President Clinton's proposal hijacks a good idea in order to stiff states of Highway Trust Fund money they expected and divert it to subsidize Amtrak, the Washington Metro and freight rail. Richard Polanco, a Democratic state legislator in California, has a simple message for President Clinton: "Stop picking our pockets. We've already paid for these roads."

Whether they be public or private, it's clear the nation needs more highway investment. Rather than improve highway use by encouraging congestion pricing and legalizing private jitney bus services, environmentalists have tried for three decades to force commuters onto expensive fixed-rail systems. The result? Some 97% of all surface transportation is still over highways and three-quarters of commuters still drive to work alone over highways that are often

congested and pocked with potholes.

Washington, D.C., is a case study of the mess the anti-highway lobby has gotten us into. The Greater Washington Board of Trade released a study last month that reported that D.C.-area political leaders have dropped plans for some 1,500 miles of highways since 1961. Instead, they plunked \$10 billion into the 103-mile Washington Metro system in the incorrect belief that most commuters in the 1990s would travel from the suburbs to jobs in downtown Washington. "Without radical change, disaster looms," says John R. Tidings, president of the Greater Washington Board of Trade. He noted that current plans call for a 20% increase in highway capacity over the next quarter-century while traffic is likely to grow by 70%.

The Highway Trust Fund is up for renewal this year. The Feds should continue to set standards for safe highways, but ideally Congress should devolve both the responsibility for building and maintaining roads along with the revenue base to state officials. They are far more likely to experiment with modern road financing methods: 12 states have already passed laws authorizing private toll roads. One thing is certain: Washington has conclusively proven it can't get the highway job done. Only innovative thinking will ensure the roads we need will get built and maintained. So long as the administration insists on using the revenue to make a bad situation worse, we'll stick to our slogan: No tolls on the Interstate.

Maryland senate kills auto treadmill testing

By Eric Peters
THE WASHINGTON TIMES

Thanks to an 8-3 vote Tuesday by the state Senate in Annapolis, Maryland drivers won't have to submit their vehicles to the controversial treadmill emissions tests that had been scheduled to become mandatory beginning in June.

Had the reprieve not come, owners of 1984 and newer cars would have been forced to hand their keys over to a technician for a "road test" on a dynamometer.

Maryland drivers will continue to have the option of getting their vehicle's emissions tested by the less intrusive "tailpipe sniffer" method, where a probe is inserted into the exhaust pipe as the vehicle idles.

While proponents including

Gov. Parris N. Glendening had argued the treadmill tests were necessary to achieve the air pollution reductions mandated by the Clean Air Act, critics charged the tests were regularly overkill.

"I just don't see the need for this," said Sen. Richard Blumenthal, D-Bethesda.

Annapolis Delegate Martha Hume was another Maryland lawmaker who objected to the tests, arguing they represented an unwarranted intrusion on the rights of motorists.

According to Miss Klima, more than 60 vehicles have been damaged by the dyno testing equipment so far.

The bill Miss Klima introduced last fall to kill the dyno tests was defeated, but petitions subsequently signed by 130,000 Mary-

landers demanding the stricter tests be shelved — and a recent rally at the State House in Annapolis that drew several hundred protesters — turned the tide.

Maryland had to shelve dyno tests on at least two occasions following the outcry and technical difficulties with the equipment.

Mr. Glendening and legislative leaders agreed in 1995 and 1996 to delay the test, but later decided the state had "no option but to proceed" with the test in June.

Mr. Glendening and other proponents of the dyno tests say they are necessary to achieve compliance with the reductions in air pollution required by federal law and that — absent substantial reductions in automobile-generated pollution — Maryland will face loss of highway funds and other repercussions from Washington.

"We have very serious concerns about a voluntary program and what it would mean in a variety of different areas in the state," said Ray Feldmann, a spokesman for the governor.

USA Today 3/14 14A

Voices: What do you think of states setting up toll booths on interstates?

Interest groups quickly chose up sides for or against President Clinton's proposal to allow states to charge tolls on federal interstate highways. States could raise money for transportation projects, but that, says the American Automobile Association, would be double taxation of motorists. USA TODAY asked readers' opinions of interstate tolls.



Maria Fisher, 32
Educ. policy analyst
New York, N.Y.

I oppose the proposal because it's double taxation. If there is a federal highway tax on the gas we buy, why should we be taxed again with a toll fee? I'm not even sure that the money would go to drunk-driving programs and others they claim they would support.



Laura Wendell, 29
Nonprofit executive
Bahama, N.C.

Having been raised in New Jersey I think it's a good idea to allow states the option to set up toll booths if they feel it's necessary. In Jersey, the highways and bridges were in trouble and we had to have tolls. This measure should have passed long ago.



Stephen Gibson, 40
Principal
Randallstown, Md.

This is just another opportunity for the government to tax. There is always a reason to tax, and never a reason not to tax. If the American public knew how much tax money is being spent and what the government is doing with it, they would be shocked.



James Wilder, 64
Realtor
New Braunfels, Texas

It will certainly help Texas, because our highways are in bad shape. The freeways between Dallas, Austin and San Antonio are ridiculous. And we can't afford to raise other state taxes. I look forward to the proposal as long as it improves the highways in Texas.

Paying for highways

Congressional Republicans are heading toward a test of their resolve to reduce the government's role in the economy. Next week Sen. Connie Mack, R-Fla., and Rep. John Kasich, R-Ohio, will introduce bills that aim to turn most highway funding over to the states. While their plan may be quixotic — lawmakers of both parties love to dole out highway funds — it is also reasonable and ground-breaking. It deserves to be passed.

With more than \$175 billion at stake over the next six years, the reauthorization of the 1991 highway bill is the biggest non-defense discretionary spending measure this Congress will face. The expiration of the current highway program this October has set off a huge money scramble.

That's because of the peculiar way in which this country funnels money to highway projects. The money comes from federal fuel taxes paid at the pump. It is sent to Washington, which skims some funds off the top for administrative costs and pork-laden "demonstration" projects. The government then apportions the money back out to the states, giving some more than they paid in and others less. The government also attaches strings, such as Buy-America laws and beautification mandates, that add up to 20% in costs to state highway projects.

Most states come out losers in this money reshuffle. The net contributors have made their complaints known and called for reforms. Some lawmakers have responded by seeking a change in the formula, so that the complaining states get more money. Others, including the administration, have dug in their heels and insist on keeping the redistribution system the way it is.

But a few representatives, including Rep. Kasich, chairman of the House budget committee, and Sen. Mack, have raised a more fundamental question: Why, they ask, must the federal government be so deeply involved in highway funding, when most new projects today are regional and local? The original reason was to build the interstate highway system — a massive project for which central planning and funding were necessary, to ensure the road network reached every corner of the land. But now that the \$329 billion interstate network is in place, there is no further need for federal involvement, beyond maintaining existing roads.

Can Congress let go of the highway pork barrel?

Sen. Mack and Rep. Kasich provide for that need by preserving a 4-cent federal gasoline tax, down from the current 14 cents used for transportation. They also included provisions to ensure that sparsely populated but large states, such as Montana, are not frozen out of needed infrastructure projects because of lack of funds.

But beyond that, they would turn control over to state officials, who have a better grasp of regional and local needs and would be free of wasteful federal mandates. Those officials also are more accountable to the people who actually pay the bills — each region's highway users.

That proposal has armies of special interests worried. Advocates of spending for intermodal and port projects, for example, insist that only the feds will understand the need for their projects and find money to build them. They worry that states will not be able to see beyond their own borders and plan for the infrastructure needs of the nation as a whole.

This is plain poppycock. State officials have every incentive to build cost-effective, efficient infrastructure — roads, bridges, ports, intermodal yards and mass transit — that connects with regional and national networks. And if an economic case for such projects can be made, state officials are as likely as federal officials to fund them.

But giving them that power requires an act of courage in Congress. It means Republicans will have to honor their pledge to reduce the federal presence where it is not needed. It means, above all, letting go of a big pork barrel. If a Republican Congress can't do it, no one can.

1ST STORY of Level 1 printed in FULL format.

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Roanoke Times & World News

March 17, 1997, MONDAY, METRO EDITION

SECTION: EDITORIAL, Pg. A4

LENGTH: 400 words

HEADLINE: A START AT PAYING THE TOLL THAT ROADS TAKE

BODY:

Lifting a ban on interstate tolls is controversial, but less important than other parts of Clinton's transportation bill.

WE ARE we, facing the prospect of paying tolls to travel the interstates, a possibility raised by the Clinton administration's proposal to lift a ban on such tolls.

Not only do toll booths cause delays and create congestion; the philosophy offends. Mobile Americans are drawn to the open road. Use of the road is free, and why shouldn't it be? Motorists paid for it with their gasoline taxes.

In fact, however, fuel taxes do not approach the full cost to the nation of a transportation system so dependent on the automobile. Highway trust funds do not begin to cover automobile-related costs of pollution, suburban sprawl and the West's dependence on oil imports from unstable parts of the world.

Actually, the toll proposal is hardly central to Clinton's NEXTEA transportation bill. Tolls are proposed only as an option for states and localities. Virginia, state Transportation Secretary Robert Martinez says, doesn't plan to charge them.

More substantive parts of the bill include proposed authorization of \$ 175 billion in federal expenditures for surface-transportation programs from 1998 to 2003. (The formula by which the money is to be allocated is sure to be challenged in Congress by members from states, like Virginia, that say - with some justice - they're not getting their fair share.)

Not all the money would go into traditional road building and maintenance. Like ISTEA before it, the National Economic Crossroads Transportation Efficiency Act would set aside funding for innovative alternatives to ever more building, repairing and widening of roads. One such alternative is "smart-highway" technology, which might reduce the demand for more roads by increasing each road's capacity. The bill earmarks \$ 600 million for developing this technology.

Another \$ 600 million would be set aside for programs to help welfare recipients get to work, a difficulty created by suburban sprawl; \$ 1.3 billion a year to reduce air pollution; and millions more for preservation of wetlands and open spaces.

The rock-and-concrete lobby will argue that none of these should receive

federal highway funds. They are wrong. An excellent highway system has costly consequences. Those who reap the system's greatest benefits should help pay those costs.

LOAD-DATE: March 19, 1997

2ND STORY of Level 1 printed in FULL format.

Copyright 1997 The Detroit News, Inc.
The Detroit News

March 16, 1997, Sunday

SECTION: Editorial; Pg. Pg. B10

LENGTH: 1008 words

HEADLINE: Highway Robberies...

BODY:

Proposals for road maintenance are piling up almost as fast as the potholes these days. Oakland County Executive L. Brooks Patterson is talking about a referendum to raise road taxes. State Sen. Glenn Steil, R-Grand Rapids, wants to tap the state's rainy day fund for road improvements. And now President Clinton has presented an outline of his National Economic Crossroads Transportation Efficiency Act (NEXTEA), which would increase the amount of federal road tax dollars distributed to states by \$ 17 billion over the next six years.

The most immediate focus is on Washington. Gov. John Engler, among others, is gearing up for what could be a bloody battle in Congress over the division of the federal money. He believes that more federal road tax revenues should be returned to Michigan -- and he's right. Other proposals should be held in abeyance until this issue is settled.

The Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991 expires on October 1. This act, which President Clinton proposes to replace with NEXTEA, governs how federal diesel fuel, tire and gas tax revenues are distributed to states for transportation purposes. A key problem with ISTEA (pronounced "ice-tea" by the Beltway crowd) is its outdated distribution formula, which will probably be adopted with few changes in the proposed NEXTEA.

This formula rewards states that are large geographically -- a bias that made sense when the interstate highway system was being built and large states needed extensive new highways. With the interstates essentially complete, however, the formula does not reflect real highway needs, which result largely from wear and tear on the roads due to traffic loads.

One reasonable measure of the level of traffic in a state is the amount of federal gas and diesel fuel taxes collected there. Yet 21 states, including Michigan, typically receive far less from the federal government than the federal fuel tax revenues collected within their borders. Michigan's share is estimated at around 90 cents for every dollar in federal road revenue it generates. Gov. Engler and other "donor states" want to push this figure closer to a dollar returned for every dollar contributed.

Logically, of course, they should go the next step and reject federal revenue redistribution altogether. If the feds start to return funds to states on something like a dollar-for-dollar basis, why should they collect road taxes at all? In addition, the federal government's transportation policies contain a

host of perversities that hinder, rather than help, the national road system.

A recent study published by the Reason Foundation, a free-market think tank in California, points out that federal road funds must be spent by states in accordance with costly federal requirements, such as "Buy America" provisions, set-aside programs and "prevailing wage" mandates. Moreover, the feds have often delayed spending the road revenues they've received.

Factoring in these costs, the foundation estimates that 33 of the 50 states have not received as much as they would have if they had simply levied the road taxes themselves. Michigan, by this estimate, received between 56 and 63 cents for every dollar it would have raised through its own tax from 1956 to 1994.

This analysis doesn't even include an additional 4.3 cents per gallon federal gas tax, imposed in 1993, which Congress spends on general, non-transportation items. (Amazingly, this tax grab is considered "deficit-reduction.") Nor does it include ISTEA and NEXTEA requirements that states use a portion of their federal gas taxes to finance mass transit, alternative transportation programs (such as bike paths), and "enhancement projects" (such as roadside landscaping). The president has also recommended that a half-penny of federal gas taxes be allocated to the perennially dependent, quasi-governmental train company AMTRAK.

