

# Eno

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Transportation

## Documentary History of the 1987 Highway Bill Veto





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Thirty years ago this week, an 18-month struggle over the future of federal highway and mass transit funding came to a head: President Ronald Reagan became the first chief executive to veto a federal-aid highway authorization bill, and Congress overrode the veto. (Though it took two tries in the Senate.)

*(This single PDF file contains this narrative summary along with 321 pages of original documents (mostly from the Reagan Library) that are hyperlinked from the appropriate place in the overview narrative. Readers are to click on any word or phrase in blue type and be taken immediately to the appropriate document, or use the bookmarks bar at left.)*

The 1987 veto struggle began about a year-and-a-half earlier, on July 31, 1985, when House Highways Subcommittee chairman Glenn Anderson (D-CA) introduced a five-year highway and transit reauthorization bill (H.R. 3129, 99<sup>th</sup> Congress).

On September 10, Transportation Secretary Elizabeth Dole wrote House Public Works and Transportation full committee chairman Jim Howard (D-NJ) a [letter](#) criticizing the specifics of the House bill, saying “I would recommend to the President that he veto any bill that contains these provisions.”

Under the process in place at the time, Congress needed to approve an Interstate Cost Estimate (ICE) by October 1985 to allow the apportionment of the next round of Interstate construction funding – but, the existing Highway Trust Fund authorizations were not due to expire until October 1986.

Howard had hoped to do both in one bill in 1985, but they wound up enacting a separate ICE ([Public Law 99-104](#)) and saved the reauthorization for 1986. The subcommittee marked up the bill in June 1986, and just before that markup, the White House Office of Management and Budget sent a [letter](#) to chairman Howard threatening a veto. Public Works approved the bill on June 25 and filed its report on July 2 (H. Rept. 99-665).

[Talking points](#) for a White House meeting on July 18 listed the various failings of the House bill, and an internal White House Office of Legislative Affairs [memo](#) from later that day said that chairman Howard “has elicited promises from every member who requested a project to vote against a 55-mph amendment, for his off-budget amendment, and for final passage...the only way we will get an acceptable bill out of conference is for the Administration to communicate a clear and unequivocal veto signal in the House. Even then, the outlook for showing veto strength on a final passage vote appears grim at this time...”

House Public Works had to wait for Ways and Means to mark up its tax title of the bill on July 22 before moving to the House floor, where after debating and amending the bill, the House demonstrated that White House legislative affairs aides had been correct – the bill passed on



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August 15 by a *way-veto-proof* supermajority of 345-34 (91 percent of those voting supported the bill, well over two-thirds).

The Senate companion bill (S. 2405, 99<sup>th</sup> Congress) had been introduced in May 1986 and was much more to the White House's liking. As the Senate Environment and Public Works Committee prepared to mark up the bill in July 1985, OMB sent chairman Robert Stafford (R-NH) a [letter](#) in general support of the bill but urging the committee to address a few areas of concern. The Senate committee reported the bill on August 5 (S. Rept. 99-369) and debated and amended the bill over September 23-24 before substituting its amended text for H.R. 3129 and passing the amended bill by a vote of 99-0.

The main differences between the House and Senate bills were: (1) the House bill spent more on highways and a lot more on mass transit; (2) the Senate bill increased the maximum speed limit in rural areas from 55 miles per hour to 65 mph and the House bill did not; and (3) the House bill had extra funding for over a hundred earmarked "demonstration projects" for important members (including what would become the "Big Dig" for Speaker O'Neill), while the Senate bill had fewer projects (but they were all funded out of state formula money).

The Senate named conferees on the bill on September 25, but the House initially refused to go to conference unless the Senate first agreed to drop the 65 mph speed limit provision (1986 *CQ Almanac* 286). But the House backed down and [announced](#) on October 1 that conferees had been named. On October 2, both the [White House](#) and [DOT](#) sent letters to the conferees outlining the Administration's views (with the White House letter reiterating the veto threat). The conferees met on October 3 and again on the 7<sup>th</sup>, when Senate conferees made an [offer](#) to the House that held fast on the speed limit and the demo projects.

The House took its time responding, leading Senate conferees to write a [letter](#) to Howard on the 15<sup>th</sup> urging him to hold another conference meeting. The conferees met again on the 16<sup>th</sup>, where the House made a [counter-offer](#) that showed little flexibility on demo projects and none whatsoever on the speed limit. Howard then issued a [press release](#) criticizing the Senate for being inflexible. No further progress was made, and the Congress adjourned on October 18 without taking any further action on the bill.

In the November elections, the GOP lost control of the Senate, and Howard planned to introduce a new bill when the new Congress convened in January that included all tentative [agreements](#) made in conference and reiterated the House position on everything else.

The end of the 99<sup>th</sup> Congress marked the retirement of Tip O'Neill (D-MA) as Speaker of the House and put Jim Wright (D-TX) in the Speaker's chair. Wright's biographer, John M. Barry, was embedded in Wright's office during this time and wrote extensively about the 1987 experience in *The Ambition and the Power* (Viking, 1989). Wright and Senate Majority Leader



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Robert Byrd (D-WV) wanted a fast start to the 100<sup>th</sup> Congress, and Wright turned to Jim Howard to provide it.

Wright knew the Public Works and Transportation Committee well. He was a longtime member, and he'd had the seniority to be chairman of the House Public Works and Transportation for ten years by the time he became Speaker. But Wright instead ran for Majority Leader in 1976 and won (by one vote), which precluded him from chairing any committees (Wright had even married a Public Works staffer).

Wright asked Howard to start the new Congress by moving two veto-bait bills from the prior Congress through the House as quickly as possible in the new 100<sup>th</sup> Congress – H.R. 1, the Clean Water Act reauthorization, and H.R. 2, the highway bill. “Even though Howard ran perhaps the most bipartisan committee in Congress and his Republicans might not like being used as pawns in a battle against their President, Howard agreed to Wright’s request” (Barry 62).

Howard then introduced H.R. 1 and H.R. 2 on Opening Day, with the White House immediately issuing a [Statement of Administration Policy](#) threatening a veto. An internal White House [memo](#) from January 7 noted “There has to be action on this bill before March 1, 1987, when funds begin to run out in the states.”

H.R. 2 passed the House on January 21 by a huge margin of 401-20. The Senate had been producing its own bill, with the Public Works Committee reporting S. 387 on January 27 (S. Rept. 100-4), and the Banking Committee reporting S. 382 (the transit provisions) the same day (S. Rept. 100-3). A White House [memo](#) the following day predicted which amendments would be offered on the Senate floor and expressed concern that the mass transit provisions in both House and Senate bills might be so high as to justify a veto. The White House also [threatened](#) a veto if the Senate adopted a Byrd (D-WV) Buy America amendment.

The Senate passed the amended H.R. 2 on February 4 by a vote of 96-2 (the only “no” votes were Armstrong (R-CO) and Roth (R-DE)). A White House OMB [memo](#) to chief of staff Don Regan on February 9 saying, “Our concerns have not been addressed. In fact, the Senate made the highway bill worse by adding 63 pork projects and the Senate Banking Committee transit provisions we oppose. OMB and DOT support a veto of a conference bill that does not address our transit concerns or includes the House highway provisions... DOT and OMB believe that we should maintain our veto position because there is no way conference could address our concerns.” That memo also had an attachment comparing the funding levels in the House and Senate bills with the President’s request.

A February 11 [memo](#) from the White House Office of Legislative Affairs argued that if the White House senior staff agreed with the OMB-DOT recommendation, “that decision must be communicated in the strongest possible terms to the conferees prior to the Conference” but noted the obstacles:



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“Given the current climate – states running short on highway funds and the attendant contract/labor problems – it will be extremely difficult to sustain a veto of a highway bill containing any of the major provisions objectionable to the Administration. The best chance of sustaining a veto will be if the conference product contains the House scheme, or something close to it, for funding of demonstration projects. In that case, the sentiment in the Senate may well be to sustain the veto, since the key actors in the Senate feel that they exercised restraint in funding for demo projects, while the House has not. A veto solely on the basis of the funding levels in either the House or Senate versions for highways or mass transit will be much tougher to sustain.”

The memo recommended meeting with Senate Public Works chairman Quentin Burdick (D-ND), who opposed the House demonstration projects and who presumably would chair the conference committee, to attempt to get Burdick to use his clout to shape the final conference product to the White House’s liking.

A follow-up [memo](#) on February 13 went farther, saying that the White House must “work through [Minority Leader] Dole to begin to prepare for the 1/3 plus one we will need to sustain a veto. Burdick and [Public Works ranking member Bob] Stafford [R-VT] should be stroked by inviting them to visit with the President or the Chief of Staff about the conference.”

The House named its conferees on H.R. 2 on February 19, and on that day, OMB sent a [letter](#) to House Republican Leader Bob Michel (R-IL) threatening a veto for a variety of reasons, and Transportation Secretary Elizabeth Dole sent a [letter](#) to the conferees the following day also threatening a veto. Following up on his staff’s recommendation, White House Legislative Affairs head Bill Ball set up a [meeting](#) between Senate Public Works chairman Burdick and ranking member Stafford and White House chief of staff Regan, OMB Director Jim Miller, and Secretary Dole for Friday, February 27 at 2:00 p.m.

However, a funny thing happened on the way to that meeting – the Tower Commission investigating the Iran-Contra affair released its report on February 26, and the President decided that his chief of staff had to go. Regan agreed to resign quietly the following week, but on the afternoon of Friday the 27<sup>th</sup> he saw a TV report on CNN announcing that he had already been replaced. Regan angrily strode out of the White House, never to return, so the meeting on the highway bill was canceled.

Regan’s replacement as chief of staff was former Senate Majority Leader Howard Baker (R-TN), who was liked and respected on Capitol Hill. Baker had also been ranking minority member on the Senate Public Works Committee before becoming Republican Leader. And as it turns out, the initial White House strategy to rely on Public Works chairman Burdick was a bit misplaced. Burdick’s age and health meant that he was superseded as chairman of the conference committee by Pat Moynihan (D-NY), who [wrote](#) to Howard Baker on March 1 to explain the



situation: “I was not on the last conference but am chairman of this one. I feel we are near to working something out which you might want to consider. We are at your service.” (OMB was quick to [brief](#) Baker on their objections to the bill.)

A March 2 White House [memo](#) indicated that Senators “Moynihan and Mitchell...are saying that our veto bottom line is really mass transit funding, not demonstration projects” (and there was some truth to that, according to the earlier OMB memos) and that “conferees are confused about whether we are philosophically opposed to the projects per se, or just to demonstration projects outside the obligation ceiling.” On March 4, the Senate made a new [offer](#) to House conferees that gave ground to the House on the demo projects and the House responded with a [counter-offer](#) later that day.

An undated OMB [memo](#) (probably around March 6 or 7) summarized the negotiations to date, saying “In general, the Senate has receded to the House.” A [compromise](#) on the thorny issue of demo project funding was reached on March 9. The White House legislative affairs staff tried to get President Reagan to call Burdick and Stafford to ask their help in fighting the demonstration projects and prepared [talking points](#) as to why demonstration projects were bad – no matter the funding source – but Howard Baker took over making those calls.

Meanwhile, feedback from the Hill was starting to come in. The Missouri Congressional delegation [wrote](#) to Baker on March 12 giving advance notice that they would vote to override any Presidential veto of the bill.

On March 17, the conference report was filed ([H. Rept. 100-27](#)) and OMB gave White House staff a quick [summary](#). A DOT [memo](#) to the White House that day again listed overall spending levels, demo projects, and transit funding as the three veto-worthy objections. A White House [memo](#) that day asked two simple questions: “Will we facilitate a ‘quick turn-around’ on the bill?” and “What kind of highway bill can the President sign?”

The conference report certainly did have a lot of demonstration projects – a [master list](#) showed 170 of them (with White House staff handwritten scribbling on the right trying to assign Senate projects to individual Senators), and an earlier [list](#) of the House projects attributed those to individual House members. The conference report also included a new [minimum allocation](#) program giving states with few or no demo projects money to compensate for their lack of earmarks. And OMB quickly produced a [list](#) of the top 10 earmarks.

On March 18, the House adopted the conference report by a [vote](#) of 407-17. And since the House-passed bill had not addressed the 65 mph speed limit issue, Howard dealt with it by having the House take a separate vote on an “enrollment correction resolution” (H. Con. Res. 77, 100<sup>th</sup> Cong.) to add the Senate 65 mph language to the conference report by a vote of 217-206. Republican Senators began [calling](#) the White House urging the President not to veto the bill.



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Jim Wright's biographer wrote that a successful veto "would demonstrate that Reagan was still in control in Washington, that regardless of the Iran-contra affair, regardless of Democrats taking the Senate, regardless of Jim Wright's ambitions, he was still the boss. He could veto everything, drive the business of government to a halt, compel Congress to accede to his wishes." (Barry 180.)

Reagan personally [wrote](#) to Congressional leaders on March 19 to express his opposition to the demonstration projects and the transit funding and to say "If this bill is presented to me in its current form, I will return it to Congress without my signature."

But that day, at 5:28 p.m., the Senate [voted](#) to agree to the conference report, 79 to 17. Only 16 Republicans and one Democrat (Terry Sanford, D-NC) had voted with the President and against the bill, while 51 Democrats and 28 Republicans had voted to pass the bill in the face of a promised veto. Reagan [talked](#) on the phone with Bob Dole at 9:28 p.m. that night.

The Senate still had to vote on the concurrent resolution adding the 65 mph speed limit, and so theoretically, it was not too late to change the final bill. White House staff got Reagan's approval to start talking about an [alternative](#) bill that would spend \$4.5 billion less over five years, funded all demo projects from within state formula money, and killed the Big Dig and LA Metrorail provisions.

