FOIA Number: 2015-0463-F

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Collection/Record Group: Clinton Presidential Records

Subgroup/Office of Origin: Intergovernmental Affairs

Series/Staff Member: Lynn Cutler

Subseries:

OA/ID Number: 13538

FolderID:

Folder Title:
ISTEA [Intermodal Surface Transportation Efficiency Act]/BESTEA [Building Efficient Surface Transportation and Equity Act]

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APTA

March 6, 1998

Ms. Lynn Cutler
Deputy Assistant to the President
Deputy Director, Intergovernmental Affairs
Room 106
Old Executive Office Building
1600 Pennsylvania Avenue, N.W.
Washington, DC 20502

Dear Ms. Cutler:

As a follow up to a meeting called by minority Senate Banking Committee staff this afternoon specifically to ask for the Administration's help in opposing State minimum allocations amendments to the transit title of the ISTEA reauthorization bill now being debated in the Senate, I write to call your attention to this issue and to thank the White House for its critical support on transit issues.

In addition to key officials from the Department of Transportation, the meeting, which was organized by Loretta Garrison of the Banking Committee staff, also included representatives from the Vice President's office, the NEC and the White House. They indicated that the Administration would help fight the minimum allocation amendments, which effectively would destroy the carefully balanced federal transit program structure that allocates funding on the basis of needs.

Enclosed is the executive summary of a report we've just released in the Senate that explains the basis for our opposition to these amendments.

Again, our thanks to you and the White House staff for your good efforts on behalf of public transportation. Please contact me at 898-4060 if you have any questions about this issue.

Sincerely yours,

Daniel Duff

Daniel Duff
Vice President - Government Affairs

DD/cmb

EXECUTIVE SUMMARY

WHAT THIS REPORT IS ABOUT

The Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) specifies how Federal funds for public transit are allocated. This Report assesses the existing transit funding allocation structure and so-called State "minimum allocation" alternatives that have been proposed in the Senate. This Report:

- Explains how the existing structure works, how it targets resources to needs, and how it supports public policy goals of efficiency, cost-effectiveness, and protection of taxpayers' investments in existing systems.
- Shows how the "minimum allocation" proposals would cripple the national transit program, be at odds with National mobility and environmental goals, and run counter to investment choices being made by State and local officials.

WHAT IS "MINIMUM ALLOCATION"?

Rather than allocating monies based on the *need* for investment in transit, "minimum allocation" proposals offered in the Senate would guarantee that each ***State*** would get back some minimum specified percent or amount of the gasoline taxes that it pays into the Mass Transit Account of the Highway Trust Fund.

> **These "minimum allocation" approaches are alleged to be *equitable*. They are not. It is hard to imagine a public policy more ill-conceived than allocating *transit* funds based on *gasoline consumption*.**

CONCLUSIONS

This report offers three major conclusions:

- ✔ The "needs-based" nature of the existing structure by which Federal transit funds are allocated assures that funds are spent where they have the greatest impacts on mobility and access to employment opportunities.
- ✔ The existing transit funding allocation mechanisms are consistent with sound public policy principles that assure both a high return on the taxpayers' transit investment ***and*** a fair distribution of transit funds to States and to metropolitan and rural areas.
- ✔ Minimum allocation proposals would wreck transit nationally by:

- Making many new rail systems financially infeasible while causing millions of dollars of additional costs and years of delay for others;
- Force disinvestment in existing bus and rail systems, undermining rather than preserving taxpayers' investments in those systems;
- Be at cross purposes with National mobility, welfare-to-work, air quality, environmental, and quality-of-life goals; and,
- Run directly counter to the expressed preferences of State and metropolitan officials who have responded to ISTEA's flexibilities by *choosing*, more than ever before, rail transit as part of their transportation investment portfolios.

Table 1 reviews how the existing structure and "minimum allocation" proposals perform against a set of guiding public policy principles. Table 2 (see page 7) summarizes the existing structure.

RECOMMENDATION

This report therefore recommends that Congress keep the existing structure for allocating Federal transit funds, and that minimum allocation proposals be rejected.