Ideally, Congress would jettison ISTEA and NEXTEA, eliminate most of its road taxes and let the states take over the supervision of roads. Unfortunately, a bill co-sponsored by Rep. John Kasich, R-Ohio, and Sen. Connie Mack, R-Fla., to remove most of the federal gas tax isn't gathering much support at the moment.

But there is substantial political clout behind sharing more revenue with the 21 "donor" states that receive a negative return on their federal road taxes. These states boast such electoral heavyweights as California, Texas, Florida, Michigan and Ohio, and major congressional players, such as Speaker of the House Newt Gingrich.

New dollars for donor states may come from several sources: re-writing the ISTEA distribution formula, immediately handing out the considerable accumulation of unspent federal road revenues, or -- as Rep. Joe Knollenberg, R-Bloomfield Township, proposes -- requiring that the 4.3-cent gas tax currently dedicated to "deficit reduction" be spent on roads. Each of these three could bring Michigan between \$ 148 and \$ 200 million this year. If Michigan received only \$ 200 million of this potential income -- Gov. Engler's targeted minimum -- the state would gain revenue equivalent to a 4.3-cent state gas tax hike.

Non-donor states will be interested in the last two proposals, which would raise their road funding as well. Despite this, some observers have expressed doubt that Gov. Engler can get more than an extra \$ 40 million to \$ 50 million from Congress. But Gov. Engler is right to push for federal and state reforms before considering a tax increase. Michigan's roads didn't get into this mess overnight. Their condition reflects decades of unwise federal policy, as well as Michigan's erstwhile infatuation with welfare spending at the expense of infrastructure.

If Congress can't bring itself to adopt NO-TEA, it should at least limit the damage by giving more money to donor states and letting the states determine how they will allocate federal road revenues. Anything less would represent the politics-as-usual this Congress is supposed to stand against.

3RD STORY of Level 1 printed in FULL format.

Copyright 1997 The Austin American-Statesman
Austin American-Statesman

March 15, 1997

SECTION: Editorial; Pg. K3

LENGTH: 383 words

HEADLINE: OpportunITEA is brewing in federal nomenclature

BYLINE: Mary Alice Davis

BODY:

ISTEA, we hardly knew ye.

No one could be in Austin long without encountering ISTEa. It was a Washington-insider kind of word, but somehow we understood that without learning it we'd never get our longed-for highway bypass built. ISTEa was the one hope for getting Austin out of rush-hour gridlock. So, we said the word with a certain tentative reverence, pronouncing it as two soft syllables, the way we do that beverage we drink so much of each hot Texas summer.

Transit innocents thought we were talking about a famous rap star or that shaved-head Mr. T from the television A Team. And even among those long fluent in transport lingo, few could recall what the acronym stood for. Intermodal Surface Transportation Efficiency Act of 1991 was ISTEa's real name, but who could remember? You just needed to know that when you ordered ISTEa it came with a serving of pork: big federal bucks for highways, roadways, urban railways, a few pedestrian walkways.

But now comes word that things are changing up in Washington. ISTEa expires in September, and the asphalt shifts beneath our feet. Southerners who think their states never got enough ISTEa have brewed up an alternative plan they call STEP 21 (Streamlined Transportation Efficiency Program for the 21st Century). Cute, but they really missed an opportunity by not shooting for STEEPTEa.

The Clinton administration's six-year successor bill is something called the National Economic Crossroads Transportation Efficiency Act. They're trying to cozy it up by dubbing it NEXTEa, apparently on the assumption that you might conceivably write National Economic X-roads. You really might, of course, if you're the kind of person who dots an i with a little circle. Or if you're one of those acronym anarchists over at the local DOT -- the ISTEa experts at the Texas Department of Transportation whocome our way. But we've got some suggestions for the acronym thing. TEa's fine. But how about making things plainer with HERBTEa (Highways, Expressways, Roadways and Bridges)? Or telling it like it is with COOLTEa (Comprehensive Overhaul of Old Law)? Or making us and the Texas delegation the happiest folks around with some HOTTEa. That's Highways of Texas, Mr. President.

Davis is an American-Statesman editorial writer.

4TH STORY of Level 1 printed in FULL format.

Copyright 1997 Star Tribune
Star Tribune

March 15, 1997, Metro Edition

SECTION: News; Pg. 13A

LENGTH: 485 words

HEADLINE: NEXTEA;

The issue is transportation policy

BODY:

President Clinton's proposed \$ 175 billion transportation plan might seem at first glance a step backward from the nation's movement toward a more energy- and development-efficient national transportation policy. Yet its proposed 30 percent increase in federal dollars for major highways and no money at all for subsidizing mass transit operations actually add up to a resounding reconfirmation of that policy improvement.

Hank Dittmar of the Surface Transportation Policy project calls Clinton's plan "a sound proposal . . . that will strengthen the economy, protect the environment and . . . make all our communities more livable." A spokesman for the American Public Transit Association tells the New York Times that his organization is "pleased with the overall direction of the president."

Clearly there's more here than meets the initially raised eyebrow. For one thing, the new highway money would mainly be spent in the most cost-efficient way: on maintaining and preserving the existing road system rather than on new construction. For another, the plan's flexibility would allow state and local governments to use more of the federal transportation aid they receive for transit and other nonhighway purposes.

The six-year plan, in other words, is specifically designed to further the policy reforms incorporated into 1991's landmark ISTEA (for Intermodal Surface Transportation Efficiency Act). The linkage is symbolized by the new plan's rather contrived title of National Economic Crossroads Transportation Efficiency Act (NEXTEA).

Unfortunately the plan now goes to a Congress whose members seem far less interested in sound transportation policy than in grabbing as much of the money as possible for their districts. Thus a huge and bitter argument is building up on Capitol Hill over whether the money (mostly federal gas tax revenues) should be apportioned to the states according to where it was raised or according to mileage and need.

The whole idea of a national transportation system, however, argues against simply giving the money back to the states in proportion to what they contributed. If that's how it's to be done, then what's the point of having a federal gas tax? Why not just let the states raise all the money they need through their own gas taxes? And then let them spend it where and how they want?

Actually, that idea has some serious proponents. But the ISTEA-NEXTEA approach makes better sense.

It's a way to give states greater freedom in how they spend their transportation dollars while at the same time assuring an overall interstate system that can serve the transportation needs of a vigorous and expanding national economy. As Dittmar points out, Congress needs to keep in mind that a lot more is at stake in the debate over transportation funding than just squabbles between states over federal dollars.

LANGUAGE: ENGLISH

LOAD-DATE: March 18, 1997

3RD STORY of Level 1 printed in FULL format.

Copyright 1997 Southeastern Newspapers Corporation
The Commercial Appeal (Memphis, TN)

March 14, 1997, FRIDAY, FINAL EDITION

SECTION: VIEWPOINT, Pg. A6

LENGTH: 646 words

HEADLINE: TOLL ROADS;
HIGHWAY PLAN REVIVES ISSUE FOR TENNESSEE

BODY:

IF PRESIDENT Clinton's transportation plan wins approval, Tennesseans will wrestle with a controversial idea: tolls on the interstates.

Although discussion has barely started, the idea has merit.

Toll revenue could help Tennessee pay for new roads, maintain old ones and test solutions for future transportation needs. It would be a hard sell, of course. Tennesseans aren't used to tolls. They might decide that the expense and inconvenience would be outrageous. But the potential benefits make it an issue worth a full, statewide debate.

One use of toll revenue might be Tennessee's share of financing Interstate 69, the proposed "Mid-Continent Highway" between Canada and Mexico. Memphis would be in the middle of that route, which also would go through Kentucky, Arkansas, Mississippi, Louisiana and Texas. I-69 would have a major economic impact on the areas it passed through, as well as on overall trade.

Clinton's proposals, which he called "the next big step to maintain and modernize our transportation system," have other items far more controversial than toll roads. In fact, Transportation Secretary Rodney Slater said that the administration doubted many states would "take advantage of the . . . (toll) opportunity," which is merely permissive.

Among the controversies are likely to be these:

-- Spending up to \$ 5 billion over six years on Amtrak, which has long been criticized for running up debt. Other special-interest lobbyists, including the trucking industry, want fuel-tax dollars spent on roads and bridges, not railroad passenger service.

-- A new formula for returning tax dollars to the states. From 1992 through 1995, Tennessee received only 78 cents back on the dollar. Some New England states have complained bitterly that they have gotten back less than 70 cents. Clinton proposes to guarantee that each state get at least 90 percent of its tax payments. States that expect funding cuts will fight the formula.

-- Overall, the six-year plan would spend \$ 175 billion, or \$ 17 billion more than the last six-year plan. It would increase funding for maintenance, truck safety and crackdowns on driving under the influence of drugs and alcohol. It

would help people on welfare get to work and, in a move that could hurt those same people, eliminate federal subsidies for mass transit operations. State and local governments, however, would have more discretionary spending for mass transit or other transportation purposes.

Tennessee and most other Southern states want the tax formula to be changed so that they receive at least 95 percent of all the gasoline taxes and other highway user fees they collect. That formula is called "Step 21." Tennessee officials still have reason to object to Clinton's proposal because it hardly puts right a history of unfair funding.

But permission to put toll booths on the interstates, while not one of the primary recommendations in the President's plan, could turn into a major issue for some states.

James Lewis, a spokesman for the American Trucking Association, already has jumped on the toll idea. "We think it's a travesty to rent highways that citizens have already paid for," he said. Other critics will raise the specter of huge traffic jams as cars and trucks line up at toll booths.

Tolls aren't rents. They can pay for necessary transportation projects, including maintenance, which only begins when construction ends. They also can help pay for economic growth, such as new roads that give business and industry access to small towns and rural areas. Where tolls are common - Massachusetts, New York, Pennsylvania and Florida, for instance - people have learned to live with them.

Tennessee has considered tolls before as part of an aggressive highway construction and economic development program. The time wasn't right then. It may be now.

NOTES:
editorial

LOAD-DATE: March 15, 1997

4TH STORY of Level 1 printed in FULL format.

Copyright 1997 DR Partners d/b/a Las Vegas Review-Journal
Las Vegas Review-Journal (Las Vegas, NV)

March 14, 1997 Friday, FINAL EDITION

SECTION: B; Pg. 14B

LENGTH: 299 words /editorial

HEADLINE: Return of the toll booth

BODY:

n Washington has a new funding plan.

Apparently, Bill Clinton has come up with a new growth industry into which to shift some of America's former welfare recipients: toll booths.

The president's new transportation bill _ unveiled at a Washington press conference Wednesday _ would increase overall spending on surface transportation by 11 percent, and highway spending by 30 percent. (Ah, the rigors of 'down-sizing.')

All this new spending 'will create tens of millions of jobs for our people and help move people from welfare to work,' the president said.

But since state officials squawked about how they are to fund the new 'highway package' (it actually spends a great deal on 'air quality' and Amtrak subsidies) the plan would allow states to charge tolls on interstate highways.

Previously, tolls have been allowed only on those interstates built entirely with state moneys prior to 1956.

Transportation Secretary Rodney Slater immediately started backing off the proposal, assuring his audience 'We do not believe a lot of states will take advantage of it.'

But in fact, tolls are a sensible way to make sure that highway maintenance costs are paid by those who actually use the roads. Tolls also constitute a useful device to encourage private firms to build and operate highways.

Another useful by-product of highway tolls _ though we doubt it's what Messrs. Clinton and Slater have in mind _ would be a reduced ability of the federal government to blackmail the states by 'withholding highway funds.'

Only one part of the equation is missing. If highway maintenance costs are to be increasingly covered by tolls, when will Secretary Slater announce the planned repeal of the federal excise taxes on tires, gasoline, and other products which used to fund that service?

LANGUAGE: ENGLISH

LOAD-DATE: March 17, 1997

1ST STORY of Level 1 printed in FULL format.

Copyright 1997 Plain Dealer Publishing Co.
The Plain Dealer

March 18, 1997 Tuesday, FINAL / ALL

SECTION: NATIONAL; Pg. 1A

LENGTH: 453 words

HEADLINE: OHIO OFFICIALS OPPOSE TOLLS FOR INTERSTATES

BYLINE: By MICHAEL K. MCINTYRE; PLAIN DEALER REPORTER

BODY:

State officials say Ohio will not charge drivers a toll to use interstate highways, even if President Clinton's plan to allow it wins approval in Congress.

Drivers already pay for Ohio's highways through state and federal gasoline taxes, said Pieter Wykoff, spokesman for the Ohio Department of Transportation.

Even though ODOT has said the state is running out of highway money and will not be able to fund new construction projects after 2001, Wykoff said the toll idea would not be considered.

Mike Dawson, spokesman for Gov. George V. Voinovich, said turning existing interstates into toll roads would be unfair to motorists who have paid state and federal taxes on their gasoline to build and maintain roads and highways.

"Ohioans have paid more than their fair share for the interstate system," Dawson said. "They've paid for that interstate system many times over."