The discussion assumed that someone in the Senate could try to offer the President's alternative to the 65 mph resolution, but Burdick, Stafford, Moynihan and Highways Subcommittee ranking member Steve Symms (R-ID) sent a letter to their colleagues asking them to oppose any amendments to the resolution (see [133 Cong. Rec. 6463-6464](#)), and Minority Leader Dole indicated that the Administration alternative amendment was not yet available at that moment, and he did not want to delay things, because "If the President is going to veto it, it should be done and done quickly." ([133 Cong. Rec. 6468](#).) The 65 mph resolution was enacted by a vote of 60 to 21, clearing the highway bill for the White House.

Dozens of Republican Members of Congress began writing to Reagan urging him not to veto the bill, including future Speaker [Dennis Hastert](#) (R-IL) and future transportation chairman [Bud Shuster](#) (R-PA). But perhaps the most poignant came from longtime House Republican Leader [Bob Michel](#), writing, "I would hope that you can reconsider your position...A veto of this bill will surely put me personally between 'a rock and a hard place', and I just have to tell you that, Mr. President, in the hope that you will reconsider..." However, the White House issued a [statement](#) by the President on the 20<sup>th</sup> declaring that he would veto the bill, insisting that "Congress can't have it both ways. They cannot talk about cutting unnecessary deficit spending and then vote in favor of bills that bust the budget."

Somewhere around this time, DOT sent the White House a [draft](#) of a letter that they wanted to have Senators sign and send to the President declaring their support for a veto.



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On the 19<sup>th</sup>, the Administration had circulated a one-page [table](#) alleging that 41 states would receive lower formula apportionments under the conference bill than under the original Senate-passed bill. It was also at this time that Senators Moynihan and Mitchell took to the Senate floor to [complain](#) that the Administration used inaccurate state formula funding numbers in the table – Moynihan actually used the word “lying” and demanded that whoever in DOT Congressional Relations put together the table be fired immediately. A week later, DOT sent out a detailed [refutation](#) of Moynihan’s complaints.

The White House quickly organized an all-out campaign to convince at least 16 Republican Senators who had voted for the conference report to switch sides and vote to sustain a veto, on the assumption that the 16 Republicans and one Democrat who had voted “no” on the conference report would remain consistent and sustain the veto, and that William Armstrong (R-CO), who had missed the vote on the conference report, was still as opposed to the bill as he was when he filed blistering dissenting views in the Banking Committee’s report on the transit title. Those 18 Senate votes plus 16 more would total 34, the bare minimum margin for sustaining a veto in a 100-vote Senate. (The House was considered a lost cause.)

Transportation Secretary Dole and her husband [met](#) with Reagan and his senior staff on the morning of the 23<sup>rd</sup> and then she issued a [statement](#) in strong support of the veto. White House legislative affairs staff [divided up](#) Senators to be contacted by Administration officials and produced a “[shopping list](#)” of favors that might be traded to get the support of certain Senators. Reagan made some phone calls to Senators himself, including Kit Bond (R-MO), after which Reagan [wrote](#), “don’t think I moved him.” The staff suggested trading the Administration’s position on an agriculture bill for the highway veto vote of [Rudy Boschwitz](#) (R-MN), and they even went so far as to get a legal opinion on the propriety of Reagan doing a voice-over for a documentary about Mount Rushmore to get the vote of [Larry Pressler](#) (R-SD).

Reagan, Vice President Bush, and Bob Dole [met](#) directly with Bob Stafford on the morning of the 24<sup>th</sup> to ask for his support in sustaining the veto. Reagan then met with the combined House and Senate GOP leadership, which he wrote about in his personal diary afterwards, saying, “Much of the time spent on the Highway bill & my veto of same. Bob Dole made a speech about supporting me that drew applause from his colleagues. 1<sup>st</sup> time I’ve ever seen that.”

Staff planned for the President to throw a [cocktail party](#) on March 30 for Senators to lobby them directly (but that seems to have never taken place). And they continued to focus on the “pork” in the bill – DOT compiled a [list](#) of “unneeded” demonstration projects, OMB put together a [summary](#) of the major special interest projects and programs in the bill, and special attention was paid to the [L.A. Metrorail](#) provision.

On March 25, the senior conferees on the highway bill (with the notable exception of Bob Stafford) [wrote](#) to Reagan to urge him to “act quickly and to accept the conference report on H.R.



2 so that our highway program can move ahead without further delay.” The conferees also [wrote](#) to the chairman of the National Governors Association (Bill Clinton of Arkansas) to ask state governors to call their Congressional delegation in support of a veto override. A group of governors had [written](#) Reagan the day before urging him to sign the bill.

By Thursday the March 26, the White House legislative affairs office [tally sheet](#) showed 26 firm votes to support the veto (25 Republicans and Sanford), two leaning towards the White House, 11 undecided and 12 leaning against. They needed to sway eight more Republicans out of the 25 listed in the leaning for, undecided and leaning against categories.

The President was presented with the enrolled bill [memo](#) from OMB on Friday March 27 and signed his [veto message](#) at an 11 a.m. [ceremony](#), [telling](#) reporters “The bill’s a textbook example of special interest, pork-barrel politics at work, and I have no choice but to veto it.” The message went [straight](#) to the Clerk of the House.



**President Reagan prepares to sign the veto message on H.R. 2 on March 27, 1987, in front of Vice President George Bush, Senate Majority Leader Bob Dole, and Transportation Secretary Elizabeth Dole (and a crowd of reporters). Photo courtesy of the Reagan Library.**



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Reagan then [met](#) with Steve Symms, Chic Hecht (R-NV) and John McCain (R-AZ) to ask for their support. Reagan later wrote in his diary that “Hecht & Symms have some problems but I believe we have good chance. John McKain [sic] is with us.” On Saturday the 28<sup>th</sup>, Reagan devoted his national [radio address](#) to the highway bill situation.

Freshman Sen. Mitch McConnell (R-KY) had been having [problems](#) with the Agriculture Department on tobacco issues and was withholding his vote. Reagan [met](#) with McConnell on Monday March 30<sup>th</sup> in the presence of Agriculture Secretary Richard Lyng. Reagan then met with Sen. Thad Cochran (R-MS) to lobby him for his vote. Reagan later wrote in his diary, “I’ve got a chance with Thad but Mitch is hung up on some problems with his tobacco farmers sounds negative on the vote.”

McConnell [told](#) Vice President Bush the following day that he was still a “no.” Lyng even took the extraordinary step of offering to resign as Agriculture Secretary if it would get McConnell’s vote on the veto, to no avail. (Ward Sinclair, “The Day Lyng Offered to Quit the Cabinet; Tobacco-State Senator Rejected Deal, Cast Key Vote Against Reagan.” *The Washington Post*, September 21, 1987.)

Howard Baker was also making calls to Senators, including one to a [Senator](#) he would marry nine years later. On the 30<sup>th</sup>, Secretary Dole sent a [letter](#) to Congress urging support for the veto.

But Reagan had sorely misjudged Steve Symms when he wrote that he thought he had a “good chance” to get his support – on the 30<sup>th</sup>, Symms sent a “[Dear Colleague](#)” [letter](#) to all Senators with a devastatingly detailed critique of the Administration’s arguments and defending the final bill. Symms addressed the earmark issue head-on, saying, “Unfortunately, the objections of the President and many senators notwithstanding, demonstration projects are a fact of life and a highly valued commodity in the House of Representatives. In my judgment, we would not be finished with a highway conference today if the Senate conferees had not been willing to provide some additional federal funding for demonstration projects.”

The White House sent out a detailed [refutation](#) of Symms’ letter on the 31<sup>st</sup> but the damage was already done.

On March 31, the House [voted](#), 350-73, to override the veto. Of the eight elected members of the House GOP leadership (Michel, Trent Lott (R-MS), Jack Kemp (R-NY), Dick Cheney (R-WY), Jerry Lewis (R-CA), Lynn Martin (R-IL), Bob Lagomarsino (R-CA) and Guy Vander Jagt (R-MI)), only Kemp and Lagomarsino voted with the President. An undated [tally sheet](#) from the legislative affairs office from about this time shows 22 Senators firmly committed to sustaining the veto, two leaning to sustain, and 20 “possibles.” That same day, Reagan sent each Senator a [letter](#) asking for their support on the veto override. He also called [Strom Thurmond \(R-SC\)](#) and offered to support a road project in Myrtle Beach in order to lock down Thurmond’s vote.



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The White House was not just doing direct lobbying. Staffers were contacting [governors](#) in an attempt to get them to weigh in with Senators, and a March 31 memo summarizes the outreach that the White House had conducted with [outside groups](#) (not just groups concerned with deficits or Republican politics per se, but Christian talk radio as well). And the White House continued to [work the phones](#) and try to get Republicans to support the veto.

By the time the vote was called in the Senate on the morning of April 1, the White House actually got the 16 Republican Senators they needed – Senators who had voted “yes” on the conference report but switched and voted “no” on the veto override.

However, they were undone by the lone Democrat who had voted “no” on the conference report and who had been counted as a firm supporter of the veto in all of the vote tallies Terry Sanford (D-NC).

Sanford had promised the Democratic Lieutenant Governor of North Carolina, Bob Jordan (who was going to run for governor against the Republican incumbent, Jim Martin, in 1988), that he would vote “no” on the highway bill because its funding formulas shortchanged the Tarheel State. His fellow Democrats in the Senate, meanwhile, put intense pressure on Sanford to show party solidarity and hand the president a defeat. House Majority Whip Tony Coelho was telling North Carolina Democratic House members that if Sanford did not support the veto override, tobacco subsidy programs would suffer. (Barry 182.)

Linda Greenhouse told the story vividly in *The New York Times* the next day – 98 Senators had voted and the total was 65-33. The only two Senators who had not voted were Sanford and Republican Whip Alan Simpson (R-WY). Greenhouse wrote, “First senior Democrats, then Mr. Simpson, then the Democrats again, made their pitches. Finally, looking at the Democrats, he shook his head no and made a chopping motion with his hand. Mr. Sanford then voted ‘present’ and then a few minutes later changed that to ‘nay,’ a vote to sustain the veto. Under the Senate’s rules, a vote of ‘present’ would in effect have been a vote to override the veto, because it lowers from 67 to 66 the number of votes required to override. Later, in recounting the episode, Mr. Sanford said, ‘Let’s say I was slightly confused.’” (Linda Greenhouse, “Senate, For Now, Upholds the Veto of Roads Measure,” *The New York Times*, April 2, 1987.)

In the face of a triumphant victory for Reagan, and realizing that Sanford felt bound by his commitment to Lieutenant Governor Jordan, Rep. David Price (D-NC) got Jordan to release Sanford from his promise in the name of the national party interest. (Barry 195.)

For what happened next, Reagan himself summarized it in his diary quite nicely: “But when 1 Dem. Terry Sanford broke ranks & voted with us – the winning vote – Bob Byrd switched his vote to us so he could demand reconsideration. You have to be a vote on winning side to call for reconsideration. All day on A.F. 1 in Phil. We’ve been back & forth on the phones trying to line

up votes but then Byrd has been busy too. Terry Sanford stood up and announced he was changing his vote – looks like we’re behind.”

That last sentence in Reagan’s diary refers to later on April 1, when Sanford went back to the Senate floor and announced that he would be changing his vote. But no one quite believed the reasoning Sanford gave: “With pressure from no one, but with the thoughtfulness that comes from listening to and considering carefully the views of others, I shall now vote to reconsider.” (133 *Cong. Rec.* 7634.) Bob Dole then began a long series of delaying moves to give the White House time to try and switch one of the 13 Republicans who had voted “yes” on the override to the President’s position.

The next morning (April 2), with the reconsideration vote still pending and Dole still delaying, Reagan decided to go all-in: “I decided to go to the Hill & make my pitch to our Rep. Sens. including the 13 who are voting to override. Some of our team thought I would only look worse if I was overridden. I decided I couldn’t live with myself if I didn’t go.” Reagan [left](#) the White House just after 11 a.m. and would spend nearly two hours in the Capitol. Reagan wrote in his diary later that “I met 1<sup>st</sup> with a large group of Sens. in old Sen. Chamber. Then with the 13 in Bob Dole’s office.” In that meeting with the 13 holdouts, President Reagan actually used the word “beg,” as in “I beg you for your vote.” (Walter Shapiro, “Road Warriors,” *Time*, April 13, 1987.)



**President Reagan meets with Republican Senators in Majority Leader Dole’s office in the Capitol to beg for their votes on the highway bill veto override, April 2, 1987. (Photo courtesy of the Reagan Library.)**



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But Reagan's desperate plea proved fruitless. Again, Reagan's diary: "I knew when I left I'd failed but I have no respect left for that 13. They were voting on strictly the pressure they were getting from the construction industry and they were voting against trying to balance the budget."

Reagan went back to the White House to meet with the NCAA women's basketball champion Tennessee Lady Vols, where Reagan joked about the ongoing veto drama: "Leon Barmore, the coach of that fine Louisiana Tech team that you defeated, said that 'Tennessee played the greatest defensive game I've ever seen.' Well, believe me, I had a special feeling about all of you coming here today because, as perhaps you know, lately I've been playing a little defensive ball myself."

The denouement, from Reagan's diary: "Back to the Cab. room for an Ec. policy meeting on the upcoming Canada meeting. In the meeting was handed a note – we'd lost on the veto vote 67-33. 1 vote short. A brief Personnel meeting & then Admin. time – some departure pictures, then a group of Hasidic rabbis. Also the Am. Cancer Society with Minnie Pearl. On to W.H. Public sentiment including even some Dem. Sens. seems to be favoring me in my defeat."