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APTA

March 4, 1998

Ms. Lynn Cutler
Deputy Assistant to the President
Deputy Director, Intergovernmental Affairs
Room 106
Old Executive Office Building
1600 Pennsylvania Avenue, N.W.
Washington, DC 20502

Dear Ms. Cutler:

We were delighted to see Press Secretary McCurry's remarks during yesterday's White House news briefings (copy attached) about the need for increased mass transit funding. The remarks were immediately picked up by transportation publications, and have been very helpful in our ongoing efforts in the Senate to get increased funding for federal transit programs.

As we discussed when Chris Boylan, Dan Duff and I met with you on February 13th, transit programs advance important Administration initiatives - among them, global warming, welfare to work, access to school, work and health care, congestion mitigation and economic development. We appreciate the recognition of that fact.

Many, many thanks to you and the White House staff for your good efforts on behalf of public transportation!

Sincerely yours,

Bill

William W. Millar
President

WWM/cmb
Attachment

policy on tax cuts?

MR. MCCURRY: No. Our policy is that that would be a surplus that then is first to be devoted to Social Security, as we consider ways in which we can protect that program for the future. And it might be incentive for Congress to consider the very carefully reasoned arguments for targeted tax relief that the President has put forward and another reason why they should move forward promptly with the kind of tax relief the President has proposed.

Q Mike, Republicans have agreed on about $208 billion over six years for spending on ISTEA, but they haven't identified any offsets. What's the White House view of that?

MR. MCCURRY: Naughty, naughty. (Laughter.) They need to -- we have proposed federal transportation spending in excess of some agreements in the Balanced Budget Act. Now, my understanding was that they were coming together on some agreements on spending levels and the pay-fors need to be agreed to. We had a significant objection to -- was this in the House or the Senate? Our significant objection was the fact that they were taking the money and devoting it totally to highway transportation funding and not setting any aside for mass transit. But we again would point people back to the President's own FY'99 budget proposal for surface transportation, which we think lays out a very good path which calls for increased spending over average spending in past years, but not -- obviously not as much as the governors want, but we think it's a sufficient amount to take care of the most urgent and priority highway needs.

MR. TOIV: And have offsets that don't disturb the President's priorities.

MR. MCCURRY: Right. The offsets that are contained in our funding proposals don't jeopardize any of the President's high priorities.

Do you want to add anything to that?

MR. TOIV: You weren't suggesting that the surpluses be used to pay for our tax cut.

MR. MCCURRY: No, no, no, because that's included in our budget. I said it provides additional rationale why you can move ahead with the kind of targeted tax relief that we want. It's not necessary because it's paid for within our balanced budget plan.

Q Does he have anything else? (Laughter.)

MR. MCCURRY: Barry? Barry, anything -- Terry doesn't want to call it quits unless you want to --

Q I just want to know if he has anything else.

MR. TOIV: No, I just wanted to make sure that got on the record.

MR. MCCURRY: We got it on the record.

All right. Thanks, everybody.

END 1:42 P.M. EST

#476-03/03

Redact
to McCurry

3/23/98 1:30 PM

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

Dear Mr. Chairman:

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

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

this

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sincerely,

Rodney E. Slater

Information Meeting on ISTEA Legislation
March 23, 1998
AGENDA

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

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

III. ISTEA Funding Levels

BNA
Daily Report for Executives

No. 54
Friday March 20, 1998

Regulation, Law & Economics

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

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

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

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

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

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

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

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

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

Committee Readying For Markup

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

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

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

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

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

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

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

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

Administration Pushes Priorities

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

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

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

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

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

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

Battle on Drunk Driving Amendment

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

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

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

By Nancy Ognanovich

BNA
Daily Report for Executives

No. 55
Monday March 23, 1998

Regulation, Law & Economics

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

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

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

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

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

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

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

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

Spend, Offset, Guarantee

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

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

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

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

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

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

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

Project List Expands

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

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

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

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

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

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

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

White House Comments on Bill

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

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

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

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

By Nancy Ognanovich