Ohioans pay a tax of 22 cents per gallon of gasoline to the state and 18.4 cents per gallon to the federal government.

Clinton suggested in his six-year, \$175 billion highway and mass transit bill last week that states be allowed to charge tolls on existing interstate highways to help pay for construction and upkeep. The current highway bill expires in September.

State and local governments now are allowed to charge tolls on interstate bridges and tunnels, but not on highways that were 90 percent paid for with federal funds. Authorities may charge tolls on highways such as the Ohio Turnpike that were built with state funds before the interstate network was created in the mid-1950s.

Wykoff said that instead of expanding states' authority to collect tolls, Clinton should let states use more of the money their residents pay in gas taxes for highway projects.

About \$1 billion a year in federal gas taxes is sent to Washington from Ohio, Wykoff said. About \$640 million is sent back for highway projects, "with strings

and red tape attached," he said. Another \$70 million goes for mass transit projects in the state.

Much of the rest, Wykoff said, is earmarked for other transportation projects. While 4.3 cents of the federal tax is designated for deficit reduction, it actually is used for general governmental costs, said Ted Hollingsworth of Ohio's Washington, D.C., office.

Dawson criticized the federal government for "continuing to take out an exorbitant handling fee." Voinovich supports eliminating most of the federal government's role in building and maintaining highways.

Dawson said the federal government's use of the states' money, not raising tolls, should be addressed.

"We don't get back nearly what we contribute to the federal government," Dawson said. "We want more of Ohioans' money back."

LANGUAGE: ENGLISH

LOAD-DATE: March 19, 1997

1ST STORY of Level 1 printed in FULL format.

Copyright 1997 Plain Dealer Publishing Co.
The Plain Dealer

March 18, 1997 Tuesday, FINAL / ALL

SECTION: NATIONAL; Pg. 1A

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LANGUAGE: ENGLISH

LOAD-DATE: March 19, 1997

2ND STORY of Level 1 printed in FULL format.

Copyright 1997 Anchorage Daily News
Anchorage Daily News

March 17, 1997, Monday, FINAL EDITION

SECTION: METRO, Pg. 13

LENGTH: 521 words

HEADLINE: LAWMAKERS BLAST CLINTON ON ROAD PLAN;
NEW PROPOSAL WOULD LOWER FEDERAL FUNDING FOR ALASKA

BYLINE: Phil Stewart; States News Service

DATELINE: Washington

BODY:

Alaska lawmakers charged last week that a Clinton administration highway funding proposal would shortchange the state out of vital funds necessary to build and maintain roads.

Their gripe: Under Clinton's latest plan, Alaska would receive a lower percentage of the nation's federal highway funds than under the current system -- dropping to 1.17 percent from 1.23 percent.

Sens. Frank Murkowski and Ted Stevens argued that the change would leave America's biggest state without enough funding to modernize its highway system.

"We haven't seen the full details of the president's proposal, but it clearly doesn't take Alaska's unique situation seriously," Murkowski said. "Alaska's percentage of federal aid should not be reduced, at least until our roads are brought up to the minimum levels enjoyed by other states."

Clinton, in an attempt to soothe bitter infighting over highway funds on Capitol Hill, has proposed boosting federal highway assistance by 11 percent to \$ 175 billion. Administration officials say Alaska would receive an additional \$ 22 million per year under the president's plan.

But Stevens contends that inflation may wipe out any funding increase during the six-year period covered by Clinton's "NEXTEA" proposal, as the bill is called, which spans from 1998 to 2003.

Further, he argued, Clinton still hasn't illustrated how he would pay for the funding increase and keep his promise to achieve a balanced budget.

"I am concerned from a national perspective that the president has increased the NEXTEA (funds) . . . without identifying what cuts will be made in other programs," said Stevens, chairman of the powerful Senate Appropriations Committee.

Currently, Alaska benefits from a long-standing federal policy that factors in the huge tracts of federal land now encompassing 66 percent of the state.

Under the new proposal, that formula would be eliminated, and Alaska highway funds could be allocated solely by congressional decree.

"Another problem is the way we're getting the money," said Clyd Stolfus, a spokesman for the Alaska Department of Transportation. "The danger is that in the future Alaska won't have a sound basis for the funding, and that leaves us vulnerable."

Moreover, Murkowski charged that Clinton's proposal would benefit mainly states along the East Coast -- such as New York, New Jersey and Delaware -- which would receive a bigger percentage of federal highway funds under the Clinton proposal.

"It is unjust to penalize a state like Alaska, which has huge distances, high construction and maintenance costs, and which has not finished establishing its basic transportation system, in the interest of slanting money to areas where the interstate highway system clearly is finished," Murkowski said.

Still, the Clinton budget is only the first parry in what will likely be a bitter and protracted battle for federal transportation funds. And the Alaska lawmakers say they are determined to win the war.

"I will be looking at (Clinton's proposal) very closely as we move through the NEXTEA debate this year," Stevens said.

LANGUAGE: ENGLISH

LOAD-DATE: March 18, 1997

5TH STORY of Level 1 printed in FULL format.

Copyright 1997 Sun-Sentinel Company
Sun-Sentinel (Fort Lauderdale, FL)

March 17, 1997, Monday, PALM BEACH EDITION

SECTION: EDITORIAL, Pg. 1A

LENGTH: 455 words

HEADLINE: UNFAIR DISTRIBUTION OF FUEL TAXES, MORE TOLLS MAKE UNPALATABLE BREW

BODY:

Since 1991, the federal government's transportation policy has been known by the acronym ISTEA (pronounced "ice tea") for Intermodal Surface Transportation Efficiency Act.

Now the Clinton administration has brewed up a new, substitute six-year plan that is likely to become known as NECTEA (for National Economic Crossroads Transportation Efficiency Act).

By either label, the recipe promises to be a bitter potion for Florida taxpayers to swallow.

Even though Florida is now the fourth-largest state in population and is currently growing faster than all but two other states, it ranks a lowly 45th in terms of the return it receives on the federal fuel taxes it pays.

This has been a sore subject among elected officials and transportation administrators for years, and Clinton's new proposal appears to make the situation even worse.

Under the NECTEA formula, Florida's share of highway-construction spending would probably increase over its current annual allocation, but the total would constitute an even smaller percentage (down from 4.25 percent to 4.08 percent) of the resliced national pie.

That prospect is less than appealing to Sen. Bob Graham, among other growth-state lawmakers. Graham has been campaigning to obtain a fairer share of gas-tax revenues for Florida and other so-called "donor" states. Graham has filed a bill to guarantee that every state will get back a minimum of 95 cents in federal highway aid for every dollar its motorists pay in gasoline taxes, instead of the 70 cents or less they currently receive.

Administration spokesmen say the NECTEA formula would repay each state at least 90 percent of its contribution.

There is something else in NECTEA for Floridians to find extremely distasteful. The six-year, \$ 175 billion national blueprint for road and rapid-transit construction also would permit states to begin charging tolls on interstate highways to finance maintenance and repairs to the system's roads and bridges.

Spokesmen for the American Automobile Association, tourism industry and trucking lobby have expressed their justifiable opposition to a scheme that would amount to double taxation for Florida residents, visitors and businesses.

Public-transit advocates are unhappy that the plan would eliminate current subsidies for mass-transportation operations as a tradeoff for giving state and local governments more control over federal funds.

On its face, the Clinton plan appears to continue the unequal funding of the past while offering the shortchanged states only a dubious "user fee" (translation: new tax) to make up the difference.

Congress should keep its focus on the fairness issue when it gets around to stirring the NECTEA pot.

LOAD-DATE: March 17, 1997

8TH STORY of Level 1 printed in FULL format.

Copyright 1997 Bergen Record Corp.
The Record

March 16, 1997; SUNDAY; ALL EDITIONS

SECTION: NEWS; Pg. A01

LENGTH: 1947 words

HEADLINE: N.J. ROAD FUNDS TARGETED ;
DOLLAR DETOUR
BRIDGE, HIGHWAY PROJECTS IN JEOPARDY

BYLINE: ADAM PIORE, Washington Correspondent

BODY:

Oakland's Doty Road bridge hasn't been replaced in more than 70 years. Route 21 ends in the middle of downtown Passaic. Traffic along Route 80 often crawls to a stop.

Those are just a few of the traffic problems New Jersey hopes to tackle in the next six years. The money would flow largely from a massive six-year, \$ 175 billion transportation spending plan announced last week by President Clinton.

But newly ascendant Southern and Western lawmakers who control the Republican Congress have given the president's plan a cool reception.

They have plans of their own: They want to rewrite the current law to channel billions of dollars away from states such as New Jersey and into their regions.

State officials say the congressional plans, two proposals are being debated in the House, would cost New Jersey anywhere from \$ 36 million to \$ 400 million a year in federal highway and transit funds.

"The stakes don't get much higher than this," said Sen. Frank R. Lautenberg, D-N.J., a key player in the congressional fight.

Such a steep cut in federal funding could force New Jersey to raise the state's 10.5-cent-per-gallon gasoline tax or significantly slow down highway and bridge replacement projects across the state, officials say.

In North Jersey, that could affect bridge replacements in Lodi and Oakland; highway projects along Routes 4 and 17, and Route 21; and a proposed rail line along Route 80 in Bergen County.

"This really is a life-or-death issue," state Transportation Commissioner John Haley said.

Six years ago, New Jersey was in the driver's seat. Robert Roe, the veteran Democratic congressman from Wayne, was the powerful chairman of

the House Transportation and Public Works Committee. He authored the current transportation law, which steered billions of dollars to his state, an average of \$ 869 million a year.

The money, for example, allowed the state to begin work on the Urban Core, a mix of rail projects in the meadowlands designed to speed the commute into New York City. The state also earmarked money to begin engineering and preliminary work on finally uncorking the bottleneck at the Routes 4 and 17 interchange in Paramus.

"Roe was in a position to dominate and influence the selection process," said Chet Mattson, director of planning and economic development for Bergen County.

But now it's pay-back time.

Roe is retired. The law he wrote is set to expire in October. And Republicans control Congress, chiefly Southern and Western Republicans who feel their regions have been slighted in past years.

Two plans are losers for N.J.

The congressional proposals, known as "Step 21" and "devolution", would shift money away from New Jersey in a variety of ways.

The worst-case scenario is the devolution proposal, pushed by Rep.

John Kasich, R-Ohio, and Sen. Connie Mack, R-Fla. It would simply eliminate 12 cents of the federal gas tax for transportation and let the states raise and spend their own money. That would hit New Jersey especially hard, since the state currently gets back \$ 1.13 in highway funds for every \$ 1 in gas taxes it sends to Washington. The state gets back \$ 4.69 in mass transit funds for every \$ 1 it sends.

By contrast, many Southern and Western states get less than 90 cents back on the dollar. One of the reasons is that the funding formulas are based on the 1980 U.S. Census, ignoring the population gains in those states since then.

The devolution plan would cost New Jersey \$ 400 million a year, which is how much more the state receives in transportation funding than it pays in federal gas taxes. Stanley Rosenblum, an assistant commissioner in the state Department of Transportation, estimates New Jersey would have to hike the state gas tax by 22 cents per gallon to make up for such a loss of federal funds, although about half of the tax hike would be offset by a cut in the federal gas tax.

The proposal that seems to have the most support in Congress is Step 21, which also aims to restore funds to states that give more than they get back. It would guarantee each state at least 95 cents on the dollar.

Step 21's backers complain that the current system is antiquated and unfair.

"The federal government needs to modernize the way we distribute our highway funding," Rep. Tom DeLay, R-Texas, said. "We need more rational and fair funding, based on modern assumptions such as updated census data."

But New Jersey lawmakers argue that the only ones being unfair are the members of Congress who want to change the law, known as the Intermodal Transportation Efficiency Act, or ISTEA (pronounced ice tea).

"The ISTEA debate is going to be an epic battle that pits the needy versus the greedy," Lautenberg said. "It's an issue of fundamental fairness, and we are determined to see that New Jersey gets its fair share."

Hundreds of millions at stake

Step 21 would cost New Jersey between \$ 36 million and \$ 40 million a year in highway funds, or a little under 10 percent of the state's \$ 512 million share.

And it could get much worse: State officials fear the Step 21 supporters will take aim next at New Jersey's \$ 357 million in annual federal transit funds, which flows from the same federal law that funds highway projects.

Step 21 would divert money in many different ways.

To start with, it would do away with two programs in ISTEA that pour millions of dollars into the Northeast each year: a program to pay for bridge repairs and replacement, and a program aimed at improving air quality. Instead, the money would be doled out as block grants, resulting in drastic cuts for Northeastern states.

New Jersey gets \$ 138 million a year to replace and maintain its bridges. The money has gone to expand antiquated bridges and reduce traffic. Along Routes 1 and 9 in North Bergen, for example, the state plans to build a \$ 36.6 million overpass to reduce traffic. However, the state may be forced to reconsider that project and others if funding is cut, said DOT spokesman Dave Brown.

"That would kill us," said Martin Hofler, director of capital programs for the North Jersey Transportation Authority. He said projects such as the North Bergen overpass have regional implications, reducing congestion for miles. Other bridges that are slated for replacement based on anticipated

funds include the Arnot Street Bridge over the Saddle River in Lodi and the Doty Road bridge over the Ramapo River in Oakland.