Reagan's brief [official statement](#) on the override promised that "My efforts to control spending are not diminished, and I remain firm in my pledge to the American taxpayers to speak out against such budgetary excesses." That evening, Reagan sent the 33 Republican Senators who had supported his position personalized thank-you [notes](#).

The Surface Transportation and Uniform Relocation Assistance Act of 1987, enacted over the President's veto, became [Public Law 100-17](#).

(A list of who voted which way on the Senate veto override is on the following page.)

**The 1987 Highway Bill - Republican Senators who:**

Voted "no" on the conference report and then voted to sustain the President's veto

**17**

Armstrong (CO)\*  
Dole (KS)  
Evans (WA)  
Garn (UT)  
Gramm (TX)  
Hatch (UT)  
Hatfield (OR)  
Helms (NC)  
Humphrey (NH)  
McClure (ID)  
Nickles (OK)  
Roth (DE)  
Rudman (NH)  
Simpson (WY)  
Trible (VA)  
Wallop (WY)  
Warner (VA)

Voted "yes" on the conference report but were persuaded by the Administration to switch sides and vote to sustain the President's veto

**16**

Boschwitz (MN)  
Chafee (RI)  
Cohen (ME)  
Domenici (NM)  
Grassley (IA)  
Karnes (NE)  
Kassebaum (KS)  
Kasten (WI)  
Lugar (IN)  
McCain (AZ)  
Murkowski (AK)  
Packwood (OR)  
Quayle (IN)  
Stafford (VT)  
Stevens (AK)  
Thurmond (SC)

Voted "yes" on the conference report and then voted to override the President's veto

**13**

Bond (MO)  
Cochran (MS)  
D'Amato (NY)  
Danforth (MO)  
Durenberger (MN)  
Hecht (NV)  
Heinz (PA)\*\*  
McConnell (KY)  
Pressler (SD)  
Specter (PA)  
Symms (ID)  
Weicker (CT)  
Wilson (CA)

\*Armstrong missed the vote on the conference report but quickly made it known that he was opposed and was counted in the "sustain" column early on by the White House.

\*\*Heinz missed the vote on the conference report but had announced prior to the vote that, if present, he would have voted "yes".

*(Note on Reagan personal diary entries: The Reagan Library scanned President Reagan's entire hand-written daily personal diary. It is not possible to distinguish his personal punctuation and spelling idiosyncrasies from OCR artifacts. The diaries are no longer available online but were published in [book format](#).)*



THE SECRETARY OF TRANSPORTATION  
WASHINGTON, D.C. 20590

SEP 10 1985

The Honorable James J. Howard  
Chairman, Committee on Public Works  
and Transportation  
House of Representatives  
Washington, D.C. 20515

Dear Mr. Chairman:

This letter contains the views of the Department of Transportation on H.R. 3129, the "Surface Transportation and Uniform Relocation Assistance Act of 1985". We anticipate that the bill will be marked up shortly and, since we have never had the opportunity to comment specifically on the bill, we wanted to take this opportunity to explain our concerns to you.

The bill contains four titles: Title I, the Federal-Aid Highway Act of 1985; Title II, the Highway Safety Act of 1985; Title III, the Federal Mass Transportation Act of 1985; and Title IV, the Uniform Relocation Act Amendments of 1985.

Title I of this bill would increase the cost of completing the Interstate System and contains many special interest demonstration projects which would cost the Federal government about \$1 billion over the duration of the bill. The Department has opposed and continues to oppose special interest projects which distort state and local priorities, provide Federal funds for specific projects without requiring any matching funds, and are not subject to the obligation ceiling imposed on other types of spending from the Highway Trust Fund. The resources of the Highway Trust Fund should be expended by the states in accord with state priorities in a rational, planned manner; specific project expenditures should not be dictated at the Federal level. Moreover, based on the latest Treasury Department estimates of revenues to the Highway Trust Fund, the budget authority that can be supported by the Highway Trust Fund falls short of the budget authority called for in the bill in 1990.

We also oppose the transit portion of the bill, Title III. We do not support, as the bill proposes, general fund authorizations for the formula program and Mass Transit Account funding for the discretionary program. The Administration proposes to end the discretionary section 3 program and generally to fund programs from the Mass Transit Account by formula apportionment. In this time of deficit reduction efforts, general fund authorizations at the \$2.4 to \$2.5 billion level, along with an increase in the Mass Transit Account authorization level, as this bill proposes, would provide simply too much Federal funding for a program that is essentially local in nature.

The bill would increase budget authority by more than \$3 billion in FY 1987 and \$13 billion over the four-year period from 1987 through 1990, compared to the President's planning levels. This would add significantly to the Federal deficit.

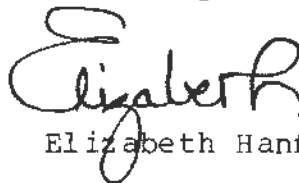
We are greatly concerned that the bill incorporates the approval of the Interstate and Interstate Substitute Cost Estimates (ICE and ISCE). As I indicated in my letter of July 19, 1985, I strongly urge that the approval not be linked to the reauthorization bill. Given the national needs, I recommend that the Committee delete the ICE and ISCE provisions from this bill and pass a clean bill similar to the one approved by the Senate. It would not be fair to the states to withhold release of these funds while Congress deliberates over the reauthorization proposal.

Preliminary comments on selected sections of the bill are provided in the enclosure. We will be happy to provide you with additional comments.

The bill essentially retains all of the existing programs and adds additional requirements, new spending authority and new limitations on state and local decision-making. The new spending authority from the general fund will add to the deficit. The costly additions to the Interstate System will delay the completion of the system. There is not sufficient budget authority in the Highway Trust Fund to carry out the programs proposed by the bill. For these reasons, I would recommend to the President that he veto any bill that contains these provisions.

The Office of Management and Budget advises that, from the standpoint of the Administration's program, there is no objection to the submission of our report for the consideration of the Committee and that enactment of this legislation would not be in accord with the program of the President.

Sincerely,



Elizabeth Hanford Dole





## ADDITIONAL SPECIFIC COMMENTS

### TITLE I

#### Federal-Aid Highway Act of 1985

Sec. 102(a). The Interstate Cost Estimate (ICE) table approved in this subsection includes in excess of \$853 million in costs for a four-lane I-90, an I-90/I-93 full interchange, and HOV facilities in Boston, Massachusetts. This Department opposes the addition of these elements to the ICE submitted to the Congress in January 1985 (Committee Print 99-1).

Sec. 103. (1) The table being used for Interstate substitution fund apportionments needs to be updated because it does not reflect the current factors.

(2) This section funds substitute transit projects out of the general fund of the Treasury. We recommend funding these projects out of the Highway Account of the Highway Trust Fund since, had the projects not been substituted for withdrawn segments, the Highway Trust Fund would have been the funding source.

(3) This section would require two new Interstate Substitute Cost Estimates to make apportionments. We would prefer to make these apportionments using a formula based upon the withdrawal values remaining in each state.

Sec. 104. While the bill proposes excessive spending in many other areas, section 104 fails to maintain current statutory levels for the Federal-interest Interstate 4R program. This section reduces the Interstate 4R authorization to be apportioned on October 1, 1985, from \$3.15 billion to \$3.035 billion. Section 106 reduces the primary authorization, required to be apportioned on October 1, 1985, from \$2.45 billion to \$2.4 billion. The current authorizations have been certified to the states pursuant to 23 U.S.C. 104(e). Also, these sums will probably be apportioned before sections 104 and 106 of H.R. 3129 could be enacted. Reducing these authorizations would be disruptive to the state formula apportionment process.

Sec. 105. (1) This section contains an unusual number of exemptions from the obligation ceiling which makes it very difficult to control spending and estimate outlays and obligations. These exemptions are generally for demonstration projects in this bill, previously authorized demonstration projects, and other special interest provisions. Exemptions are at the expense of formula programs and work to the detriment of all formula programs including Interstate completion. This Department strongly opposes these exemptions.

(2) Section 105(c)(2) contains a 5 percent factor for distributing obligation authority which rewards states that have been slow to obligate their funds. We oppose the 5 percent factor because it rewards states where there have been delays.

Sec. 106. Section 106(c) continues the 10 percent goal for disadvantaged businesses participation established in the 1982 Surface Transportation Assistance Act. The Administration is developing its position on this troublesome provision.

Sec. 107. This section revises the Interstate 4R formula. Our study performed in response to the Surface Transportation Assistance Act of 1982 concluded that there was not a compelling reason to change the formula.

From a technical standpoint, the Committee should be aware that the amounts of "gasoline used by motor vehicles on highways" and "diesel fuel used by motor vehicles on highways" can only be estimated.

Sec. 108. This section would require a state to pay relocation benefits to a party who is occupying highway right-of-way through a lease arrangement with the state if the state wants to terminate the lease, even if the lease negotiated by the parties did not so provide. We believe that this provides a windfall to such lessees and is an infringement on the rights of the states to enter into contracts. Also, it would discourage airspace usage that would otherwise be in the public interest. We oppose the provision. Such matters should be handled in the contract between the parties. We oppose section 306 for similar reasons.

Sec. 112. This section gives the Harbor Freeway in Los Angeles County special priority for receiving Interstate discretionary funds even if California has not obligated all of its Interstate apportionments. We oppose this provision.

Sec. 114. This section adds additional primary routes to the list of projects that receive priority for funding. We oppose the section and would prefer to repeal all priority primary route provisions.

Sec. 115. This section would extend highway emergency relief (ER) provisions to the territories and would cap ER obligations for the territories at \$5 million per year. We support extending ER to the territories and support the \$5 million cap.

Sec. 117. This section is a special interest provision which applies to Alligator Alley in Florida and the West Virginia Turnpike. The provision permits the extension of tolls on a

toll facility (contrary to a toll agreement) to pay for construction costs that are ineligible for Federal-aid highway funds. The Administration is developing its position on this provision.

Sec. 118. This section provides \$5 million per year to carry out the billboard removal program. We do not believe that additional Federal funding, either from the general fund or the Highway Trust Fund, should be provided to remove billboards.

Sec. 119. This section extends the eligibility deadline for section 139(b) designations from March 9, 1984 to July 1, 1985, and waives the deadline for the Weirton, West Virginia bypass. We oppose the special interest provision to grant a waiver of the new deadline for this West Virginia facility and oppose the deadline extension. We note that the deadline extension will not cover a section 139(b) designation made in Colorado in July 1985.

Sec. 120. This section provides for the construction of an Arkansas bridge to replace certain ferryboat service eligible for bridge funds under 23 U.S.C. 144. We oppose this special interest provision. Bridge funds should be used to replace or rehabilitate bridges.

Sec. 121. (1) The section provides that apportionments withheld due to sanctions should be considered to be apportioned for purposes of calculating the minimum allocation. While we believe this to be the law, we do not object to the clarifying language.

(2) The section also extends the minimum allocation for four years. The Department does not believe that the minimum allocation provision should be continued in its present form.

Sec. 122. This section would create national bridge inspection standards, training programs, and certification of inspectors. The Administration is developing its position on this provision.

Sec. 124. Subsection (e) of this section is unnecessary. The problem in Maryland that it would affect has been addressed administratively. The Administration is developing its position on the other subsections.

Sec. 125. Under the Buy America provision, the domestic content requirement for buses, rolling stock, and associated equipment would be increased from 50 percent to 85 percent but would grandfather plants that were producing these items during the first half of calendar year 1984. We oppose both the increase in the domestic content percentages as well as the grandfather provision, which inequitably protects only certain specific

companies. We also note that the proposal prohibits the use of Mexican or Canadian cement which would, if enacted, be the third change in this area in three years and would give rise to unnecessary confusion. Both provisions are, at the very least, against the spirit of the United States international trade obligations and the Government Procurement Code negotiated during the Tokyo round of trade negotiations and incorporated in the 1979 Trade Act. We are opposed to these changes.

Sec. 126. The Department opposes the costly additions to the Interstate System proposed by section 126. Moreover, while we believe the language would only make the Third Harbor Crossing eligible for Interstate construction funds, proponents of an expansive reading might contend that it also encompasses the eligibility of the depression of the Central Artery. The Department believes that the cost of the depression of the Central Artery is not justified on the basis of the transportation benefits to the nation.

Sec. 127. This special interest provision permits Arkansas to use Interstate construction funds to construct a two-lane primary highway. Another two lanes would be funded as a demonstration project under section 138(a)(11)(A) of this bill. We oppose this provision as being unnecessary and a diversion of Interstate construction funds which will delay completion of the Interstate System.

Sec. 128. This section would require that the State of Illinois expend \$15 million over three years on a toll facility in Chicago. As recognized by the Congress in 23 U.S.C. 145, a state has sovereign rights to determine which projects shall be federally financed. We are opposed to this provision which interferes with state priorities.

Sec. 129. This provision would prohibit construction of the recommended alternative for the Westway. Because this matter is currently in litigation, we do not believe that Congress should take any actions to limit state and local options.

We oppose the provisions to waive the limitation on eligible activities under the 1981 Federal-Aid Highway Act and restrict the kind of substitute projects that may be funded. We also strongly oppose section 129(d) because it would result in additional mass transit funding from the general fund. Highway Trust Funds should be used, not general funds.

Sec. 130. This provision makes HOV lanes for an Interstate facility (Harbor Freeway) in Los Angeles County eligible for Interstate construction funds and also permits withdrawal and substitution of the funds for construction of a fixed guideway

system in lieu of these lanes. The Department opposes this special interest provision.

Sec. 131. This section permits the states of Maryland and Connecticut to modify certain substitute project concept plans. The Governors of the two states would be permitted to select projects. We oppose the section as it constitutes special treatment and because local governments should participate in the selection of substitute projects. We would not object to a provision which generally allowed state and local governments to revise concept plans.