The clean-air program also has been especially good for the Garden State. New Jersey gets \$ 56 million a year to improve air quality. The money has been used, among other things, to provide car-pool vans for large companies. The state hopes to use money in future years to help

pay for a costly upgrade of its auto inspection program.

The Southerners and Westerners also are taking aim at another cash cow for the East called the "Interstate Reimbursement Program."

In the 1950s and 1960s, federal money helped pay for the construction of an interstate highway system in the undeveloped South and West. In 1991, the powerful Easterners decided Northern states should be reimbursed for roads they built and paid for that later were incorporated into the interstate system.

Pet projects may factor in

ISTEA directed the federal government to pay back Northeastern states billions of dollars. New Jersey has received \$ 121.5 million for such roads as the New Jersey Turnpike, which is now part of Interstate 95, and is slated to receive \$ 1.882 billion more in the coming 10 years if the program survives.

There is another reason to be concerned.

The massive spending plan provides lawmakers with an opportunity that comes around only once every five years: the chance to insert their multimillion-dollar pet projects into a bill that is virtually guaranteed to become law.

In 1991, North Jersey knew what it wanted, and got it. In Bergen County, that meant \$ 36.6 million for a series of interchanges, access roads, and bridges to ease the crippling congestion caused by the 250,000 cars that pass every day through the interchange of Routes 4 and 17 in Paramus. In Passaic County, the state got \$ 110 million for a new four-lane highway to continue Route 21 from Hope Road in Passaic to Route 46 in Clifton.

Both projects were funded because of the clout of Lautenberg and Roe. In all, New Jersey won \$ 202.9 million in authorized highway projects and \$ 691.8 million in authorized transit funds, according to Lautenberg staffers.

Improvements to the Routes 4 and 17 interchange, which was built in 1933, would expand capacity by one-third. It would include a ramp to allow cars to make U-turns, and a series of side roads to give commuters access to the shops and malls. Construction should begin late this year or early next year.

"It's the most important interchange in the county," Mattson said.

"It's the place where most of our work force passes on the way to most of the jobs."

North Jersey lawmakers are now stepping up to the plate to win funds to finish those jobs. Rep. Marge S. Roukema, R-Ridgewood, is requesting an additional \$ 76 million for the Routes 4 and 17 interchange.

State officials, meanwhile, estimate they'll need an additional \$ 64 million to build a 1.8-mile strip of road to link Route 21 in Passaic to Route 46 in Clifton and Route 80 in Paterson.

There's an opportunity to take even bigger strides to reduce traffic in the coming months. Bergen County officials want the new ISTEA to include a \$ 270 million plan for construction of a high-speed trolley line that would run for nine miles along Route 80, through Saddle Brook, Rochelle Park, Hackensack, Bogota, Ridgewood Park, and Edgewater.

"The rail system will give us more road capacity by giving people traveling east to west another alternative," Mattson said. "It would be analogous to building another Route 4." New Jersey officials hope Clinton's transportation plan, unveiled last week, will help forge a compromise between the warring factions in Congress.

The Clinton administration sought to satisfy critics of ISTEA by guaranteeing each state at least 90 cents back for each dollar it pays in federal gas taxes and increasing overall funding by 11 percent. Under that plan, every state except Massachusetts would get more money. New Jersey's aid would increase by 18 percent, up to \$ 3.4 billion over six years.

But leaders of the movement to overhaul the transportation law say Clinton's plan didn't go far enough, and seem determined to squeeze more money for their states, at the expense of New Jersey and other Northeastern states.

"There are no good things I can think of for New Jersey," Haley said, "if either Step 21 or the devolution proposal is adopted."

(TEXT OF GRAPHIC)

FUNDING PROJECTS

1. Replace Doty Road bridge over the Ramapo River in Oakland.
2. Construct a 1.8-mile strip of road to link Route 21 in Passaic to Route 46 in Clifton and Route 80 in Paterson.
3. Build a nine-mile trolley to relieve congestion along Route 80 in Bergen County. Trolley would run from Saddle Brook to Edgewater, and connect to another proposed rail line that would go to Hoboken.
4. Expand capacity of the Routes 4 and 17 interchange by one-third.
5. Build an overpass on Routes 1 and 9 off Paterson Plank Road in North Bergen.
6. Replace Arnot Street bridge over the Saddle River in Lodi.

9TH STORY of Level 1 printed in FULL format.

Copyright 1997 The Hearst Corporation
The San Francisco Examiner

March 16, 1997, Sunday; Fifth Edition

SECTION: NEWS; Pg. C-14

LENGTH: 507 words

HEADLINE: Stop, pay troll;

Lurking under freeways, like a mythical dwarf, is Clinton's threat to let states charge tolls on the people's highways

SOURCE: EXAMINER EDITORIAL WRITER

BODY:

IN 1906, when automobiles were playthings of the wealthy, historian Woodrow Wilson (later the president of Princeton and of the United States) offered a warning: "They are a picture of the arrogance of wealth, with all its independence and carelessness."

Two years later, however, one of Henry Ford's tin lizzies arrived in San Francisco from New York after a transcontinental journey of only 22 days through quagmires, boulders and wagon tracks. Because of the low-budget Model T, however, (1) cars became the people's playthings and (2) the people demanded better roads.

In the 19th century, tolls had paid for private highways. (They included the Mission Plank road that gave carriages a mud-free ride from what is now downtown San Francisco to Mission Dolores, which was then in the boondocks.)

A year after the affordable Ford forded all those creeks, the California State Automobile Association in San Francisco and the Automobile Club of Southern California lobbied the Legislature to put an \$ 18 million highway bond issue on the 1910 ballot. It would be the first of many.

In 1915, builders completed the Lincoln Highway, which assured motorists of paved or graveled roads from New York to San Francisco's Lincoln Park. With the discovery of the gasoline tax in the 1920s the resulting highway boom meant the freedom of the road and fundamental change in the way we live our lives.

Californians originated the term "freeway" to distinguish their major highways from the Eastern "turnpikes" and other roads where tolls are like trolls under the bridges, pay, or else. Although as a rule most motorists would rather pay for roads with gas taxes, desperation over hideous traffic jams led to the rule's exceptions, two toll roads in Orange and Riverside counties, and a proposed toll road between Vacaville and Sunol in the East Bay.

President Clinton, who once told voters he could feel their pain, kicked us in the shins last week with his \$ 175 billion program of improvements for mass transit and the nation's highway system. Under this soak-the-poor scheme, states could choose to charge tolls on interstate highways.

We can envision Fords poking along the gridlocked Bayshore Highway. Toll booths on uncrowded Interstate 280 would become funnels for streams of Cadillacs. The result, as President Wilson said, would be a picture of the arrogance of wealth, with all its independence and carelessness.

LANGUAGE: English

LOAD-DATE: March 17, 1997

12TH STORY of Level 1 printed in FULL format.

Copyright 1997 The Florida Times-Union
The Florida Times-Union (Jacksonville, FL)

March 15, 1997 Saturday, City Edition

SECTION: NATIONAL/INTERNATIONAL; Pg. A-8

LENGTH: 345 words / *Editorial*

HEADLINE: Transportation;
Road to ruin

BODY:

Raiding the highway trust fund to make motorists pay even more for the sin of driving is likely to prove counterproductive, which will not deter proponents of the scheme.

President Clinton already has punished motorists with his gasoline tax increase.

Now he wants to keep them on bumpy roads and unsafe bridges so that well-heeled lobbyists and media moguls can glide in comfort between New York and Washington on the Amtrak trains.

He would siphon off more to spend on welfare programs.

This \$ 175 billion mistake is referred to as Clinton's 'vision' of the 21st century and, yes, he dragged out his bridge metaphor once again. When are animal rights activists going to protest the brutal treatment of this poor, dead horse?

Florida would get a smaller percentage of the federal handouts than it does now. Already the state gets back a meager 77 cents of every dollar in gas tax it sends north.

Clinton's social agenda simply has run out of general revenue to tap, which is why he is licking his lips over the highway trust fund, currently \$ 17 billion.

One might have thought from his reelection campaign, inaugural address and State of the Union speech that Clinton would be leading the movement to end the wasteful Amtrak subsidy.

Instead, he wants motorists to fork over \$ 4 billion and forgo better roads so that train riders won't incur higher ticket prices.

Even Amtrak doesn't want to get into the fight over trust funds, but its solution is not much better. Amtrak wants a piece of the 4.3-cent gasoline tax that already bypasses the trust fund and goes into general revenue to be used for whatever the politicians' solution-of-the-month happens to be.

Congress needs to take charge. House Speaker Newt Gingrich should come out of semi-retirement and lead the fight to squelch this affront to motorists and

Floridians.

This plan has all the earmarks of another attempt to pry Americans out of their cars. The next step could be David Kessler proposing to regulate the automobile because it is a 'benzene-delivery system.'

LANGUAGE: ENGLISH

LOAD-DATE: March 17, 1997

13TH STORY of Level 1 printed in FULL format.

Copyright 1997 The News Tribune
News Tribune

March 15, 1997, Saturday

SECTION: Local/State; Pg. B1

LENGTH: 607 words / *Editorial*

HEADLINE: BACKTALK: ROAD TOLL IDEA DRIVES THEM ... MAD

BODY:

President Clinton's \$ 175 billion plan for funding roads includes allowing states to charge tolls on interstate highways. But most of this week's callers don't like what he's driving at.

Of the 20 people who called, 15 considered the idea as appetizing as road kill. Four said they could stomach tolls if the money goes to local roads. One lonely soul volunteered to swallow the tolls whole, no questions asked.

This week's BackTalk question:

Would you be willing to pay tolls on interstate highways if the money went to improve local transportation systems?

"Once again, we who are already an overtaxed nation would be forced to pay for problems brought on not by cars, but by trucks, buses, motor homes, and other large vehicles driving the interstates. Do our politicians who make over \$ 100,000 a year realize the majority of Americans are barely existing on under \$ 30,000 a year? It's time to stop taxing us. Leave us alone so we can take care of our families and have money left over for our future."

- Leota Gregory, Shelton

"No, I'm not going to pay tolls on highways. I think we're taxed enough, and I think they should take the taxes and everything else that we pay for our driver's licenses and the licensing of our cars and anything that has to do with driving to improve the roads, not to improve local transportation systems."

- Kathryn Blanchard, University Place

"No, I would not be willing to pay a highway toll. I would stay off the freeways and stick with old 99 and the other bypasses. We are already being taxed so much on gasoline for the road system, for its repair and upgrade, that any additional fees are ridiculous. ... Something has got to give, and I think it's going to be the taxpayer."

- Robert Richards, Tacoma

"They've already collected the money for these highways. They're collecting gasoline tax, which they just raised recently to help pay for repairs on these roads. It seems to me that most of the money seems to be going to the top of the

ladder where it's supposedly administration. ... The roads, especially in the Tacoma area, have really deteriorated. You see nothing where they've done anything to repair them outside of alongside of the roads going to the Narrows Bridge where they're planting trees. That doesn't help the road any. Might look nicer, but it doesn't help the driving of the road any.

- Robert Phillips, Tacoma

"I'm not in favor of highway tolls. If anyone has ever traveled in foreign countries like, for instance, Japan, you spend as much time going through toll booths as you do traveling on the highway. We're already paying tax on the roads as it is, and if they need more money for it, they should either raise the tax or get a little more efficient on how they spend their money on it."

- Bill Janzint, Graham

"Yes, I would be willing to pay tolls on the interstate highways, but only if the money went to old 99 or 167 or any of the local roads and highways that need improvement."

- Vic Dahlgren, Tacoma

"Yes, I would be willing to pay tolls on the highways if the money really, genuinely, will go back into our local highways. We need something done, especially in the northwest between the corridor of Olympia and Seattle or Everett and east out to Redmond. We have such antiquated highways. We've got to do something. ... Back East they have the toll highways, turnpikes that work, and they have great freeways. Here you just can't get along. ... So let's get some money in to pay for decent freeways and rapid transit."

- Marian Doreen, Fircrest

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Next week's BackTalk question will appear in Friday's Local section.

LOAD-DATE: March 15, 1997

15TH STORY of Level 1 printed in FULL format.

Copyright 1997 Star Tribune
Star Tribune

March 15, 1997, Metro Edition

SECTION: News; Pg. 18A

LENGTH: 485 words /Editorial

HEADLINE: NEXTEA;

The issue is transportation policy

BODY:

President Clinton's proposed \$ 175 billion transportation plan might seem at first glance a step backward from the nation's movement toward a more energy- and development-efficient national transportation policy. Yet its proposed 30 percent increase in federal dollars for major highways and no money at all for subsidizing mass transit operations actually add up to a resounding reconfirmation of that policy improvement.

Hank Dittmar of the Surface Transportation Policy project calls Clinton's plan "a sound proposal . . . that will strengthen the economy, protect the environment and . . . make all our communities more livable." A spokesman for the American Public Transit Association tells the New York Times that his organization is "pleased with the overall direction of the president."