Sec. 132. This section exempts a Can-Am Warehouse Company facility partially located on I-94 right-of-way in Michigan from restrictions in 23 U.S.C. 111 which prohibit commercial establishments on Interstate right-of-way. We do not object to this provision.

Sec. 133. We oppose this provision which permits the market value of land donated for a project in California to be used for the state's share of the project and permits any excess value to be used for the state's share of other projects. While we oppose this special interest legislation, we could support a general provision on donated lands.

Sec. 134. This provision would permit the value of land donated to a California project to be credited toward other projects. We object to this provision.

Sec. 135. Current law permits special Federal funding of the Baltimore-Washington Parkway in Maryland, provided that the state agrees to assume future responsibility for the parkway. This provision would allow funding without requiring the state to assume future responsibility. We oppose this provision.

Sec. 136. This section would authorize such sums as may be necessary (\$700 to \$800 million) to complete railroad relocation demonstration projects under section 163 of the Federal-Aid Highway Act of 1973. Additionally, the section would permit a Carbondale, Illinois project to proceed with \$5 million in contract authority. We are opposed to this section.

Sec. 137. This section concerns maintenance of Conrail railroad-highway crossings. We are opposed to this section as it would provide \$4.5 million annually in Highway Trust Funds for what is essentially a maintenance operation. Title 23 has been structured so that Federal funds can be used for construction purposes and are not available for maintenance activities. Our budget proposal calls for higher funding for the construction of highway-railroad grade crossings than section 209. We

believe that the greatest safety benefit comes from construction funding.

The matter of who pays for maintenance of railroad-highway crossing warning devices is handled on a state-by-state basis and is dependent on state law. We see no reason why the Federal Government should intercede and establish a precedent regarding responsibility to pay for maintenance at crossings. The matter should be left to the discretion of the states.

Sec. 138. This section provides demonstration projects which would cost about \$1 billion. These projects attempt to establish Federal priorities for state projects, do not require any non-Federal match, and are not subject to the obligation ceiling. We strongly oppose section 138.

Sec. 139. This section reprograms \$504,430 of railroad demonstration funds for use on highway projects. We would prefer rescission of these funds.

Sec. 140. This special interest provision allows excess funds not used under section 147 of the Federal-Aid Highway Act of 1978 to be used to construct three bridges across the Ohio River. We are opposed to this provision.

Sec. 141. This section authorizes the Secretary to prepare an environmental impact statement for the Richmond-Willowbrook Corridor in Staten Island, New York. This section is not necessary because of existing statutory provisions.

Sec. 144. We oppose this study of highway expenditures, revenues, and relative needs. The study requires that we determine whether rural areas are receiving their fair share of Federal-aid funds. From a technical standpoint, we do not believe there are reasonable means to estimate Highway Trust Fund receipts attributable to counties within a state. We do not collect information such as motor fuel and vehicle registration data at the sub-state level; therefore, population and perhaps miles of highway would be mainly the only factors that could be used. Likewise, there is no procedure to develop estimates of needs by county.

Sec. 146. We recently received a final report on a study to recommend improvements to the existing bridge formula. However, the thrust of this section's study is to determine the effects of enforcing the existing formula and to suggest modifications to the formula based on a benefit/cost assessment. We have no objection to this effort provided that the impact on pavements and bridges would be studied.

Sec. 147. We do not support this study. However, if the Committee does pursue it we recommend this section be incorporated as a sub-element of the national needs study called for in proposed section 212.

Sections 148 through 156 are all demonstration projects and special studies. We oppose these and all special interest provisions for the reasons previously given.

## Title II

### Highway Safety Act of 1985

Sec. 202. The authorization levels proposed in section 202 for NHTSA's section 402 program exceed by a considerable margin the funding level requested in the Department's FY 86 budget proposal (\$126.5 million), as well as reasonable projections of future funding needs for this program. The Department believes that the authorization levels proposed in section 202 exceed the maximum level that is needed to carry out the section 402 program in an efficient and effective manner. Because of the overriding need to control spending and reduce the Federal deficit, we oppose the proposed authorization levels. We also oppose the continuance of the earmarking of funds for specified programs, a practice which inhibits the states from allocating their funds in accordance with their own safety priorities.

Sec. 203. This section increases the authorizations for the Motor Carrier Safety Assistance Program. The level proposed for FY 86 exceeds the Administration's budget request by \$16 million. The Administration is developing its position on this provision.

Sec. 204. Section 204 of the bill would provide a new weighted compliance formula (based on speed and type of highway) for the 55 mph national maximum speed limit. A state's apportionment of Federal-aid highway funds would be withheld, under this proposal, if its "compliance score" exceeds a certain amount, which is not yet specified, and NHTSA would be given sole responsibility for the administration of the program.

DOT is currently reviewing options concerning the implementation of current law and would view any proposal to change the current law at this time to be premature. We are not certain that the point system proposed in section 204 represents the optimal approach. We would be opposed to setting a maximum permissible point level which abruptly threatens a large number of states with noncompliance under a modified system. We also object to the proposed transfer of the entire 55 mph program to NHTSA, a move which would deprive the program of FHWA's unique expertise

in traffic counting and speed monitoring techniques, as well as impair the Secretary's ability to determine how to administer this program in the most effective manner.

Sec. 205. This section would amend the 21 year old drinking law to provide for permanent penalty authority. We favor section 205, which would extend the penalty for a state's failure to enact age-21 drinking age laws and limit the lifetime of withheld funds. The need for the lower drinking age will not end in two years, nor should the penalty for failure to have a law.

Sec. 206. We also favor section 206, which would provide a new "modified" basic grant under section 408, for states that otherwise meet the criteria for a basic alcohol traffic safety grant. By setting this grant at 20 percent of a state's highway safety apportionment, the proposal would preserve an incentive for the states to meet the full criteria under section 408. We are analyzing the advisability of extending the availability of current authorizations.

Sec. 207. This section prohibits the use of certain reports as evidence. We support this concept but would prefer a provision which we will submit with our proposed reauthorization bill.

Sec. 208. This section which would add the installation of emergency call boxes to the definition of "highway safety improvement project" is unnecessary as call boxes are already eligible for regular Federal-aid funding.

Sec. 209. The authorization levels provided for the railroad-highway crossings provision are lower than those proposed in the President's budget.

Sec. 210. We do not object to section 210, which would extend the time for establishing procedures, pilot projects, and reports for the new National Driver Register. We have issued the final rule to guide the development of the revised Register, and we have issued a request for proposals for the pilot states under the revised system. An extension of time would enable us to complete this process in an orderly manner.

Sec. 211. The Department opposes this section, which would prohibit the use of funds authorized by section 209 of the Highway Safety Act of 1978 for education or informational programs conducted in connection with the implementation of Federal Motor Vehicle Safety Standard 208. We believe that the goal of the section 209 program -- to develop radio and television campaigns to reduce traffic accidents, deaths and injuries, and particularly to increase usage of safety belts -- is closely related to the Department's July 1984 decision on Standard 208, which likewise seeks to reduce traffic deaths and



injuries through greater belt usage and other occupant crash protection systems.

Sec. 212. This section proposes a railroad-highway crossings needs study. We do not believe that the study is necessary, but if the Committee finds it useful, the study should be combined with the study proposed in section 147 on "orphan bridges".

Sec. 213. This section proposes a study of older drivers. The Department is aware of the problems of older drivers, with respect both to their accident involvement and to their vulnerability to injuries. We are continuing to work with organizations of older persons to make driving safer for their members. At this time, however, we do not see a need for an intensive study by the National Academy of Science as proposed by section 213, and accordingly do not support this section.

### Title III

#### Federal Mass Transportation Act of 1985

As described in the transmittal letter, we oppose the re-authorization provisions in Title III. We believe that it is time for a dramatic restructuring of the transit assistance program. We are concerned that the changes made by this bill would decrease the ability of state and local governments to make responsible transportation decisions and would perpetuate the substitution of Federal decisions for state and local decisions.

Sec. 302. This section would revise the current letter of intent provision in the UMTA discretionary grants program and replace it with a multi-year contract provision that would not be subject to all obligation limitations. We oppose this provision since it would commit the Federal government to certain levels of future funding.

Sec. 303. We oppose section 303 which would require congressional legislation to approve each year's funding levels and allocation of funds for transit projects. Recipients of Federal transit funding need certainty of funding to plan their future activities. This proposal, however, would mean that each year Congress could reallocate funds. In addition, this legislative process could cause delays in the same way that the ICE approval process has caused delays and could disrupt the orderly flow of funds to states and localities.

Sec. 304. This section would make eligible for Federal reimbursement the interest costs of bonds issued for transit projects. We oppose this provision.

Sec. 306. Section 306 is similar to section 108 of this Act. We oppose this provision for the reasons given above.

Sec. 308. This section funds substitute transit projects out of the general fund of the Treasury. We urge that these projects be funded from the Highway Trust Fund.

Sec. 311. We oppose section 311 because it proposes to continue operating assistance to all urbanized areas. Moreover, it would actually increase operating assistance to urbanized areas whose population is less than 200,000. We also oppose the continuation of the trade-in provision for operating assistance. The original provision was intended to provide a short period of transition. That time has now expired and should not be extended.

Sec. 312. Section 312 of the bill would require the Department to establish a University Transportation Center in each of the ten Federal regions. This program would be funded annually from the Mass Transit Account (\$5 million) and the Highway Account (\$5 million) for research purposes. This program would pay the routine operating costs of university programs without any assurance that the work of the Centers would help solve real-world transportation problems. We believe that ongoing focused research efforts in both the highway and transit programs are more than sufficient and we do not see a need for this program.

Sec. 315. Section 315 of the bill would establish required levels of funding for the three general categories of the discretionary program: new starts, rail modernization, and bus activities. We do not support continuation of the discretionary program, so we do not support these changes. Moreover, we do not want to limit local options by Federally imposing these fixed levels of annual funding for specified activities. We also oppose the provision which would make authorizations from the Mass Transit Account available until expended.

Sec. 317. In addition, we are particularly opposed to section 317 which would require us to enter into a multi-year contract with Southern California Rapid Transit District for the completion of the minimum operable rail segment in Los Angeles. If this project is to proceed, it should not be contingent on the continuation of discretionary grants. The more appropriate and manageable Federal role is financial assistance through a more equitable formula delivery system, with state and local governments assuming the extraordinary costs of projects which cannot be accommodated by the formula apportionments.

Sec. 318 and 319. These sections require the Department to undertake studies for two specified areas. Current law allows

such studies at local option. We oppose these provisions since they would Federally mandate the studies.

Sec. 320. Section 320 would limit the ability of publicly subsidized bus operations to take charter business away from private bus companies. The Department supports efforts to prevent unfair competition.

Sec. 321. Section 321 would amend the Interstate Commerce Act to add a new requirement that a bus company would not be allowed to provide intrastate service, except as part of a regularly scheduled interstate route. The Department opposes this attempt to impose new regulatory requirements on the bus industry.

#### Title IV

#### Uniform Relocation Act Amendments of 1985

On August 1, 1985, the Senate passed S. 249, a bill based on an earlier Administration proposal to amend the Uniform Relocation Act. Title IV contains a number of objectionable provisions. Accordingly, we recommend deletion of title IV and urge the Committee to give favorable and expedited consideration to S. 249.





EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

JUN 24 1986

Honorable James J. Howard  
Chairman, Committee on Public Works and  
Transportation  
U. S. House of Representatives  
Washington, D. C. 20515

Dear Mr. Chairman:

The Administration seeks prompt reauthorization of the highway, transit and safety programs, and we are pleased that the Committee is proceeding toward reporting legislation. Nevertheless, we have serious objections to the Subcommittee's approach to reauthorization, as embodied in the substitute to H.R. 3129. I strongly urge the full Committee, during markup of the bill, to address our concerns outlined herein. Otherwise, if the bill were enacted in its current form, I would recommend that the President veto the bill.

1. Unaffordable Highway/Transit Authorizations

The bill authorizes \$20.6 billion more than the President's Budget for highway, transit and safety programs for 1987 through 1991. This level of spending violates the deficit neutral principle, inherent in the Administration's proposal, that authorizations be pegged to annual highway trust fund receipts. The high levels of spending in the Subcommittee bill would necessitate reductions in other Federal programs in order to meet the budget targets for 1987 through 1991.

Not only does the bill propose unaffordably high spending levels, but authorizations are made for numerous special interest projects that divert funds from meeting nationwide, Federal highway needs. We urge the Committee to reduce the bill's authorization levels consistent with the President's Budget. Deleting newly authorized programs and special interest projects, and adopting our block grant proposal for certain highway and transit programs would produce a more affordable bill.

2. Weakened Highway Obligation Limitations

Two provisions of the bill significantly weaken the highway obligation limitation by authorizing about \$1.3 billion annually in obligations outside of the limitation. First, Section 105 expands the list of obligations exempt from the obligation limitation to an estimated \$1 billion annually. Secondly, the bill provides a windfall of extra obligation authority for States that exhaust their share of the annual limitation by August 1st of each year. Nationally, these "extra obligations" could amount

to five percent of unobligated apportionments, or at least \$330 million annually. As a result, although the statutory obligation limitations in Section 105 of the bill appear fiscally stringent, they would in fact cause both obligations and outlays to exceed levels assumed in the House and Senate budget resolutions for 1987 through 1989. We urge the Committee to delete both of these provisions in order to preserve the intent of the obligation limitation.

### 3. Expansion of Special Interests

The bill is replete with narrow, special interest projects, studies and authorities; about 100 highway demonstration projects and studies, additional Interstate projects for Massachusetts, and waivers of non-Federal matching share requirements, to highlight a few. Authorizing these demonstration projects, generally at 100 percent Federal funding and exempt from the annual obligation limitation, is poor management of highway trust fund resources and reduces the funds available for maintaining the Federal-aid system. Moreover, without a matching share requirement and without any hearing record whatsoever, it is hard to justify these projects as important priorities.