Clearly there's more here than meets the initially raised eyebrow. For one thing, the new highway money would mainly be spent in the most cost-efficient way: on maintaining and preserving the existing road system rather than on new construction. For another, the plan's flexibility would allow state and local governments to use more of the federal transportation aid they receive for transit and other nonhighway purposes.

The six-year plan, in other words, is specifically designed to further the policy reforms incorporated into 1991's landmark ISTEA (for Intermodal Surface Transportation Efficiency Act). The linkage is symbolized by the new plan's rather contrived title of National Economic Crossroads Transportation Efficiency Act (NEXTEA).

Unfortunately the plan now goes to a Congress whose members seem far less interested in sound transportation policy than in grabbing as much of the money as possible for their districts. Thus a huge and bitter argument is building up on Capitol Hill over whether the money (mostly federal gas tax revenues) should be apportioned to the states according to where it was raised or according to mileage and need.

The whole idea of a national transportation system, however, argues against simply giving the money back to the states in proportion to what they contributed. If that's how it's to be done, then what's the point of having a federal gas tax? Why not just let the states raise all the money they need through their own gas taxes? And then let them spend it where and how they want?

Actually, that idea has some serious proponents. But the ISTEA/NEXTEA approach makes better sense.

It's a way to give states greater freedom in how they spend their transportation dollars while at the same time assuring an overall interstate system that can serve the transportation needs of a vigorous and expanding national economy. As Dittmar points out, Congress needs to keep in mind that a lot more is at stake in the debate over transportation funding than just squabbles between states over federal dollars.

LANGUAGE: ENGLISH

LOAD-DATE: March 18, 1997

23RD STORY of Level 1 printed in FULL format.

Copyright 1997 Tower Media, Inc.
The Daily News of Los Angeles

March 14, 1997, Friday, VALLEY EDITION

SECTION: EDITORIAL, Pg. N20

LENGTH: 344 words

HEADLINE: EDITORIAL;
NEW WAY TO GOUGE THE PUBLIC

BODY:

We are beginning to learn more about the cost of President Clinton's campaign rhetoric to "build a bridge to the 21st century." He's talking about adding some toll booths.

On Wednesday, the Clinton administration announced a six-year, \$ 175 billion transportation plan, which is roughly \$ 17 billion more than the last six-year transportation plan approved by Congress in 1991.

One element of the plan is to let states put toll booths on interstate highways. That idea deserves sharp scrutiny because it represents a significant policy shift.

Current restrictions permit states to levy tolls on federal bridges and tunnels, but only to pay for those projects. The Clinton administration wants to rewrite the rules so states could charge tolls on interstate highways as a funding source for local transportation projects.

This would be a rude shock indeed for taxpayers, who understand that the highways have been paid for largely by the hefty tax the public already pays on gasoline. For each gallon of gasoline that consumers buy, they pay 14.3 cents in federal tax for highways and 4 cents for deficit reduction.

Thus, the Clinton toll booths would be double taxation - charging a second time for using something the public already has paid for or is paying for. That's utterly unacceptable. It's also one reason why the idea of lifting the ban on interstate highway tolls was rejected by the U.S. Senate two years ago.

We would expect the same fate to befall the new Clinton toll plan. Also, there are other points of concern about the transportation plan. One is whether it diverts too much money from the Highway Trust Fund for nonhighway uses, such as several billion dollars for passenger rail facilities while there are long waiting lists of unfunded highway improvement projects.

While we don't categorically reject the idea of tolls (they can be useful for financing new bridges, tunnels and certain sections of highway that otherwise might not be built), we suspect that this particular proposal is headed toward a dead end.

LANGUAGE: ENGLISH

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.

FLORIDA

INDIANA

MISSOURI

GEORGIA

KENTUCKY

NORTH CAROLINA

The Honorable Rodney Slater
Secretary
U.S. Department of Transportation
400 7th Street, S.W.
Washington, D.C. 20590

The Honorable Franklin Raines
Director
Office of Management and Budget
17th and Pennsylvania Ave, N.W.
Washington, D.C. 20503

Dear Secretary Slater and Director Raines:

We were pleased to learn when some details of the Administration's reauthorization of the Intermodal Surface Transportation Efficiency Act were released, that you had included provisions for streamlining programs and revising the funding formula. As governors of significant donor states, we were encouraged to learn that your "NEXT TEA" proposes allocation formulas for each program that rely on data that is current, statistically reliable and relevant to the specific programs. However, we are disturbed that any recognition of "equity adjustments for both donor states and donee states" is simply an effort to maintain the status quo.

Historically, equity provisions such as the minimum allocation (MA) have always been intended to bring the most obvious examples of the "donor states" to an absolute minimum level of equity. Given the fact that for the first four years of ISTEA, 18 states received less than 90 cents on every dollar sent to the Highway Trust Fund, it is obvious that donor states need to have improved funding mechanisms, i.e., equity adjustments, to insure a true 95 percent level of equity. How can states which have received more than \$1.00 back for every dollar sent to the Fund even be considered in an equity adjustment?

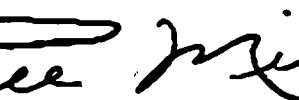
We expect that the Administration's final proposal will call for a true equity adjustment that focuses on the current needs and relevant data and proportionate highway trust fund donations. We will continue to strive for that goal and anticipate that your final proposal will also reflect this spirit of true equity.

Sincerely,


Governor Mel Carnahan
Missouri


Governor Lawton Chiles
Florida


Governor Frank O'Bannon
Indiana


Governor Zell Miller
Georgia


Governor Paul Patton
Kentucky


Governor Jim Hunt
North Carolina

NEXTEA Interest Groups' 1997 Meetings and Conferences

NGA Transportation Reps	March 24, Hall of States	FHWA, FTA, Budg
National Association of County Engineers	March 24, Birmingham, Alabama	Horsley
American Consulting Engineers Council	April 4, D.C	NEXTEA speaker Requested
Association of Metropolitan Planning Organizations Policy Committee	April 10, D.C.	
APTA Commuter Rail	April 13-16 Dallas	
Central Iowa Regional Transportation Conference	April 14 Des Moines	S-1 Delined Speaker requested
Building Trades National Conference	April 14-16 Washington D.C.	S-1 recommended
California Councils of Government	April Monterey, Ca.	Garvey invited
Council of State Governments Eastern Regional Conference	April 18 D.C.	S-1 requested
Congresswoman Ellen Tausher Bay Area ISTEA Event	April 18 San Ramon, Ca	S-1 invited
National Association of State Budget Directors	April 20 Chicago	Basso
Georgia Association of Counties	April 21 Jekyl Is., Ga.	Horsley
AASHTO Spring Meeting	April 25-29 Des Moines	
APTA Bus Operations, Technology	May 4-7 Miami	
WTS National Conference	May 7-9 Baltimore	

American Consulting Engineers Council Annual Convention	May 11-14 Nashville	Speaker requested
Rebuild America Summit	May 15 Houston	S-1 invited
ITS Annual Meeting	June 2-5 Washington, D.C.	
International Bridge Conference	June 2-5 Pittsburg	
ITE Annual Meeting	June 3-7 Boston	
National Association of Regional Councils	June 6-10 Charlotte, N.C.	
APTA Rapid Transit Conference	June 8-12	
U.S. Conference of Mayors	June 20-24 San Francisco D.C.	
Western Governors Association	June 22-24 Medora, ND	
Mississippi Valley Annual Meeting AASHTO	July 9-11 Chicago	
National Association of Counties	July 11-15 Baltimore	S-1 recommended
WASHTO Annual Meeting	July 25-31 Sun Valley, Idaho	
National Governors Association	July 27-30 Las VegasP	
National Conference of State Legislators	August 6-10 Philadelphia	
Western Councils of Governments	August California	
Association of Metropolitan Planning Organizations	September 4-7 Saratoga Springs, N.Y.	

SASHTO Annual Meeting

September 12-16
Little Rock

APTA Annual Meeting

September 21-25
Chicago

Briefing

NEXTEA: LABOR MOVEMENT BRIEFING & OUTREACH

1. Briefing

Briefing at Old Executive Office Building. Presenters to include Dept. Of Transportation and White House staff. Attendees to include public affairs and congressional affairs staff of building trade unions, transportation trade unions, AFL-CIO, and other major unions.

2. Other events

a. Legislative conferences

The Department is gathering a list of the labor union legislative conferences (in Washington D.C. in the next few months) and a list of administration invitees. Each administration speaker should address NEXTEA in the course of his or her presentation.

b. Regional meetings/ events

When Dept. of Transportation officials travel, labor organizations can be invited to pull together audiences for meetings/ round tables/ speeches addressing the bill.

3. High level outreach

a. Meetings between Secretary Slater and union presidents from the building & construction trade unions and the transportation trade unions.

b. Phone calls from John Hilley to Peggy Taylor (AFL-CIO legislative director) and John Podesta to key labor presidents to explain the benefits to labor in the bill, the congressional context, and the need to educate their members.

4. Materials

a. Facts sheet targeted to labor movement (for distribution at briefings/ meetings and to individual unions)

- Jobs created in the bill
- Impacts on key industries
- Protections for workers preserved

labor presentations -- "Stump speech" -- a few paragraphs which surrogates can insert in speeches. To be given to all Administration members who will address labor movement audiences.

State Fed. mtgs.



Photo courtesy of Summit County, Ohio

On March 12, President Clinton announced a \$175 billion proposal for the nation's roads.

President releases highway, transit proposal

Would increase funding by \$9 billion; keep current ISTEA structure

By Robert J. Fogel
associate legislative director

On March 12, before a select audience of transportation officials, including representatives from NACo, President Bill Clinton, Vice President Al Gore and Secretary of Transportation Rodney Slater announced the Administration's proposal for the future of the nation's surface transportation system.

Titled the National Economic Crossroads Transportation Efficiency Act, or NEXTEA, the proposal is the successor to ISTEA, or the Intermodal Surface Transportation Efficiency Act. The measure contains \$175 billion in funding for a six-year period, up 11 percent from the \$157 billion six-year authorized level of ISTEA. Using a familiar theme, President Clinton called his proposal "the bridge to the 21st century."

While the NEXTEA plan recommends some changes and a few new programs, it looks very much like the current ISTEA program, enacted in 1991, which did usher in a new era of how the federal surface transportation program was to operate.

"We are very pleased that the Administration has accepted NACo's recommendation that the basic structure of ISTEA be retained," said NACo Executive Director Larry Naake. Added Naake, "While NACo does not agree with everything in the bill and Congress will no doubt make changes to this proposal, it is a good place to begin." (See sidebar, page 3, for NACo recommendations.)

Highways

The core highway programs remain in place, including programs that provide funds to counties and which NACo supports, such as the Surface Transportation Program (STP), the Bridge Program, and the Congestion Mitigation and Air Quality (CEMAQ) Program. No major changes are made in these programs. The National Highway System (NHS) and the Interstate Maintenance Program are also extended.

Regarding funding levels, the proposal recommends a six-year investment of \$35 billion for STP, up from \$24 billion in ISTEA; \$15.976 billion for the Bridge Program, down from \$16.1 billion in ISTEA; \$7.8 billion for CEMAQ, up from \$6 billion; and \$26.5 billion for the NHS, up from \$21 billion.

March 31, 1997
NACo County News

The formula for distributing the STP and NHS funds is changed, while the formula for the Bridge and CEMAQ programs remain essentially the same. While almost all states would receive more money under this proposal, in terms of relative percentages, about half would get a little more and half a little less.

Transit

The transit program would be reconfigured. There would be no general fund contributions to the transit program and all funding would come from the Transit Account of the Highway Trust. The operating assistance category would be eliminated and one large formula grant would be adopted.

However, in areas of less than 200,000 population, the recipients of transit assistance would have the flexibility to use as much of its grant as it wanted for operating purposes. In areas in excess of 200,000, the definition of capital assistance is expanded to include preventive maintenance, something that was previously eligible under operating assistance.

Rural transit assistance is continued, though at a lower funding level. It would have its own authorized level of funding, rather than being a percentage of the formula program. Additionally, the bus program is rolled into the formula program as is the rail modernization program, although the latter will be distributed under the current formula. The New Starts Rail Program is the only Section 3 discretionary program that continues as a separate entity.

some of which are quite controversial.

NEXTEA would open the State Infrastructure Bank Program to all states, at a cost of \$150 million annually. A new \$600 million Credit Reform Program would be made available to projects of national significance. A more controversial proposal would make Amtrak eligible for funding from the Highway Trust Fund.

Another change that has attracted some attention would, at a state's discretion, remove the ban from charging tolls on interstate highways. A new work-to-welfare program, called Access to Jobs and Training, would become part of the transit program and would be funded at \$600 million to make grants to states, local governments and nonprofit agencies that develop innovative programs to get economically disadvantaged persons to where the jobs are.

What's next?

The Administration's bill is likely to receive a thorough review by Congress. However, there are three unanswered questions that will determine the final outcome of the debate on the future of the surface transportation program.

The first is what Congress will do about funding for highways and transit at a time when there is a real effort to balance the budget. Recommended funding levels in the Administration's or anyone else's proposal means little if Congress decides that highways and transit must be reduced as part of a balanced budget effort.