### 4. Inefficient Use of Federal Funds

In addition to the special interest projects listed above, several provisions of the bill restrict the leverage of Federal funds and effectively reduce the scope of the highway and transit programs. Provisions which increase the Federal matching share (e.g., Section 114 and 115) or waive non-Federal matching requirements (e.g., Sections 102, 113, and 135) reduce the scope of the annual highway program. Similarly, the bill discourages cost-effective use of funds by expanding the coverage of the Buy America program to increase domestic content requirements (Section 127), limiting the use of convict-produced materials (Section 110) and reauthorizing, rather than terminating, the compensation requirements of the highway beauty program (Section 119).

With regard to transit, the bill gives preferential treatment to Los Angeles by stipulating the funding of a multi-year contract that the Secretary would be mandated to sign to finance portions of the Metro Rail Project. Similarly, the bill would increase operating assistance for Fort Lauderdale and Miami by \$4.4 million annually. Such special treatment is objectionable and unjustified.

Finally, the bill fails to incorporate any of the nationwide restructuring proposals of the Administration's bill, such as the consolidation of Interstate and primary programs. Rather, the Committee bill provides flexibility on only a limited case-by-case basis, e.g., Puerto Rico (Section 113) and Arkansas

(Section 130). We recommend that the Committee adopt the Administration's proposal to provide nationwide flexibility in the use of Interstate and primary funds.

#### 5. Inappropriate Transit Provisions

In addition to the unwarranted three-fold increase in authorization levels, the transit proposals in H.R. 3129 deviate significantly from the President's prudent approach in several important respects. Discretionary funding for local "new start" projects is continued and expanded to include the use of multi-year contracts not subject to any future availability of funds or to any obligation limitation set by the appropriations committees. Requiring annual congressional approval of Section 3 funding levels and allocations (Section 303) would unnecessarily limit the flexibility of the Secretary to allocate trust funds according to need and would further delay their obligation. Continuing Federal operating assistance for large urbanized areas (Section 310) perpetuates the inappropriate role of the Federal Government paying for operating deficits which result from State and local transit decisions. There are other unnecessary transit provisions in the bill -- the establishment of University Transportation Centers and the creation of a bus test facility -- to name two. I urge the Committee to delete these provisions and give a fresh look at the Administration's mass transit proposal which would increase State and local flexibility, encourage greater and needed private sector involvement, and provide sufficient Federal resources in this time of necessary deficit reduction.

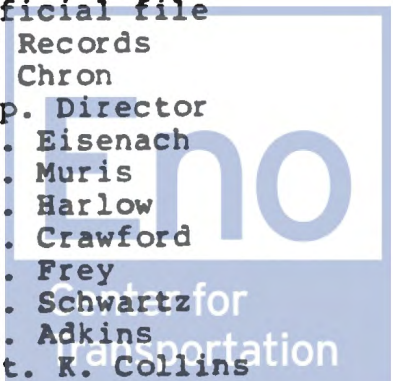
In closing, I urge the Committee, in its deliberations of the bill, to fulfill its responsibilities to contribute to the reduction of the Federal deficit, to preserve the integrity of the Federal role in highway and transit programs and to ensure the cost-effective use of Federal funds.

Sincerely yours,

JAMES C. MILLER III

James C. Miller III  
Director

cc:  
Official file  
DO Records  
DO Chron  
Dep. Director  
Mr. Eisenach  
Mr. Muris  
Mr. Harlow  
Ms. Crawford  
Mr. Frey  
Mr. Schwartz  
Mr. Adkins  
Ret. K. Collins



TCJ:KCollins:dsa 6/23/86

file

THE WHITE HOUSE  
WASHINGTON

July 18, 1986

MEMORANDUM FOR WILLIAM L. BALL, IZI

THRU: ALAN M. KRANOWITZ *AMK*  
FROM: HENRY M. GANDY *hmg*  
SUBJECT: Highway Bill

This year's highway bill is the result of a very concerted effort to accommodate as many members as possible. The word is that Jim Howard has elicited promises from every member who requested a project to vote against a 55-mph amendment, for his off-budget amendment, and for final passage. Although Howard and Snyder are publicly saying that there is no way the President will veto this bill, they are privately concerned that he will. In my opinion, the only way we will get an acceptable bill out of conference is for the Administration to communicate a clear and unequivocal veto signal in the House. Even then, the outlook for showing veto strength on a final passage vote appears grim at this time, as does the outlook for significantly improving the bill by amendment.

Note that the Speaker has a major project in the bill. (Bob Michel has one too!) House Floor action is expected in early August.



*This shall be done as per Miller / Wright statement coming for our review.*  
*hmg*

7-18

THE WHITE HOUSE  
WASHINGTON

AK/PT

The attached is The  
OMB (Carol Crawford)  
produces working paper  
for a "mini-LSC/M"  
that took place at 9:00 AM  
today with D. Thomas and  
W. Ball chairing. What  
are your comments  
concerning this memo.  
Ball is talking to Alan  
Gene Syder about veto  
threat of House Transit bill.

Tuck





7/18 cc: JT  
PT  
AK

Comments!

WJ

Troublesome Provisions in H.R. 3129  
The Surface Transportation and Uniform Relocation Assistance Act  
of 1986

1. Federal-aid Highway Funding Levels Greatly Exceed President's Budget

- o Increases the President's Budget by \$5.8 billion in budget authority and \$4.2 billion in outlays over five years (1987-91).
- o Adds \$6.2 billion to the deficit over five years because outlays will exceed receipts (excluding interest) in the highway account of the Highway Trust Fund.
- o This is real spending, not just authorizations. No subsequent appropriations actions are required before the funds can be committed.

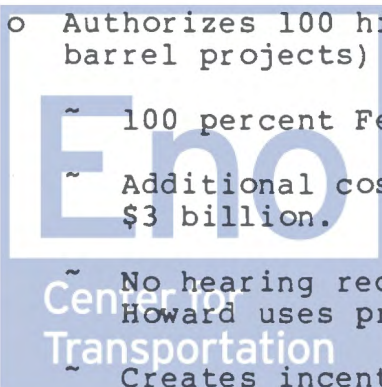
2. Likely to Include Off-Budget Status for Transportation Trust Funds

- o House Public Works Committee Chairman James Howard has reiterated his interest in moving three trust funds -- the Highway, Airport and Airway, and Inland Waterways Trust Funds -- off-budget and exempt from budget totals and statutory budget limitations.
  - ~ A similar proposal was narrowly defeated on the House Floor by 17 votes during the reconciliation debate in October 1985.
- o Howard believes that because these transportation trust funds are financed by user fees, they do not affect the deficit and should not be subject to budget controls such as the Gramm-Rudman-Hollings sequestration.

3. Contains Excessive Special Interest Provisions

- o Authorizes 100 highway "demonstration projects" (i.e., pork barrel projects) at \$1.2 billion over five years.

- ~ 100 percent Federal funding; no State match required.
- ~ Additional cost to complete these projects estimated at \$3 billion.
- ~ No hearing record exists on the merit of these projects; Howard uses projects to buy congressional support.
- ~ Creates incentive for the Senate to add demonstration projects to its bill (now clean).



- o Increases the Federal cost to complete the Interstate System by \$1.4 billion by making Tip O'Neill's Boston projects (depressing the Central Artery and expanding the proposed third harbor tunnel) eligible for Interstate construction funding.
- o Waives required non-Federal matching share for projects in several States.

#### 4. Increases Mass Transit Funding

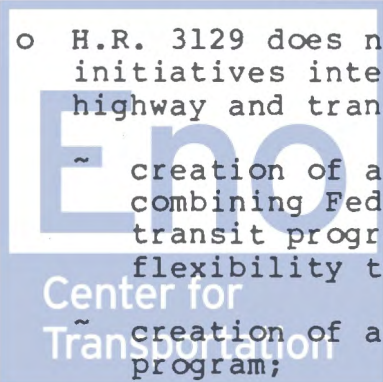
- o Exceeds the President's Budget by \$14.6 billion in budget authority and \$7.5 billion in outlays over five years (1987-91). Excessive authorizations over the President's Budget include:
  - ~ \$5.1 billion in formula grants;
  - ~ \$8.2 billion in discretionary capital grants; and
  - ~ \$1.25 billion for Interstate Transfer Grants-Transit.

#### 5. Authorizes Mass Transit New Starts

- o Continues the discretionary capital grant program, including "new starts," which the President's Budget proposed to eliminate.
- o Mandates for the first time how discretionary grant funds should be allocated among eligible activities. Between 1987 and 1991, the House bill provides \$3.1 billion specifically for continued construction of new transit systems, \$3.1 billion solely for modernizing old systems, and \$2.0 billion for other specified and general activities.
- o Requires DOT to enter into a multi-year agreement with Los Angeles to build an 8.8-mile subway system and with New Orleans to build a transit lane project.

#### 6. Failure to Include Administration Initiatives

- o H.R. 3129 does not include any of the Administration's major initiatives intended to increase the efficiency of the highway and transit programs:
  - ~ creation of a ground transportation block grant which, by combining Federal funding for six separate highway and transit programs, would give States and localities needed flexibility to address their unique transportation needs;
  - ~ creation of a consolidated Interstate and primary highway program;
  - ~ termination of general fund financing of mass transit activities;



- ~ repeal of narrow categorical exemptions from highway gas taxes (e.g., gasohol);
- ~ creation of incentives to increase the role of the private sector in providing transit service;
- ~ repeal of "Buy America" requirements which are inconsistent with foreign trade agreements and increase construction costs; and
- ~ termination of operating assistance for large urban areas.



## LEGISLATIVE STRATEGY

### 1. Bill Status

- o H.R. 3129 (highways and transit) reported by full House Public Works Committee on June 25th. Floor time expected in early August. Both OMB and DOT sent views letters to Chairman Howard threatening veto.
- o S. 2405 (highways) scheduled for full Environment and Public Works Committee markup on July 22nd with Floor time scheduled for July 31st and August 1st. DOT has sent a views letter indicating concerns but generally supporting the bill. No action scheduled yet for S. 2543 (transit), which is under the jurisdiction of the Banking Committee.
- o Enacted legislation is needed to continue all highway and transit programs beyond September 30, 1986, except for the Interstate program which is authorized through 1990.

### 2. House Strategy

- o OMB and DOT believe that opposition with intent to veto is our best position in the House. The House Public Works Committee is not responsive to the Administration's concerns and is likely to control the bill on the House Floor.
  - ~ The bill is a veto candidate because of its excessive cost in both the highway and transit sections and failure to address the Administration's initiatives. If the bill were amended to move the transportation trust funds off budget, that alone would be reason to veto the bill.
  - ~ However, a veto threat is unlikely to be taken seriously because members claim that no President has ever vetoed a highway bill.
  - ~ Although Budget and Appropriation Committee members could be potential allies, their strength is unclear given Chairman Gray's promise to waive the Congressional Budget Act restrictions against spending in excess of budget resolution targets for H.R. 3129.
- o Nevertheless, we could pursue actions in the House Rules Committee and on the Floor that would indicate our opposition to the bill and the seriousness of our veto threat.
  - ~ Chairman Howard will push for a House rule that would waive points of order that could be raised against: having 100 specific projects in a general authorization bill; and the expected Floor amendment to move certain trust funds off-budget which is contrary to Gramm-Rudman-Hollings.

- ~ The Administration could line up members to testify in Rules Committee against point of order waivers. If we were unable to influence the rule, a similar effort could be made on the Floor to defeat or revise the rule.

### 3. Senate Strategy

- o The Senate Committees (Public Works and Banking/Urban Affairs) are more receptive to Administration concerns.
  - ~ The Senate highway bill is generally acceptable; it includes several Administration proposals and only somewhat higher funding levels.
  - ~ The Senate transit bill is not acceptable from either a programmatic or budgetary perspective. Although the Senate may be more receptive than the House to compromising with the Administration, significant reforms to the Senate bill would be very difficult to achieve.
- o OMB and DOT recommend that we officially support S. 2405 (highways) but work actively to oppose Committee or Floor amendments that would increase highway spending.
- o We should officially oppose S. 2543 (transit), but be willing to seek a compromise if the Senate indicates a desire to avoid a veto confrontation. At a minimum, any transit compromise should include:
  - ~ a reduction in general fund appropriations. (This could be accomplished by switching the current funding sources so that the trust fund supports the formula grant program, and limited general appropriations -- perhaps \$600M or so -- support the discretionary grant program);
  - ~ permission to comparatively rank "new start" projects based on objective cost/benefit criteria; and
  - ~ a compromise on encouraging (not mandating) private sector involvement in mass transit.
- o However, taking an off-the-record conciliatory approach may be viewed as undercutting our veto position in the House and may not result in any significant spending restraint or program reform.

#### 4. Conference

- o Following the strategy outlined above, at best, we will face a veto candidate House bill, an acceptable Senate highway bill and marginally acceptable transit bill. At worst, none of the bills would be acceptable.
- o We would have two alternative strategies to pursue:
  - ~ hold firm to a veto position; or
  - ~ indicate willingness to support legislation along the lines of the Senate bills.
- o If the first course is chosen, we would not try to influence the Conference.
- o With the second approach we would work to bolster the Senate Conferees to not accept egregious House provisions.
- o It is unclear, at this time, what our chances are for influencing the Conference outcome or to what degree either House would recede.



**Federal-Aid Highway Program  
(\$ in millions)**

	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1987-91</u>
<b>President's Budget</b>									
Budget Authority....	13,785	14,908	14,610	12,770	12,770	12,770	12,770	12,770	63,850
Obligations.....	13,047	14,055	14,280	12,770	12,770	12,770	12,770	12,770	63,850
(Limitation).....	(12,520)	(13,250)	(13,125)	(12,420)	(12,420)	(12,420)	(12,420)	(12,420)	(62,100)
Outlays.....	10,227	12,584	13,992	13,576	12,556	12,631	13,156	13,108	65,027
<b>Budget Resolution</b>									
Budget Authority....				13,517	13,517	13,517	13,517	13,517	67,585
Obligations.....				13,035	13,035	13,035	13,035	13,035	65,175
(Limitation).....				(12,445)	(12,445)	(12,445)	(12,445)	(12,445)	(62,225)
Outlays.....				13,661	13,053	13,062	13,149	13,172	66,097
<b>Senate Bill (S. 2405)</b>									
Budget Authority....				13,062	13,062	13,062	13,062	13,062	65,310
Obligations.....				13,150	13,150	13,150	13,150	13,150	65,750
(Limitation).....				(12,350)	(12,350)	(12,350)	(12,350)	(12,350)	(61,750)
Outlays.....				13,680	13,132	13,159	13,251	13,277	66,499
<b>House Bill (H.R. 3129)</b>									
Budget Authority....				13,917	13,912	13,949	13,969	13,945	69,692
Obligations.....				13,899	13,894	13,929	13,949	13,925	69,596
(Limitation).....				(12,600)	(12,600)	(12,600)	(12,600)	(12,600)	(63,000)
Outlays.....				13,805	13,650	13,794	13,941	14,001	69,191

- Updated to reflect Midsession revisions to 1986 - 1991 outlays (President's Budget).
- Estimates for the Budget Resolution (1987 - 1989) and the Senate Bill (1987 - 1990) have been extended through 1991 for comparison purposes.
- Table excludes funding of other, minor highway programs that are generally not inconsistent with the President's Budget.

**Mass Transit Program**  
(\$ in millions)

	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1987-91</u>
<b>President's Budget</b>									
Budget Authority....	4,018	3,882	3,347	1,220	1,220	1,220	1,220	1,220	6,100
Outlays.....	3,715	3,296	3,347	3,218	3,050	2,233	2,283	1,559	12,342
<b>Budget Resolution</b>									
Budget Authority....				3,154	3,154	3,154	3,154	3,154	15,771
Outlays.....				3,628	3,619	3,400	3,637	3,377	17,661
<b>Senate Bill (S. 2543)</b>									
Budget Authority....				4,200	4,251	4,305	4,362	4,362	21,480
Outlays.....				3,737	3,937	4,033	4,490	4,457	20,654
<b>House Bill (H.R. 3129)</b>									
Budget Authority....				3,400*	4,253	4,300	4,350	4,400	20,703
Outlays.....				3,697	3,777	3,793	4,329	4,296	19,891

\* The 1987 House budget authority reflects an obligation limitation which reduces the availability of 1987 budget resources by \$95M. In all other years, the obligation limitations provided by the House are not restrictive. The Senate bill does not contain any obligation limitations.

- Updated to reflect Midsession revisions to 1986 - 1991 outlays (President's Budget).
- Estimates for the Budget Resolution (1987 - 1989) and the Senate Bill (1987 - 1990) have been extended through 1991 for comparison purposes.
- Table excludes funding for Washington Metro construction, which is separately authorized and, therefore, is not part of either authorization bill.





EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

JUL 21 1986

Honorable Robert T. Stafford  
Chairman  
Committee on Environment and  
Public Works  
United States Senate  
Washington, D.C. 20510

Dear Bob:

The Administration supports highway reauthorization legislation along the lines of S. 2405, "The Federal-Aid Highway Act of 1986." We are pleased that the bill recognizes the constraints on Federal spending that are necessary if the deficit is to be reduced, and proposes changes to increase the cost-effectiveness of the Federal-Aid Highway program. We applaud the Subcommittee's resistance to funding special interest projects and urge the Committee to maintain that resistance throughout the legislative debate. There are, however, several Administration concerns outlined below that I would urge the Committee to address during markup of the bill.

1. Federal-Aid Highway Funding Levels

S. 2405 would exceed the President's budget proposal for the Federal-Aid Highway program by \$1.2 billion in contract authority and \$1.3 billion in outlays during the 1987 through 1990 period. In addition, S. 2405 would exceed by \$115 million annually, the total obligations assumed in the Congressional Budget Resolution and reconciliation instructions. Therefore, we urge the Committee to reduce the bill's authorization and obligation levels consistent with the President's budget and the Congressional Budget Resolution and to defeat any amendments to increase spending from the Highway Trust Fund.

2. Off Budget Status

The Administration would strongly object to amendments that would move the Highway Trust Fund off budget and exempt it from budget totals and statutory budget limitations. Keeping the trust fund on budget is necessary if the fiscal discipline required to achieve deficit reduction is to be maintained. If highway reauthorization legislation were enacted with a provision to move the Highway Trust Fund off budget, I would recommend that the President not sign the bill.

Center for Transportation Demonstration Projects

The Administration is greatly pleased that the Subcommittee has chosen not to include demonstration projects in S. 2405. We urge the Committee not to give in to special interests as the

23457

House Committee has done. Authorizing demonstration projects, especially if exempt from the annual obligation limitation, is poor management of Highway Trust Fund resources and reduces the funds available for maintaining the Federal-Aid system. We recognize the pressure on the Committee to add projects, but urge resistance in order to produce a bill from Conference that the Administration can support.

#### 4. Block Grant Authorization

The Administration proposed a transportation block grant to improve States' abilities to meet their highway and transit needs in a cost efficient manner. Our proposed block grant, which combines transit funds from the Highway Trust Fund and funding for the urban and secondary highway systems and associated bridges, could fund either transit or highway projects. Federal project approval and design review requirements would be eliminated. We are pleased that the Subcommittee recognized the block grant principle by including a highway block grant demonstration project in S. 2405. However, we strongly urge that during markup the Committee expand the demonstration project to a broad, flexible statutory program along the lines of the Administration's proposal. Only then can the benefits of a block grant be fully realized.

#### 5. Efficient Use of Federal Funds

We endorse the Subcommittee's efforts to promote a cost effective and efficient Federal-Aid Highway program through such measures as consolidation of the Interstate and Primary programs and restriction of the Buy America requirements. Further gains in cost-effective use of highway funds could be accomplished by adopting amendments during Committee markup to allow Federal-Aid funds to be used for construction of new toll roads; to reform the Highway Beautification program including repeal of Federal compensation requirements; to repeal the Buy America requirement and to modify the Davis-Bacon requirements to apply only to Federal highway projects over \$100,000. We would encourage the Committee to adopt such amendments.

In summary, the Administration favors the Committee's approach to reauthorization of the Federal highway program as embodied in S. 2405. I urge the Committee, in its deliberations on the bill, to maintain its responsibilities to constrain Federal spending and to promote cost-effective use of Federal funds, so that the President's senior advisors may recommend approval of this bill.

Center for  
Transportation

Sincerely yours,

Jim

James C. Miller III  
Director

THE WHITE HOUSE

WASHINGTON

August 15, 1986

Dear Chic:

I enjoyed our meeting this week, and the opportunity to review with you the issue of reforming the current national speed limit laws.

As I told you on Monday, I believe that the time has come to restore greater authority to the states in this area. To that end, I welcome proposals like those you and Senator Symms have offered, or other reasonable reforms that would provide states enhanced ability to regulate highways within their jurisdictions.

As a former governor, I have great confidence in the sensitivity of the governors to the need for protecting public safety, and know that they will exercise with the greatest of care whatever level of control is ultimately returned to them.

Thanks for your leadership on this issue.

Sincerely,

*Ronald Reagan*



The Honorable Chic Hecht  
United States Senate  
Washington, D.C. 20510

THE WHITE HOUSE  
Office of the Press Secretary

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For Immediate Release

March 20, 1987

STATEMENT BY THE PRESIDENT

As I said last evening at my press conference, our Administration will keep its commitment to the American people. We will not raise taxes; we will hold down spending; and we will adhere to the deficit reduction goals imposed by the Gramm-Rudman-Hollings legislation.

And, it is with this commitment in mind that I have informed Congressional leaders of my intention to veto the highway and transit bill that is on its way to my desk. Let me be very clear, I am in full support of reasonable funding levels for these programs similar to the legislation passed by the Senate. But, I am adamantly opposed to the excessive spending that is in the bill as it emerged from the Conference Committee. I've said before and repeat today: Congress can't have it both ways. They cannot talk about cutting unnecessary deficit spending and then vote in favor of bills that bust the budget. The American people clearly expect their elected leaders to vote the same way they talk. So my vote will be to veto bills that spend unnecessary billions on projects the American people cannot afford.

\* \* \*



THOSE WHO WILL VOTE  
TO SUSTAIN VETO

1. Dole
2. Evans
3. Garn
4. Gramm
5. Hatch
6. Hatfield
7. Helms
8. Humphrey
9. McClure
10. Nickles
11. Roth
12. Rudman
13. Sanford
14. Simpson
15. Tribble
16. Wallop
17. Warner
18. Armstrong
19. Chafee
20. Kassebaum
21. Stafford
22. Domenici

LEANING TO SUSTAIN

1. Grassley
2. Karnes

POSSIBLE TO SUSTAIN VETO

1. Thurmond
2. Baucus
3. Burdick
4. Inouye
5. Boren
6. Shelby
7. Cohen
8. McCain
9. Quayle
10. Kasten
11. Lugar
12. Hecht
13. Leahy
14. McClure
15. McConnell
16. Pressler
17. Stevens
18. Murkowski
19. Symms
20. Boschwitz





EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

FEB 19 1987

Honorable Robert Michel  
Minority Leader of the House  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Mr. Minority Leader:

I am writing to convey the Administration's specific concerns as the House and Senate prepare for conference on legislation (H.R. 2 and S. 387) to reauthorize highway, transit and highway safety programs.

In general, both bills authorize spending in excess of the President's Budget, fail to repeal \$3.5 billion in gas tax exemptions, and authorize extensive special interest provisions which weaken the integrity of Federal highway and transit programs. Although the President's senior advisors would recommend that the President sign the highway title of S. 387, neither bill in its present form is acceptable to the Administration. Therefore, if the conference agreement does not satisfactorily address our concerns outlined herein, the President's senior advisors would strongly recommend that the President veto the bill.

1. Special Interest Provisions

Both bills authorize special treatment for numerous special interest projects that divert funds from meeting nationwide Federal highway and transit needs. The House bill is replete with narrow, special interest projects, studies and authorities: about 100 highway demonstration projects and studies; additional Interstate projects for Massachusetts which increase the Federal cost to complete the Interstate by at least \$1.8 billion; and waivers of non-Federal matching share requirements. In contrast, the Senate bill contains priority treatment for about 100 highway projects to be funded within regular Federal-aid programs without additional funding. If the House approach of 100 percent Federal funding is adopted, the total Federal liability for all highway projects identified in both bills is estimated to be at least \$8.3 billion.

Authorizing highway demonstration projects, especially with additional Federal funding, and exempting them from the annual obligation limitation, is poor management of Highway Trust Fund resources and reduces the funds available for maintaining the Federal-aid system. Some of the projects would not otherwise be eligible for Federal-aid, and others are on the Federal-aid system and could be funded under normal procedures without special treatment. Moreover, without a local matching share requirement and without any hearing record whatsoever, there is no basis to justify these projects as important priorities. With regard to highways, although we strongly object to the

of funds for specific projects, the Senate bill is clearly a more responsible approach and we urge the Senate conferees to maintain the terms of S. 387.

Both House and Senate bills contain precedent-setting provisions which mandate Federal funding of the second phase of the Los Angeles Metro Rail project. No previous authorization bill for the Urban Mass Transportation Administration (UMTA) has required the entering into of a contract for construction of a major capital project. Furthermore, the merits of this second phase of the L.A. system are unknown as yet, since the alignment and cost have not been determined by the local authorities. We oppose a congressional mandate that UMTA fund the additional system mileage (4.4 miles) before proper evaluation is made and without regard to local funding capacity.

## 2. Unaffordable Transit Authorizations

H.R. 2 would authorize \$20.7 billion in transit spending over five years, a level \$12 billion above the President's Budget. Title II of S. 387 would authorize \$13 billion over four years, exceeding the President's Budget request by \$5.6 billion. These high spending levels are inconsistent with the deficit neutral principle, inherent in the Administration's proposal, that authorizations tie to annual Highway Trust Fund receipts and that general fund financing of transit programs be terminated. I strongly urge Congress to limit transit spending to a level supported by proceeds from one cent of the fuel tax.

## 3. Inequitable Allocation of Transit Trust Fund Receipts

While we are opposed to the high transit authorization levels in both bills, we are even more concerned that maintenance of the status quo structure of the transit program is inappropriate and inequitable. Over 80 percent of funds derived from one cent of the fuel tax, collected from residents of all States, are allocated through earmarked discretionary grants to fewer than 20 cities. The President's proposal allows all States to receive a share of fuel tax revenues through a formula-based allocation. Although the Senate bill seemingly provides that no State will receive less than 80 percent of its transit penny tax contributions, the effect of the provision is negated by the unworkable conditions that a State must meet to qualify for the 80 percent minimum allocation, pursuant to subsection (3). No credible data exists on Federal revenues generated by States to do the calculation required in this subsection.

Since the very beginning of the highway program, Congress addressed this equity consideration by requiring that highway funds, in general, be allocated on a formula basis to ensure equitable distribution. It is only reasonable that transit programs supported by the Highway Trust Fund are governed by fair

formulae. At a minimum the conference should incorporate the Senate provision, but without the conditions specified in subsection (3).