Local official input

The Administration's bill leaves in place most of the existing language and structure for county and other local officials to have input into the planning and project selection process.

In areas of more than 200,000 population, the MPO (metropolitan planning organization) will continue to have the lead role in selecting projects, and in areas ranging from 50,000-200,000, the states, in consultation with the MPOs, will select projects.

In those more rural areas under 50,000, the Administration has added language which, while leaving the state in the predominant role in project selection, appears to enhance the position of local officials.

New proposals

There are several new or expanded initiatives in the NEXTEA proposal,

However, there seems to be some momentum behind efforts to treat these program differently because they have their own sources of funding from the Highway and Transit trust funds. NACo supports that view.

Higher funding levels could be achieved by taking the trust funds off-budget as proposed by Chairman Bud Shuster (R-Pa.) of the House Transportation and Infrastructure Committee, through a proposal introduced by Senator John Chafee (R-R.I.) of the Senate Environment and Public Works Committee and Senator Chris Bond (R-Mo.).

Their proposal would require an annual funding level for the highway program equal to what is taken in from gas tax revenue; or an increase in funding for the highway program, which was recently suggested in a letter to the chairman of the Senate Budget Committee, and signed by 57 senators.

The second issue concerns the funding formula. This is sometimes referred to as the donor-donee issue and is an issue on which NACo has no policy. A number of states, which believe they have received insufficient highway funds in contrast with their contributions to the Highway Trust Fund, would like to see the funding distribution formula changed. There are and will be a number of bills introduced that would treat certain states and regions of the country in a more preferential manner than

under current law.

The third issue deals with the future of the surface transportation program. NACo strongly supports the ISTEA existing structure and would like to see those programs that counties benefit from, such as STP, the bridge program, CEMAQ and transit, continued. This structure, along with more opportunities for local government input in the planning and projects selection process, are the keystones to NACo's position on reauthorization.

In this context, we have urged mem-

bers of the House and Senate to maintain the current basic structure of the surface transportation program as they work out the formula issue.

Congress should be concluding its hearings on the reauthorization of ISTEA soon. Over the next several months, the House and Senate committees will be drafting their respective pieces of legislation.

County officials are urged to contact their representatives and senators and let them know how they and NACo feel about the future of ISTEA.

Diane R. Montgomery

04/07/97 09:34:42

AM

Record Type: Non-Record

To: Dorothy Robyn/OPD/EOP, Linda Lance/CEQ/EOP

cc:

Subject: ISTE A Summary

----- Forwarded by Diane R. Montgomery/OMB/EOP on 04/07/97 09:38 AM -----

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No. 66 Monday April 7, 1997

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ANALYSIS AND REPORTS

Transportation

ISTEA Reauthorization In Full Gear As Lawmakers Return From Recess

Negotiations on the reauthorization of the nation's highway and mass transit programs will shift into full gear as Congress returns from recess, with lawmakers readying for the debate over the funding and structure of the massive bill.

With much of the groundwork already having been laid for the rewrite of the Intermodal Surface Transportation Efficiency Act during the winter, House and Senate lawmakers now will have to begin making key decisions on the look of the programs and how to wrestle more funds for them in upcoming budget discussions.

While lawmakers still are introducing their competing ISTEA reauthorization bills, most of the major plans already are known, as are the proposals to finance them. And, during the past weeks, key players have indicated how they plan to approach the reauthorization, with many positioning themselves to go after more funds for transportation.

Although the House Transportation and Infrastructure Committee is in the process of developing its ISTEA reauthorization bill, its counterpart in the Senate remains divided over the basics of the successor to the landmark 1991 act. But members on the House panel and the Senate Environment and Public Works Committee appear to agree on one thing: they want more money for ISTEA programs.

In the next few weeks, members of both authorizing panels will be pressing the House and Senate budget committees to recommend significantly higher transportation spending levels in the FY 1998 budget resolution. At the same time, lawmakers will be maneuvering to shift to the Highway Trust Fund the 4.3 cents that now goes to deficit reduction--with a half-cent of that tax likely to be given to intercity rail.

Flurry Of Senate Bills Expected

While the House panel chaired by Rep. Bud Shuster (R-Pa) is in the process of writing a consensus bill to report from committee this spring, senators are essentially split into three camps over the structure of the programs. In large part, they are divided along regional lines, and their positions reflect their states' current return on the gas tax payments sent to Washington.

Introduced early on by Sen. John Warner (R-Va), chairman of the Transportation and Infrastructure Subcommittee, and many other lawmakers from the South and Midwest is the so-called STEP 21 bill (S 335) that would restructure the federal aid highway program and give states much more control over funds. The legislation, which only addresses the highway portion of ISTEA, promises to give states a 95 percent return on their gas tax payments.

That bill stands in sharp contrast to the proposals being offered by the Clinton administration and many lawmakers from the Northeast who want to keep ISTEA intact with few changes. The administration, which finally released its six-year proposal in mid-March, would keep ISTEA but increase its flexibility and eligible uses for highway funds. Among other things, it would make Amtrak eligible for highway monies.

When the Senate returns the week of April 7, Sen. Daniel Patrick Moynihan (D-NY) and several other lawmakers from the Northeast are planning to introduce their own ISTEA Reauthorization Act. It would retain the basic structure of ISTEA but update outmoded formulas. It creates a new "high- and low-density state adjustment" to address states' concerns about the highway formula. Still, it is not expected to fully address the donor states' concerns about their share of highway funds.

About the same time, Sen. Max Baucus (D-Mont), the Senate Environment and Public Works Committee's ranking Democrat, is expected to introduce another bill that is being positioned as a middle ground between STEP 21 and the so-called ISTEA Works bills. Baucus and other lawmakers from Western states are readying their "STARS 2000" bill, which would direct 60 percent of available funds to the National Highway System and 40 percent to the Surface Transportation Program. It also calls for raising annual highway funding from \$20 billion to about \$26 billion.

Aides said the decision by Baucus to introduce a separate reauthorization bill was a motivation for Senate Environment and Public Works Committee Chairman John Chafee (R-RI) to agree to join Moynihan and other lawmakers in sponsoring the ISTEA Works bill. With Chafee sponsoring that legislation, the three camps now are pretty well entrenched within the committee, aides said, adding that it mirrors the division in the overall Senate.

Amidst all of this, Sen. Connie Mack (R-Fla) is expected to push his own separate plan to completely dismantle ISTEA and "turn back" most of program to the states. While Mack has not actually introduced the legislation, the proposal continues to be discussed, particularly in the context of STEP 21, which has been positioned as a moderate alternative to "devolution."

For Mack and other proponents of "turnback," a large problem is scoring the actual legislation. Repealing most of the federal gas tax--which the proposal would do--would require Mack to find billions in offsets. In addition, it is not clear that states are ready to increase their own gas taxes to make up for any lapse in funding from Washington.

House Developing Legislation This Spring

All of the same proposals are under discussion in the House, but, so far, the 73-member Transportation and Infrastructure Committee appears determined to back a consensus reauthorization bill that will be circulated in the Spring and then reported from committee by the Memorial Day recess.

Given the divisiveness of the formula issue--as well as many others raised by the ISTEA rewrite--aides said they would not be surprised if the committee misses those deadlines. But the panel already seems far ahead of the Senate Environment and Public Works Committee, with its hearings mostly complete and its list of project requests catalogued.

According to aides, Shuster and other lawmakers will be briefed the week of April 7 on the staff's work

during the recess.

"We're at the point now where we will be able to make recommendations," an aide said.

Under Construction

Aides indicated that the bill under development will keep ISTEA as the framework for the reauthorization. After city and county officials spent the winter attacking STEP 21 and calling for retention of ISTEA, they said, it appears that there is not enough political support for a major restructuring of the programs.

However, with House GOP Whip Tom DeLay (R-Texas) and other donor state lawmakers pushing STEP 21, aides said the committee will try to fine-tune the act to give states more flexibility and a better return on their gas tax payments.

While the committee is only in the beginning stages of developing the bill, aides suggested that the multi-year legislation could reflect the following:

- o Fine-tuning of ISTEA's different highway categories to give states a greater say over how money is spent. Among other things, the STP and Congestion Mitigation and Air Quality programs may be changed to allow funds to be transferred to other uses.
- o Revamping the formula and creation of one large equity account that will eliminate ISTEA's multiple categories and help improve donor states' returns. A large portion of that account may be aimed at Texas.
- o Funding for highway and transit "demo" projects, with the bill's annual funding for road projects only expected to exceed \$1 billion.
- o Funding for special corridors, including those to address increased activity generated by the North American Free Trade Agreement.
- o Programs for innovative finance, Appalachian highways, and border infrastructure.

Most significantly, the bill is expected to reflect Shuster's desire to get much more money into the core highway and transit programs. The legislation, aides said, may very likely call for shifting the 4.3 cents gas tax to the Highway Trust Fund and also taking that trust fund off budget to free up the monies. All of those moves, they said, could support annual highway spending in excess of \$32 billion and annual transit spending in excess of \$6 billion.

Push For More Money In Budget Plan

While the structure of the bill continues to divide lawmakers, both key House and Senate lawmakers are intent on getting more money for the programs. In the House, a large majority of members have asked Shuster for project money this year, and about 190 of them have signed on as cosponsors on Shuster's bill (HR 4) to take the Highway Trust Fund off budget.

The strength of last year's vote on an identical bill, plus the backing of almost 200 members in the 105th Congress, is putting pressure on House Budget Committee Chairman John Kasich (R-Ohio) to write a budget resolution that recommends higher transportation funding. Kasich, who earlier planned to offer his own "devolution" bill, continues to oppose the off-budget bill but may end up allowing greater transportation spending.

On the Senate side, Warner and Baucus also moved out early on the funding issue, collecting the support of some 55 other lawmakers in a letter to Senate Budget Committee Chairman Pete Domenici (R-NM) urging \$26 billion in annual highway funding in the budget resolution. And, while most lawmakers continue to officially oppose the off-budget bill, Senate Minority Leader Tom Daschle (D-SD) recently indicated that he plans to support the proposal.

In a move that Shuster considered significant, Chafee and Sen. Kit Bond (R-Mo) recently offer a bill (S 404) that would not take the trust fund off budget but would "wall off" highways in the budget process so

that annual gas tax receipts could be spent.

4.3 Cents Tax Key Issue

For most of ISTEA's funding issues, the key appears to be the fate of the 4.3 cents, which since its creation in 1993's budget act has flowed to the general fund to reduce the federal deficit. During the recent season of posturing, many key lawmakers also began to signal their support for shifting the tax to the trust fund to help finance ISTEA, including Daschle, Senate GOP Leader Trent Lott (R-Miss), Baucus, and Warner.

Significantly, the leaders of the House and Senate tax-writing panels also have indicated their own support for shifting the tax to the trust fund. But in staking out their positions, House Ways and Means Committee Chairman Bill Archer (R-Texas) and Senate Finance Committee Chairman Bill Roth (R-Del) have set up a situation where financing for Amtrak will be a factor in negotiating a deal on the gas tax.

In recent remarks, Archer said he will support shifting the 4.3 cents tax to the trust fund as part of ISTEA. However, he said he does not believe Amtrak should receive any trust fund money.

In contrast, Roth recently introduced legislation (S 436) to direct only a half-cent of that 4.3 cents away from deficit reduction, and that half-cent would go to Amtrak.

Aides said a deal appears likely, particularly as Amtrak's financial situation becomes more acute. In recently announcing the creation of a panel to develop an emergency plan to save Amtrak, Shuster said he would support giving the railroad a half-cent if the bulk of the 4.3 cents was shifted to the trust fund to better finance highway and transit programs.

The panel is headed by Tom Larson, who served as federal highway administrator during the 1991 surface transportation reauthorization. The 13-member group is expected to make recommendations on Amtrak's finances during the next 30 to 60 days, a period that will coincide with the development of the budget resolution.

-- By Nancy Ognanovich

Major ISTEA Reauthorization and Financing Proposals

BILL	STATUS	OUTLOOK
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National Economic Crossroads Efficiency Transportation Act, or NEXTEA, proposed by the Clinton administration. Introduced by request as S 468 by Sens. Chafee and Moynihan. Not get introduced in House	Would retain ISTEA as framework for reauthorization, with relatively flat funding over next six years. Includes expanded eligibility for highway funds, revamped formula, new border infrastructure program. Amtrak included as eligible for highway funds.	Total \$175 billion in highway and transit funding has been criticized, as well as formula that cuts share of funding for many Western, Northeastern, and other states. But retention of ISTEA framework and partnerships with states and localities has strong political backing.
ISTEA Reauthorization Act, or ISTEA Works, to be introduced by Sens. Moynihan, Lieberman, and Lautenberg. Including Chafee, the bill will have about 20 cosponsors. In the House, a companion bill may be introduced by Northeastern lawmakers.	Retains the basic structure of ISTEA but updates outmoded formulas, provides flexibility, and streamlines the equity adjustment programs. Creates a new "high- and low-density state adjustment" to address states' concerns.	Retention of ISTEA framework popular, but funding for donor states under plan likely to be criticized.
Streamlined Transportation Efficiency Program for the 21st Century, or STEP 21 (S 335/HR 674), cosponsored by Sen. Warner and 22 others in Senate and by Rep. DeLay and 94 others in House.	Would restructure ISTEA's highway program into two elements: a National Highway System and a Surface Transportation Program block grant controlled by the states. Also would modify program to require each state to receive a 95 percent return on its gas tax payments.	Restructuring of programs--including elimination of ISTEA's Congestion Mitigation and Air Quality (CMAQ) program--heavily criticized, but emphasis on making formula more equitable has strong support in House, Senate. Related House bill (HR 907) introduced by Reps. Sanford, Largent, and Clement revises ISTEA's funding formula without making any changes to act's programs or policies. It has about 50 other cosponsors.

The Surface Transportation Authorization and Regulatory Streamlining Act, or STARS 2000, to be introduced by Sens. Baucus, Kempthorne, and Thomas.	Positioned as a middle ground between ISTEA Works and STEP 21, STARS 2000 emphasizes the National Highway System, with 60 percent of funds directed to system and 40 percent to the Surface Transportation Program. Includes \$26 billion in annual highway funding, a big boost over current \$20 billion. Provides for even higher funding if 4.3 cents gas tax is transferred to Highway Trust Fund.	Expected to play well with donor states, who would get more funds under bill. But generating criticism for cutting funding for CMAQ program.
Rural States Highway Preservation Act (S 331), introduced by Dorgan and seven other senators from Western states, including Senate Minority Leader Daschle.	Emphasizes changes to formula to address Great Plains states' concerns: rural states with low-density populations would be guaranteed to receive the same percentage of total federal-aid highway funds as in current legislation; and a 1 percent set-aside of total highway funding would be created as a rural state adjustment to be allocated on a formula basis according to the number of NHS miles in a state and the number of NHS vehicle miles traveled in that state.	Criticized for not addressing overall issue of how to divide federal highway funding and focusing primarily on a limited number of states.
Devolution, or "Turnback" of federal surface transportation programs. Proposed last year by Sen. Mack and House Budget Committee Chairman Kasich. May be reintroduced this spring.	Would repeal all but about 4 cents of the federal gas tax and "turn back" most of the federal program to the states.	Criticized for ignoring national transportation goals in drive to give states more control over programs. Also, unclear if states would increase their own gas taxes sufficiently to cover gap created by demise of federal gas tax.

The Truth in Budgeting Act (HR 4), introduced by Reps. Shuster and Oberstar. Currently has more than 190 cosponsors in House. Companion bill not yet introduced in Senate. Passed the House last year.	Would take the highway, aviation, and two other transportation trust funds out of the unified budget in order to allow greater spending. For the Highway Trust Fund, the move off-budget could allow spend down of \$20 billion balance.	While the House will probably ignore Kasich's argument that the bill would increase the federal budget deficit and require large cuts in other programs, Senate opposition to the legislation remains strong.
Highway Trust Fund Integrity Act (S 404), introduced by Sens. Chafee and Bond with four other cosponsors.	Would create a new budget category to allow all of the annual revenues to the trust fund's highway account to be spent on highways.	The legislation is viewed as a counter to HR 4 and is getting consideration at the Senate Budget Committee. However, it does not address treatment of trust fund's transit account and would not spend any of the \$20 billion surplus in the trust fund.
4.3 Cents Gas Tax Shift, to be introduced by Sen. Baucus. In House, similar bills (HR 255/HR 644) introduced by Rep. Rahall and Rep. LaTourette.	Would move 4.3 cents from deficit reduction to the Highway Trust Fund in order to better finance transportation programs.	Bill has increasing backing in House and Senate. In Senate, GOP and Democratic leaders both have voiced support for proposal. Ways and Means Committee Chairman Archer said he will support shift of tax. Senate support could be linked to giving Amtrak a half-cent of the tax.
Intercity Passenger Rail Trust Fund Act (S 436), introduced by Senate Finance Committee Chairman Roth and Moynihan.	Would give railroad a half-cent of 4.3 cents tax for capital funding.	Proposal is attracting more support, particularly as Amtrak officials discuss railroad's prospect of bankruptcy.

Rebuild Infrastructure and Transportation Act, to be introduced by Sen. Conrad.	Would shift 4.3 cents to a new Infrastructure Bank Account within the Highway Trust Fund for better financing of State Infrastructure Banks. Bill would allow states to use funds to finance many infrastructure projects, including aviation, housing, and schools.	Proposal to use gas tax money to finance non-highway projects likely to be criticized. Also, strong support to use revenues for 4.3 cents primarily for core highway program.
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ENCOURAGING PARTICIPATION OF DISADVANTAGED BUSINESS

Historically, minority and women-owned businesses have been underinvolved in the highway and transit construction industries. The Disadvantaged Business Enterprise (DBE) program was established by Congress in 1982 to ensure that at least 10 percent of the funds authorized for Federal highway and transit projects were expended with small business concerns owned and controlled by socially and economically disadvantaged individuals. The DBE program was reauthorized in 1987 and expanded to include women-owned business enterprises. This expanded DBE program was reauthorized in 1991 by ISTEA. In June, 1995, a Supreme Court decision (*Adarand Constructors, Inc. v. Peña*) heightened the standard of judicial review applicable to Federal affirmative action programs, requiring that they meet a standard of "strict scrutiny." The Administration continues to believe that the current program is consistent with "strict scrutiny." However, the *Adarand* decision and the President's July 15 directive to "mend, not end" affirmative action programs have resulted in a review of the DBE program to identify possible administrative program modifications.

ISTEA SUCCESSES

- ✓ Participation rates of DBEs in federally-funded highway and transit contracts continued to increase under ISTEA. Since 1992, a total of about \$ 8.5 billion in Federal transportation construction funds has been expended with DBE contractors. This is a 30 percent increase over Bush-era levels.

KEY NEXTEA PROVISIONS

- Increases in DBE contracting as a result of higher funding levels -- 30 percent more in the highway core programs and 11 percent more overall.
- NEXTEA continues the current DBE statutory provisions.
- The Department of Transportation will issue a Supplemental Notice of Proposed Rulemaking designed to address new legal standards by:
 - (1) Clarifying the process for state and local governments to establish DBE goals for their Federally-funded projects.
 - (2) Requiring that race-neutral measures, such as outreach programs, be used first by recipients to reach their overall DBE goals before resorting to race- and gender-conscious measures.
 - (3) Limiting how long firms can participate in the program, and
 - (4) Reducing the concentration of DBE firms in certain types of work.

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MAKING TRANSPORTATION ACCESSIBLE

There are some 50 million people in the United States with disabilities -- the single largest minority group. As America's population continues to age, this figure is likely to increase further over the next few decades. To improve mobility for the disabled, the Americans with Disabilities Act (ADA), enacted in 1990, requires the provision of both accessible fixed-route (bus and rail) services and comparable complementary paratransit services for those who cannot use fixed-route service. In addition, where street crossings meet sidewalks, there must be curb cuts to accommodate people who use wheelchairs or mobility aids.

ISTEA SUCCESSES

- ✓ Under ISTEA, fixed-route transit bus accessibility doubled (about 60 percent of the total fleet are lift- or ramp-equipped) and more low-floor buses and accessible, light-rail cars are in use. The new light-rail systems recently opened in St. Louis, Dallas and Denver are all fully ADA accessible.
- ✓ Annual aggregate paratransit trips increased from 45 million in 1992 to 54 million in 1995.
- ✓ Since 1976, curb cuts are included in all construction or alterations where street crossings meet sidewalks.
- ✓ Rest stops on the Interstates include accessibility features.

KEY NEXTEA PROVISIONS

- To help cities comply with ADA, NEXTEA transit funds can be used to purchase non-fixed route paratransit transportation services.
- NEXTEA allows state and local officials to contract for paratransit service, including operating costs, at a 50-50 match, for all areas, including those with a population of 200,000 or more. This is significant because contracted paratransit represents about two-thirds of all ADA paratransit.
- NEXTEA continues to provide a 90 percent Federal share for the incremental costs of transit vehicle-related equipment, such as lifts, ramps and other accessibility features, needed to comply with the ADA.
- NEXTEA allows state and local officials to fund Intelligent Transportation Systems features under all major programs, which includes items such as electronic tolls and automated voice devices that make transportation access easier for all people, including those with disabilities.

NEXTEA Working Group
April 14, 1997
Agenda

- I. Congressional Update
- II. Update on DOT Outreach
- III. Next Steps on Education and Outreach
 - a. Labor
 - b. Environment/Sustainable Development
 - c. Cities
 - d. Minority Contractors, Women, Civil Rights Groups



**U.S. Department of
Transportation**

Office of the Secretary
of Transportation

*ISTEA
FIVE*

Assistant Secretary

400 Seventh St., S.W.
Washington, D.C. 20590

March 20, 1997

MEMORANDUM FOR:

Marcia Hale
Assistant to the President for
Intergovernmental Affairs

*Lead
Horsley* * **FROM:**

Horsley
Steven O. Palmer
Assistant Secretary for Governmental Affairs

SUBJECT:

U.S. DOT Outreach to Public Interest Groups on
ISTEA Reauthorization

U.S. DOT has made a concerted effort to reach out to Public Interest Groups during the development of our proposal for the Intermodal Surface Transportation Efficiency Act (ISTEA) reauthorization and to enlist their support for the President's National Economic Crossroads Transportation Efficiency Act (NEXTEA) proposal now that it has been finalized. Attached is a copy of the report entitled, "How to Keep America Moving," which documented the results of the 13 Regional Forums and over 100 focus groups we conducted on ISTEA reauthorization. One Governor, several Mayors, County Executives, State Legislators and City Councilmembers participated. Among them were Governor Almond, Mayors Daley, Campbell, and Rendell and County Executives McNamara, Janiszewski, and Villines.

Also attached is a draft calendar of meetings of ISTEA stakeholders we may have a DOT representative address.

Summary of 1997 Outreach to Public Interest Groups:

NGA: Because Secretary Rodney Slater had not yet been confirmed, we were not able to hold the luncheon requested with the National Governors' Association's (NGA) ISTEA Reauthorization Task Force February 4. Deputy Assistant Secretary for Governmental Affairs John Horsley covered the NGA Transportation Committee Meeting February 2. Federal Highway Administrator (FHWA) Slater met with Governor Paul Patton, February 5 on ISTEA, staffed by Horsley. Deputy Assistant Secretary for Budget and Programs Jack Basso and Horsley briefed NGA Transportation Reps. on ISTEA and Budget February 12. On March 17, Acting Federal Highway Administrator Jane Garvey and DAS Basso briefed NGA Washington Reps. on NEXTEA proposal.

USCM: December, Assistant Secretary Palmer and Secretary Peña attended POTUS meeting with 12 Mayors. FHWA Administrator Slater and Secretary Peña spoke at 5th Anniversary party for ISTEA at Union Station. Deputy Secretary Mortimer Downey staffed by Horsley, met with three Mayors prior to their meeting with OMB on ISTEA. January 18, Garvey of FHWA with Horsley, briefed the United States Conference of Mayors' Conference on ISTEA. February 22, Secretary Slater with Horsley met with the Mayors' Leadership Conference in Key West, Florida. On March 14, Secretary Slater and Mayor Daley held a press event on NEXTEA in Chicago.

NACo: March 1, Garvey of FHWA, with Horsley, addressed the Transportation Steering Committee. March 2, Horsley spoke to the County Executives on ISTEA. March 3, in presentation to the National Association of Counties on ISTEA, Horsley filled in for Secretary Slater who remained in Arkansas because of the storm disaster.

NLC: March 10, Secretary Slater spoke to Convention. March 12, NLC leadership joined POTUS for NEXTEA announcement. (March 6: Horsley spoke to the California League of Cities/Association of Counties Public Works Directors on ISTEA in Monterey.)

NCSL: March 6, Secretary Slater spoke to Convention.

We also work closely with two other organizations which involve city and county elected officials: the Association of Metropolitan Planning Organizations (A sub-committee of the National Association of Regional Councils) and the American Public Transit Association. The Secretary spoke to APTA March 10 and made a courtesy appearance at NARC February 8.

Two coalitions involving PIGs are key Administration allies in the NEXTEA debate. We have worked closely with the **Alliance for ISTEA Renewal**, which includes USCM, NACo, NLC, AMPO, APTA, the Surface Transportation Policy Project (a coalition of environmental organizations) and others. The second group, **ISTEA Works**, is made up of the 16 Governors who have signed a joint letter urging that ISTEA II be based on the current program. Their position is very close to our own. Their members consist of the Northeast Governors plus the Governors of Illinois, Colorado, Oregon and Washington. Southern mayors may also prove to be strategic allies. While Southern Governors who represent "donor states" support the STEP 21 proposal, their mayors prefer NEXTEA because it preserves CMAQ, STP and a decisionmaking structure more favorable to cities.