#### 4. Increased Highway Spending in H.R. 2

H.R. 2 authorizes \$69.5 billion over five years which exceeds the President's Budget for highway programs by \$1.5 billion. Two provisions of the bill significantly weaken highway spending controls by disregarding the intent of the highway obligation limitation. First, the bill expands the list of obligations exempt from the obligation limitation to include House members' special projects. Secondly, the bill provides a windfall of extra obligation authority for States that exhaust their share of the annual limitation by August 1st of each year. The conference should not adopt these provisions.

#### 5. Trade Barriers/Foreign Relations

H.R. 2 amends the "Buy America" provision to increase the domestic content requirement for buses, rolling stock and associated equipment from 50 percent to 85 percent; and to prohibit the use of foreign cement. These provisions would add significantly to the cost of highway and transit projects, cause procurement and construction delays and invite foreign retaliation. H.R. 2 also allows the Federal highway and transit programs to be governed by State and local anti-apartheid contracting laws. This provision raises serious constitutional questions concerning the exclusive power of the Federal Government to conduct foreign relations and regulate foreign commerce. We strongly support the Senate bill which does not include any of these provisions but does appropriately seek to restrict the coverage of Buy America to projects over \$500,000.

#### 6. Inappropriate Transit Provisions

The transit proposals in H.R. 2 deviate significantly from the President's approach in several other important respects. Discretionary funding for local "new start" projects is continued and expanded to include the use of multi-year contracts not subject to any future availability of funds or to any obligation limitation set by the appropriations committees. Categorically authorizing funds to be used for the various components of discretionary grants and requiring annual congressional approval would unnecessarily constrain the use of Section 3 funds and delay their obligation. Furthermore, continuing Federal operating assistance for large urbanized areas perpetuates the inappropriate role of the Federal Government paying for operating deficits which result from State and local transit decisions.



In closing, I urge the conference, in its deliberations, to address our concerns by enacting legislation that provides prudent levels of Federal spending without special interest provisions.

Sincerely yours,



James G. Miller III  
Director





THE SECRETARY OF TRANSPORTATION  
WASHINGTON, D.C. 20590

February 20, 1987

IDENTICAL LETTERS TO:

The Honorable Quentin N. Burdick  
United States Senate  
Washington, D.C. 20510

Senators Moynihan, Mitchell, Breaux,  
Stafford, Symms, Chafee, Bentsen,  
Matsunago, Proxmire, Cranston, Riegle  
Dixon, Heinz, D'Amato, Gramm,  
Hollings, Gore, Danforth, Sasser  
and Levin.

Dear Quentin:

Conferees will be meeting shortly to resolve the many differences between the Senate and House versions of H.R. 2, the bill which authorizes highway construction, highway safety and transit programs. It is very important to transportation mobility and safety in this country that multi-year legislation be enacted to reauthorize our nation's highway construction, highway safety, and transit programs. The President's senior advisors would recommend that he sign a bill that reauthorized highway construction programs in the manner proposed by the Senate version of H.R. 2. However, there are a number of extremely troublesome issues before the Conferees which could lead directly to the bill being vetoed if not addressed satisfactorily.

° Special Interest/Demonstration Projects. We strongly oppose the provisions in the House bill which provide additional funding for narrow, special interest highway and transit projects. We strongly believe that states are in the best position to identify the most cost-effective projects and set project priorities.

With specific regard to transit, we oppose the provisions in both versions of the bill which mandate support of the Los Angeles metrorail project. This provision would require that a large percentage of the highway user fees in the Mass Transit Account be directed to only one city. The Department already has agreed to spend some \$475 million on the first phase of this project, and we do not think additional scarce gas tax based funds should be committed to this project. Moreover, we understand Los Angeles has sufficient local funds to complete the second phase on its own.

° Transit Authorizations. The transit authorization levels in H.R. 2 exceed the President's budget by \$12 billion over the five year period of the bill. The Senate bill would exceed the President's budget by almost \$6 billion over four years. We strongly oppose these excessive authorizations and firmly believe that Federal transit assistance should be limited to the proceeds from one cent of the fuels tax without general revenue funding. This approach would put both highway and transit funding on a user fee basis.

transportation

Limiting Federal assistance would also encourage more prudent, cost-effective transit programs.

° Transit Programs. While we oppose the high transit authorization levels in both bills, we are even more concerned that retention of the status quo structure for the transit program precludes an equitable distribution of funds among the states. Both bills reauthorize the current basic transit program structure, perpetuating the transit discretionary program (funded from the Highway Trust Fund) which the Administration proposes to eliminate in favor of a formula program. However, we support the concept of the Senate proposal to guarantee each state its fair share of the mass transit program funded from the Highway Trust Fund as a starting point to increase the equity of mass transit funding. Since the one cent of the fuels tax is collected from all states, it is only reasonable that it should be allocated to all states by an equitable formula. This approach would ensure that each state receives a portion of the mass transit part of the highway tax and make it difficult for Congress to earmark Trust Fund programs. However, we urge the deletion of the conditions in the Senate provision which deny a fair share of transit funds to a state if the state received more Federal assistance than it contributed in all fuel taxes and Federal revenue collections. There is not any credible data on Federal collections on a state-by-state basis to make this latter calculation.

° Increased Highway Spending. The highway spending that would be permitted by both the House and Senate bills, coupled with the failure to repeal costly exemptions, results in a deficit impact in both bills that exceeds the Administration's budget request. A conference agreement that exceeds the Senate's lower levels would be unacceptable. Specifically:

- Authorization levels. The total authorizations, including amounts for the highway minimum allocation provision, should not exceed Senate levels.

- Obligation limitation. We strongly oppose section 105 of the House bill which expands the list of obligations exempt from the ceiling, and makes demonstration projects exempt from the ceiling. We also oppose the House provision that would provide a windfall of extra obligational authority for states that exhaust their regular obligational authority. Compared to the Senate bill, these provisions significantly weaken spending controls.

° Increased Trade Barriers/Foreign Relations. The Senate explicitly rejected attempts to increase domestic protection provisions in highway and transit programs during

consideration of the bill on the floor. Under the House Buy America amendment, domestic content requirements for buses, rolling stock, and associated equipment would be increased from 50 percent to 85 percent. We also object to the House proposal prohibiting use of foreign cement. These provisions would add millions of dollars to the cost of these programs, cause construction and procurement delays, and invite foreign retaliation. We are strongly opposed to these changes and urge the adoption of the Senate language.

We also oppose the provision in sections 110 and 313 of the House bill which would allow state and local governments to use Federal grant funds to influence relations with South Africa. The provision could have a chilling impact on competitive bidding. It would also destroy the uniformity of the contracting process and add to bid preparation costs.

° Additional Interstate Projects. Section 132 of the House bill makes the Central Artery-Third Harbor Tunnel in Boston fully eligible for Interstate construction funds and could add up to at least \$1.8 billion to the cost of completing the Interstate highway system. We strongly oppose this section. It is unfair to authorize additional Interstate funding at 90 percent Federal cost for projects that benefit one city when the Interstate system has been restricted from adding new costs since 1981. The cost of the depression of the Central Artery is not justified on the basis of the transportation benefits to the nation.

There are a number of other issues, that if addressed by the Conferees as we have proposed, would greatly benefit highway and transit programs. These are discussed in the enclosure.

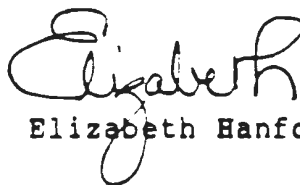
We hope that the Conference Committee will weigh these concerns carefully. If the conference agreement does not satisfactorily address our concerns, the President's senior advisors would strongly recommend that he veto the bill.

The Office of Management and Budget advises that there is no objection to the submission of these views to the Committee and that enactment of the provisions outlined in the first part of this letter would not be in accord with the program of the President.

**Eno**

Center for  
Transportation

Sincerely,



Elizabeth Hanford Dole

## ENCLOSURE

### DECISIONS THAT WOULD BENEFIT HIGHWAY AND TRANSIT PROGRAMS

- 55\_Speed\_Limit. As the President has indicated, we support efforts which would provide states with enhanced ability to regulate highway speeds within their jurisdictions.
- Toll\_Financing. We support the provision in the Senate bill which would allow Federal-aid funds and toll revenues to be combined at a 35 percent Federal matching share to build new toll roads, while not allowing tolls to be placed on existing Interstate highways. This change would increase funds available for highway construction without additional Federal user fees. In many states, such funding flexibility would enable states to construct projects that they would otherwise be unable to finance.
- Billboards. We support efforts in the House bill to revise the current unworkable laws dealing with highway beautification. However, we believe that states should be allowed to use their police power to remove non-conforming signs. Of course, state actions would be subject to the limitations imposed by Takings Clause and the First Amendment of the Constitution. We strongly oppose the House provision which would require us to withhold at least 5 percent of a state's funds for even minor non-compliance with the provision.
- Combined\_Interstate/Primary\_Program. We believe that the Senate provision to merge the Interstate and Primary programs is essential to give the states the flexibility they need to address critical highway needs. This new structure recognizes the need to balance the preservation of the existing major highway system with the need to build new highways. We support the Senate's distribution method which would rely upon an administrative adjustment to the Interstate Cost Estimate (ICE), thereby avoiding the disruption caused by delayed ICE approval.
- Discretionary\_Bridge\_Program. We support the provision in the House bill which would increase the discretionary portion of the bridge rehabilitation and replacement program from \$200 million to \$250 million per year. This will facilitate the repair of high-cost bridges.
- Emergency\_Relief. We support the provision in the Senate bill which would lower the Federal matching share from 100 percent

Eno

Center for  
Transportation

to the applicable system share for emergency relief highway projects. We believe that the Senate approach is equitable since it permits a 100 percent Federal share for truly emergency work that is done within 30 days of the disaster. We oppose, however, the Senate provision which would allow a single state to receive the entire \$100 million made available in a year from the program. Raising the state cap for emergency relief from the current level of \$30 million to \$100 million would be unfair to states where disasters occurred late in the year. We believe that the \$30 million cap should be maintained and that any additional Federal assistance for major disasters should be provided separately, as needed.

° Competitive Bidding. We oppose section 109 of the House bill and the section in the Senate mass transit title that would prevent a state from using sealed bids for architect and engineering contracts. This practice may increase project costs because states would not be required to accept the lowest bid. Moreover, these state contracting procedures should not be dictated by Federal law.

° Combined Road Plan. The Administration had proposed a block grant for non-Federal interest highway systems and bridges. Although neither the Senate nor the House bill contains a full block grant, the Senate bill has a block grant pilot program that we strongly support.

° SHRP Liability. We strongly object to the Senate provision which provides Federal liability for actions of the National Academy of Sciences taken in connection with the Strategic Highway Research Program (SHRP).

° Heavy Vehicle Use Tax. We oppose the provision in the Senate bill that imposes the full Heavy Vehicle Use Tax on all Canadian truckers. This amendment undercuts a congressionally-mandated study on transborder trucking due to be submitted to Congress on October 1, 1987. The Canadian Government has expressed in the strongest terms its concern over this amendment. Transport Minister John Crosbie indicated that our mutual effort to increase the presently small Canadian provincial membership in the International Registration Plan (IRP) may be jeopardized by this action, and that the current consideration of motor carrier regulatory reform in Canada, which will benefit United States truckers, could be adversely affected. Canada has repeatedly stated that it had no objection to its truckers paying their fair share of the heavy vehicle use tax in the United States, and has suggested a number of ways that this share could be assessed. We would prefer that the final bill be silent on the issue, as the House bill presently is. However, if the conference believes the issue must be addressed, we could accept a proportional level of

the tax (for example, 50 percent), perhaps tied to membership in the IRP.

° Annual Congressional Approval- Transit. We oppose section 303 of the House bill which would require congressional legislation to approve each year's funding levels and allocation of funds for transit projects funded under the transit discretionary program. This legislative process could cause delays in the same way that the Interstate Cost Estimate approval process has caused delays and could disrupt the orderly flow of funds to states and localities.

° Clarification of Labor Provision. We strongly support the clarifying provision in the House bill that would emphasize that section 13(c) labor protective agreements are not meant to preclude transit grantees from contracting out for the provision of transit services by private companies, with the addition of language clarifying that the provision will not override provisions of prior collective bargaining agreements related to contracting out.

° Transit Operating Assistance. We oppose the continuation of operating assistance for all areas which is contained in both bills. However, we strongly oppose section 309 of the House bill because it would actually increase operating assistance to urbanized areas whose population is less than 200,000 and section 326 which would increase operating assistance available to Miami and Fort Lauderdale, Florida. We also oppose the continuation of the trade-in provision for operating assistance. The original provision was intended to provide a short period of transition. That time has now expired and should not be extended. We prefer the Senate approach which would not continue the trade-in provision.

° Splash and Spray. We support the House provision which would require the Secretary to find that splash and spray suppression devices on trucks will actually improve visibility and reduce accidents before issuing a standard to require their installation.

° Highway Safety Authorizations. The Highway Safety authorization levels in H.R. 2 exceed the President's budget by \$132 million over the 5 year period of the bill. Of this, \$71 million is due to continued funding of the alcohol incentive grant program. This is a temporary program that has fulfilled its original mission.

° Uniform Relocation Assistance Act. The Administration supports enactment of Title III of the Senate bill without amendments. The Administration opposes Title VI of the House bill, which would increase Federal costs, restrict state and local flexibility, and is inconsistent with the principles of Federalism.



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

SEP 11 1986

Honorable Bob Packwood  
Chairman  
Committee on Finance  
United States Senate  
Washington, D.C. 20510

Dear Bob:

I would like to take this opportunity to encourage the Committee to proceed with reporting a revenue title to reauthorize the excise and use taxes that support the Highway Trust Fund. A revenue title is needed when S. 2405, the Federal-Aid Highway Act of 1986, is addressed by the full Senate.