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Attachments

NEXTEA Interest Groups' 1997 Meetings and Conferences

NGA Transportation Reps	March 24, Hall of States	Garvey,Linton, Basso
National Association of County Engineers	March 24, Birmingham, Alabama	Horsley
American Consulting Engineers Council	April 4, D.C	Deputy Secretary Mort Downey
Association of Metropolitan Planning Organizations Policy Committee	April 10, D.C.	Speaker Requested
APTA Communter Rail	April 13-16 Dallas	
Central Iowa Regional Transportation Conference	April 14 Des Moines	S-1 Declined Speaker requested
Building Trades National Conference	April 14-16 Washington D.C.	S-1 to speak
California Councils of Government	April Monterey, Ca.	Garvey invited
Council of State Governments Eastern Regional Conference	April 18 D.C.	S-1 invited
Congresswoman Ellen Tausher Bay Area ISTEA Event	April 18 San Ramon, Ca	Palmer considering
National Association of State Budget Directors	April 20 Chicago	Basso
Georgia Association of Counties	April 21 Jekyl Is., Ga.	Horsley
AASHTO Spring Meeting	April 25-29 Des Moines	
Community Transit Association	May 4-6 Ft. Lauderdale	

APTA Bus Operations, Technology	May 4-7 Miami	
High Speed Ground Transportation 1997 Convention	May 4-7 Las Vegas	S-1,S-2 invited
WTS National Conference	May 7-9 Baltimore	
American Consulting Engineers Council Annual Convention	May 11-14 Nashville	Speaker requested
Rebuild America Summit	May 15 Houston	S-1 invited
ITS Annual Meeting	June 2-5 Washington, D.C.	
International Bridge Conference	June 2-5 Pittsburg	
ITE Annual Meeting	June 3-7 Boston	
National Association of Regional Councils	June 6-10 Charlotte, N.C.	
APTA Rapid Transit Conference	June 8-12	
U.S. Conference of Mayors	June 20-24 San Francisco D.C.	
Western Governors Association	June 22-24 Medora, ND	
Mississippi Valley Annual Meeting AASHTO	July 9-11 Chicago	
National Association of Counties	July 11-15 Baltimore	S-1 recommended
WASHTO Annual Meeting	July 25-31 Sun Valley, Idaho	
National Governors Association	July 27-30 Las VegasP	

National Conference of State Legislators	August 6-10 Philadelphia
Western Councils of Governments	August California
Association of Metropolitan Planning Organizations	September 4-7 Saratoga Springs, N.Y.
SASHTO Annual Meeting	September 12-16 Little Rock
APTA Annual Meeting	September 21-25 Chicago

To: Marcia Hale
cc: Dorothy Robyn, Jake Siewart
re: Rally Monday on Highway and Transit Funding
April 10, 1997

Attached are memos from NACo and NGA about a rally for full funding that they are holding on Monday the 14th. They are only talking about money, not about the reauthorization of ISTEA. It is, in fact, the only thing all of these groups could agree on.

**NATIONAL
GOVERNORS
ASSOCIATION**



News Release

Hall of the States
444 North Capitol Street
Washington, D.C. 20001-1512
Telephone (202) 624-5330

Media Advisory
April 7, 1997 (46-97)
Contact: Becky Fleischauer

Led by Nation's Governors, Coalition for TRUST to Call on Congress to Stop Raiding Highway Trust Fund and Start Investing in America's Transportation Future

(Washington, D.C.) – The nation's governors will lead the Coalition for TRUST in calling on Congress to put the "trust" back in the highway trust fund by investing those funds in America's transportation future. Decisions on how much can be spent on transportation are imminent. House and Senate Budget committees will be drafting a budget resolution bill this month, and Congress will be rewriting legislation that funds transportation programs this summer..

National Governors' Association (NGA) Transportation Task Force Co-chairs Kentucky Gov. Paul E. Patton and North Dakota Gov. Edward T. Schafer will begin their push for increased transportation funding with a news conference on Monday, April 14, at 9:00 a.m. in room S-207, the Mansfield room in the US Capitol. Following the news conference, governors and other members of the Coalition for TRUST will deliver their message to members of Congress.

The Coalition for TRUST, represents a broad cross-section of American business, farm and labor organizations with a serious stake in a viable national transportation system, such as the U.S. Chamber of Commerce, the National Association of Manufacturers, the AFL-CIO, the National Association of Counties, the National Conference of State Legislatures, the Farm Bureau, Keep America Moving, and the American Road and Transportation Builders Association. "There isn't an American life that isn't affected by transportation in some way," said the Coalition in a joint statement. "It's what keeps America moving, strong, and competitive in today's global marketplace."

Transportation is the backbone of the U.S. economy and current funding levels fall far short of what is needed to sustain a viable transportation system. The Coalition for TRUST is demanding that Congress stop raiding the highway trust fund to mask the size of the deficit, and start investing in America's Transportation future. "The highway trust fund was designed to provide important funding to sustain a healthy national transportation system," the Coalition said in a joint statement. "At a time when revenues generated for the trust fund through federal transportation user taxes are on the rise, and our highways and byways are falling into disrepair, it's unconscionable to use these funds for anything but transportation."

WHO: NGA Transportation Task Force Co-chairs Kentucky Gov. Paul E. Patton and North Dakota Gov. Edward T. Schafer, and Coalition for TRUST members –governors, state and local leaders, and business, farm and labor groups

WHAT: News conference calling on Congress to put the "trust" back in the highway trust fund

WHEN: Monday, April 14, 9:00 a.m.

WHERE: Room S-207 (Mansfield room) of the US Capitol

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April 10, 1997

TO: Lynn Cutler
FROM: Reggie Todd
RE: NGA Press Conference

As I mentioned to you, NACo will be participating in a April 14 press conference organized by NGA on the subject of funding for the highway and transit programs. The goal of the newly formed coalition---Coalition for Transportation Revenues Used Solely for Transportation (TRUST)--is to get the attention of the Senate and House Budget committees so that they will provide funding for highways and transit at a substantially increased level---\$26 billion for highways and \$5.2 billion for transit annually through the year 2002. The view is that the Highway and Transit Trust Funds can support this level, given their current balances and anticipated revenues.

The coalition has broad membership including state and local government groups, business and labor, and a variety of transportation trade associations. The press event will be at 9:00 am in the Mansfield Room of the Capitol on Monday, April 14. Governors Patton (KY), Nelson (NEB), and Schaffer (ND) are scheduled to speak along with representatives of NCSL, NACo, NLC, and maybe the mayors. Michael Starnes, chairman of the US Chamber of Commerce and Arthur Coia, president, Labors Int'l Union are also participating along with a Fortune 500 CEO to be confirmed. NGA is also hoping for a large number of coalition members will serve as a visual backdrop at the press conference and be available to the press. NACo has not identified its spokesperson, though it will not be Michael Hightower.

Let me know if you have any questions.



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Coalition for TRUST Transportation Revenues Used Solely for Transportation

The coalition for TRUST calls on Congress to invest all transportation trust fund revenues in transportation, the lifeblood of the American economy and way of life. There is a direct link between a nation's transportation investments and its ability to increase economic productivity by creating jobs, reducing distribution costs, lowering inventory costs, improving firms' access to high-quality labor, decreasing production costs, and saving lives. Because of changes in the global economy and the fact that many U.S. firms have implemented "just in time" manufacturing and inventory systems, an efficient and coordinated national transportation system is even more important than it was ten or twenty years ago. And greater spending on transportation could bring safety improvements, saving the lives of thousands of Americans killed in highway accidents each year.

We cannot afford, as a nation, not to invest in transportation. Investment in the future must be the driving force behind any effort to achieve and maintain a balanced federal budget. Under today's federal budget process, the only way that all the user taxes collected can be spent on transportation programs is for Congress to include higher spending levels for transportation in their budget resolution. The Coalition for TRUST calls on Congress, and in particular the House and Senate Budget Committees, to do just that.

When Congress created the transportation trust funds, it made a commitment to the American taxpayers that these receipts would be dedicated to maintaining and improving our national transportation system. However, both Congress and the administration last year proposed budgets that would retain between \$50 billion and \$80 billion of unspent user fees in the Highway Trust Fund. This action undermines the legal and moral commitment of the Highway Trust Fund. Not utilizing these funds would result in deteriorating transportation infrastructure, increased congestion, lowered economic productivity and profitability of U.S. firms, fewer jobs for U.S. workers, and, ultimately, lower tax revenues to federal, state, and local governments.

America's transportation needs far exceed current expenditures in all modes—air, highways, rail, transit, and waterways—and linkages between modes must be continually improved. Since fiscal 1992, the number of airline passengers has grown by 100 million, an increase of 21 percent, while aviation infrastructure investments have declined significantly. The administration's own studies reveal that annual surface transportation funding from all levels of government needs to be increased by \$18.2 billion, or more than 40 percent, simply to maintain current highway, bridge, and transit conditions and performance. An additional \$24.1 billion would be required to achieve needed improvements in these national transportation systems. Transit reduces wasteful traffic congestion, and in both rural and metropolitan areas provides essential mobility to millions of Americans who have no other transportation option. Yet federal transit funding has also declined significantly. Inland waterway infrastructure needs continue to grow, yet budget projections indicate the Inland Waterway Trust Fund balance will double in the next five years.

Annual fuel tax and other receipts to the Highway Trust Fund will increase more than 15 percent from 1998 through 2002, and could support significant and much-needed increases in federal transportation investment. If these increases are not approved by the federal government, billions of dollars of transportation user fees would end up being diverted to other uses by 2002. These dedicated revenues could support a funding level of \$26 billion per year for highways and \$5.2 billion per year for transit programs through 2002, not counting the 4.3¢ per gallon tax now dedicated to the general fund, worth another \$35 billion over five years. Multimodal programs that support economic growth and improve the quality of life could be funded at higher levels.

Continued federal disinvestment in the nation's infrastructure could put the nation's economy at a point of decreasing returns and reduced global competitiveness. **Transportation Revenues must be Used Solely for Transportation!**

4/14/97

John Hanley:

Final field hearing - Slater
NEXTED hearing "Senate appropriation

~~dedicated to transportation~~ Bond - Chaffee - highways -
majority vote by all highways -

wants more.
but can move it anywhere
→ Steven - more \$
spending outlays - \$5.86 over 5 yrs.
no new contract authority -

4.3% from deficit to trust fund - will go through Senate -
* will get on budget res. -
* Roth will try to get 1.5 cent Amtrak
Schuster will go for " " " if

POTUS position: You can raise \$, but not to sacrifice other -

EPA / DOT
Baucus - STARS - cuts CEMAQ to $\frac{1}{3}$ our position - we have not made a good case - CEMAQ - Air Quality -
* E.P.A. making a greater argument
* going down road -

people trying to drive wedge bet. people on attainment -

* packet on environmental piece that is Admin. problem - need to work -

small F.H.A. - Cemaq is a saleable program - case largely anecdotal - congestion / air quality progress

Horsley * CEMAQ critical - counties & cities -
managing. to help comply &
clean air act - flex-funds must
used -

next wk. - just ~~out~~ out at

environ. - don't need, do first -
briefing -

CEMAQ-critical
to all groups

N.G.A. - information needed - will
"smart growth" go - some

Magnikan/Lieberman - their
bill tomorrow - much like ours -
more fav. N.E.

* Baucus will pull away members
from STEA legislation -

Warner/Chaffee have come
agreed; then bring in Baucus -

Baucus

Chaffee-Magnikan May mark-up - maybe -

Warner Step 2¹

Mach

Starzy

Rep. Seiy - Seattle

US ~~horsley~~

Seiy - N.E. Corridor four-
several states -

* all emptying to have rails - trails
event

* Bldg. trades event - Slater

A ~~of~~ slump
speed - } get from Horsley }

msgs 1st state

Mayor } event @
Lancaster }
Main Rebuild America -

last up. } city/county officials
in April } * urban community hlg. enhancement
 } * construction
 } enmros.

Lancaster - ~~for~~ investing ~
neighborhoods -

Mayors in Conn.

CEMAQ - diff. constituency -

Catycania
Robyn
May 8-9
DCSH

~~th~~ ~~th~~
7, 8 - 9 - 10 Transp.

DEXTA

3/28

John H.

Keep structure in place - everyone @ table -

Coalition has ch. debate -

Donor states - Ky. Fla. not getting fair return -

Step 2

those who contrib.

more than they

get back -

Want

→ get 95% return back - state

to do that: slim. air quality prog.

Bridge - 8/6 - rehad old
heats cities

Va. Ind. Ky.

most > South

~~NARC~~

Penn.

Assoc. MPO - subcomm
Villines. Little Rock

Interstate
Maint. 45k.
miles

Highways. 20b.

Transport 4b.

N.H.S. - '95

Safety 500m.

Natl. Highway System
160k. highest.
priority highway

Surface Transp.
Program STP.

30% incr.

11% incr - POTUS

157b → 175b.

10% STP beautification -

MAC
air quality funds

Safety up 25%

~~STP~~

Bridge at 1b. ayr.

Safety Regulatory Prog. Bell
Separate - seat belt

Transit 4-56 repl. buses -
new lt. rail systems

Rural transit - handicapped
& elderly

Budget comm. has - decide
maximum over 6 yrs.

Auth. comms - June, July

Bill.
expires Sept. - Conference

Oct. 1st N. E. Lbrs. + One. Wash Mt. Colo.

Mayors →

Welfare
↓
work

Chaffee
Maignien

Shuttle
Oberster