The Administration urges the Committee to reauthorize the existing taxes for four years, in line with S. 2405. In addition, we encourage several changes to close loopholes and avoid tax evasion, in order to generate maximum revenue from the existing taxes.

First, we strongly recommend the elimination of gas tax exemptions now enjoyed by users of gasohol and other special fuels and by private and public bus companies. These two exemptions, in total, will cost the Highway Trust Fund \$3 billion over the 1987 through 1991 period. Continued subsidy of these industries is unwarranted. There is also no reason why recipients of these exemptions should not bear their fair share of highway user fees.

We also strongly encourage the Committee to make the necessary statutory changes to deal with the growing, costly problem of gas tax evasion. By shifting the gas tax liability from the producer (now broadly defined) to the refiner or first importer, the taxpayer population will be significantly reduced. This, in turn, will vastly improve the ability to enforce against evasion. This statutory change, to impose the tax at the highest level in the distribution chain, will help preserve the integrity of our tax structure and also generate substantial additional revenues to the Highway Trust Fund.

The Administration urges the adoption of these proposals as the Committee proceeds with its deliberations on reauthorizing the taxes which support the Highway Trust Fund.

Center for  
Transportation

Sincerely yours,

Jim

James C. Miller III  
Director

2780



# NEWS FROM

## Committee on Public Works and Transportation

JAMES J. HOWARD, N.J., CHAIRMAN

U.S. HOUSE OF REPRESENTATIVES  
ROOM 2165, RAYBURN HOUSE OFFICE BUILDING  
WASHINGTON, D.C. 20515  
(202) 229-4472

FOR IMMEDIATE RELEASE

WEDNESDAY, OCTOBER 1, 1986

STATEMENT OF REP. JAMES J. HOWARD  
CHAIRMAN  
COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

"I stand firmly on the principles I stated last week, in opposition to an increase in the 55 m.p.h. speed limit. However, I am willing to change one item - there will be no bill unless the Senate agrees to the conditions we proposed last week. There will be a conference because I have the united, bipartisan support of the House conferees on this issue. There will be no bill if it means more lives lost on the highways.

"The following members have been appointed as conferees in addition to myself:

Rep. Glenn M. Anderson, D-Calif.  
Rep. Bob Edgar, D-Pa.  
Rep. Gene Snyder, R-Ky.  
Rep. Bud Shuster, R-Pa."





THE SECRETARY OF TRANSPORTATION  
WASHINGTON, D.C. 20590

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1986 OCT -3 AM 9:19  
OCT 2 1986  
OFFICE OF JAMES J. HOWARD

The Honorable James Howard  
U.S. House of Representatives  
Washington, DC 20515

RECEIVED

Dear Jim:

OCT 5 1986

Conferees will be meeting shortly to resolve the many differences between the Senate and House versions of H.R. 3129, the bill which authorizes highway construction, highway safety and transit programs. It is very important to transportation mobility and safety in this country that multi-year legislation be enacted to reauthorize our nation's highway and transit programs. However, as much as the Administration wants such legislation, there are a number of seriously troublesome issues before the Conferees which could lead directly to the bill being vetoed if not addressed satisfactorily. There are a number of other major issues that could significantly add to the desirability of legislation. All of these are described below.

° Increased Highway Spending. The highway spending that would be permitted by the Senate bill exceeds the Administration's budget request. Anything that significantly exceeds the Senate's levels is unacceptable. Specifically:

- Authorization levels. The total authorizations, including amounts for the highway minimum allocation provision, should not exceed Senate levels.

- Obligation limitation. We strongly oppose section 105 of the House bill which expands the list of obligations exempt from the ceiling. We also oppose the House provision that would provide a windfall of extra obligational authority for states that exhaust their regular obligational authority.

- Demonstration projects. We strongly oppose the provisions in the House bill which provide additional funding for narrow, special interest highway and transit projects. We strongly believe that states are in the best position to identify the most cost-effective projects.

° Increased Trade Barriers/Foreign Relations. The Senate explicitly rejected attempts to increase domestic protection provisions in highway and transit programs during consideration of the bill on the floor. Under the House Buy America amendment, domestic content requirements for buses, rolling stock, and associated equipment would be increased from 50 percent to 85 percent. We also note that the

Transportation

proposal prohibits use of foreign cement and would, if enacted, be the third change in this area in four years. These provisions would add millions of dollars to the cost of these programs, cause construction and procurement delays, and invite foreign retaliation. We are strongly opposed to these changes and urge the adoption of the Senate language.

Likewise, the Senate deleted a provision in the bill which would have allowed state and local governments to use Federal grant funds to influence relations with South Africa. The House bill contains provisions nearly identical to the one the Senate deleted. We strongly prefer the Senate position. Foreign relations should be the responsibility of the national government and should not be delegated piecemeal to the individual states. Moreover, the provision could have a chilling impact on competitive bidding. It would also destroy the uniformity of the contracting process and add to bid preparation costs.

° Additional Interstate Projects. Section 132 of the House bill makes the Central Artery-Third Harbor Tunnel in Boston fully eligible for Interstate construction funds and could add up to \$2 billion to the cost of completing the Interstate highway system. We strongly oppose this section. If the state wants to build these projects, it should use other funding resources. The cost of the depression of the Central Artery is not justified on the basis of the transportation benefits to the nation.

° Transit Authorizations. The authorization levels in H.R. 3129 exceed the President's budget by \$14.6 billion over the five year period of the bill. The Senate bill exceeds the President's budget by \$8 billion over four years. We strongly oppose authorizations in excess of the Senate levels and we will seek to limit the availability of funds through the appropriations process.

° Transit Programs. Both bills reauthorize the current transit program structure, perpetuating the transit discretionary program (funded from the Highway Trust Fund) which the Administration proposed to eliminate in favor of a formula program. Since the one cent of the nine-cents gas tax is collected from all states, it is only reasonable that it should be allocated to all states by an equitable formula. We prefer changes which would fund the formula program from the Trust Fund and the discretionary program from the general fund. This approach would ensure that each state received a

portion of the mass transit part of the highway tax and would reduce later Congressional earmarking of Trust Fund programs.

There are a number of other issues, that if addressed by the Conferees as we have proposed, would greatly enhance the bill.

◦ Combined Interstate/Primary Program. We believe that the Senate provision to merge the Interstate and Primary programs is essential to give the states the flexibility they need to address critical highway needs. This new structure recognizes the need to balance the preservation of the existing major highway system with the need to build new highways. We support the Senate's distribution method which would rely upon an administrative adjustment to the Interstate Cost Estimate (ICE), thereby avoiding the disruption caused by delayed ICE approval.

◦ Discretionary Bridge Program. We support the provision in the House bill which would increase the discretionary portion of the bridge rehabilitation and replacement program from \$200 million to \$250 million per year. This will facilitate the repair of high-cost bridges.

◦ Higher Davis-Bacon Threshold. The Senate bill contains a provision to raise the Davis-Bacon threshold. The Administration strongly supports efforts to substantially increase this threshold. Such an increase would lower costs, increase competition, and benefit small and disadvantaged businesses.

◦ Toll Financing. We support the provision in the Senate bill which would allow Federal-aid funds and toll revenues to be combined to build new toll roads, while not allowing tolls to be placed on existing Interstate highways. This change would increase funds available for highway construction without additional Federal user fees. In many states, such funding flexibility would enable states to construct projects that they would otherwise be unable to finance.

◦ Motor Carrier Grants. We support the provision in the House bill which would provide contract authority for Motor Carrier Safety Assistance grants. This would enhance the predictability of funding and improve the ability of states to coordinate state and Federal funding.

◦ Emergency Relief. We support the provision in the Senate bill which would lower the Federal matching share from 100% to the applicable system share for emergency relief highway projects. We believe that the Senate approach is equitable since it permits a 100% Federal share for truly emergency work that is done within 30 days of the disaster.

◦ 55 Speed Limit. As the President recently indicated, we support efforts, such as the amendment in the Senate bill or

other similar provisions, which would provide states with enhanced ability to regulate highway speeds within their jurisdictions.

° Billboards. We support efforts in both bills to revise the current unworkable laws dealing with highway beautification. We strongly urge the adoption of the Senate position dealing with amortization of non-conforming signs and funding sanctions. We believe that states should be allowed to use their police powers to remove non-conforming signs. We strongly oppose the House provision which would require us to withhold at least 5% of a state's funds for even minor non-compliance with the provision.

° Competitive Bidding. We oppose section 109 of the House bill which would prevent a state from using sealed bids for architect and engineering contracts. This practice may increase project costs because states would not be required to accept the lowest bid. Moreover, these state contracting procedures should not be dictated by Federal law. The Senate approach, which proposes no change, should be adopted.

° Combined Road Plan. The Administration had proposed a block grant for non-Federal interest highway systems and bridges. Although neither the Senate nor the House bill contains a full block grant, the Senate bill has a block grant pilot program that we strongly support.

° Annual Congressional Approval- Transit. We oppose section 303 of the House bill which would require congressional legislation to approve each year's funding levels and allocation of funds for transit projects funded under the transit discretionary program. This legislative process could cause delays in the same way that the Interstate Cost Estimate approval process has caused delays and could disrupt the orderly flow of funds to states and localities.

° Clarification of Labor Provision. We strongly support the clarifying provision in the House bill that would emphasize that section 13(c) labor protective agreements are not meant to preclude transit grantees from contracting out for the provision of transit services by private companies.

° Transit Operating Assistance. We oppose the continuation of operating assistance for all areas which is contained in both bills. However, we strongly oppose section 311 of the House bill because it would actually increase operating assistance to urbanized areas whose population is less than 200,000. We also oppose the continuation of the trade-in provision for operating assistance. The original provision was intended to provide a short period of

transition. That time has now expired and should not be extended. We prefer the Senate approach which makes no change.

° Splash and Spray. We support the House provision which would require the Secretary to find that splash and spray suppression devices on trucks will actually improve visibility and reduce accidents before issuing a standard to require their installation.

We hope that the Conference Committee will weigh these concerns carefully and develop a bill that is in accord with our mutual objectives of providing a flexible and responsive highway and transit program and meeting national budget reduction targets.

The Office of Management and Budget advises that there is no objection to the submission of these views to the Committee and that enactment of the provisions outlined in the first part of this letter would not be in accord with the program of the President.

Sincerely,



Elizabeth Hanford Dole





EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

*100 Records*

OCT 02 1986

Honorable Robert T. Stafford  
Chairman  
Committee on Environment and Public Works  
United States Senate  
Washington, D.C. 20510

Dear Bob:

I am writing to convey the Administration's concerns as the House and Senate prepare for Conference on legislation (H.R. 3129 and S. 2405) to reauthorize highway, transit and highway safety programs beyond 1986.

The Administration strongly supports the highway provisions of the Senate bill and urges their adoption by the Conference Committee. We are pleased that the highway title in S. 2405 recognizes the constraints on Federal spending that are necessary if the deficit is to be reduced, and proposes changes to increase the cost-effectiveness of the Federal-aid highway program. We applaud the Senate's opposition to raising the highway obligation limitation. We do not object to its approach to special projects that gives States the flexibility to fund such projects from regularly-apportioned funds, rather than providing additional 100 percent Federal funding for special-interest projects as the House bill provides.

The Senate bill also makes important substantive changes in the Federal highway program which the Conference would be wise to adopt. Provisions to consolidate the Interstate and primary highway programs and to allow the use of Federal-aid in the construction of new toll roads would enhance States' abilities to meet their highway needs by lifting categorical restrictions and leveraging additional State funds. Reform of the Highway Beautification Act and revision of the 55 m.p.h. speed limit, as contained in S. 2405, appropriately would give States the responsibility for sign removal and raising the speed limit to 65 m.p.h. on rural Interstate highways.

However, the Administration has serious objections to a number of the provisions before the conferees. I strongly urge the Conference to address our concerns outlined below. Otherwise, if our concerns are not adequately addressed, the President's senior advisors would recommend that the President not sign the bill.

Eno  
Center for  
Transportation

23921

## 1. Unaffordable Highway Spending in H.R. 3129

H.R. 3129 authorizes \$69.7 billion over five years which exceeds the President's budget for highway programs by \$5.8 billion. In addition, two provisions of the bill significantly increase spending by authorizing about \$1.3 billion outside the annual highway obligation limitation. First, the bill expands the list of obligations exempt from the obligation limitation to an estimated \$1 billion annually. Secondly, the bill provides a windfall of extra obligation authority for States that exhaust their share of the annual limitation by August 1st of each year.

## 2. Special Interest Highway Add-ons

H.R. 3129 is replete with narrow, special interest projects, studies and authorities; about 100 highway demonstration projects and studies, additional Interstate projects for Massachusetts, and waivers of non-Federal matching share requirements, to highlight a few. Authorizing these demonstration projects, generally at 100 percent Federal funding and exempt from the annual obligation limitation, is poor management of highway trust fund resources and reduces the funds available for maintaining the Federal-aid system. Moreover, without a matching share requirement and without any hearing record whatsoever, there is no basis to justify these projects as important priorities. The total cost of these projects is estimated to be about \$4 billion.

## 3. Trade Barriers/Foreign Relations

H.R. 3129 amends the "Buy America" provision to increase the domestic content requirement for buses, rolling stock and associated equipment from 50 percent to 85 percent; and to prohibit the use of foreign cement. These provisions would add significantly to the cost of highway and transit projects, cause procurement and construction delays and invite foreign retaliation. H.R. 3129 also allows the Federal highway and transit programs to be governed by State and local anti-apartheid contracting laws. This provision raises serious constitutional questions concerning the exclusive power of the Federal Government to conduct foreign relations and regulate foreign commerce.

## 4. Unaffordable Transit Authorizations

H.R. 3129 would authorize \$20.7 billion in transit spending over five years, a level \$14.6 billion above the President's Budget. Title II of S. 2405 would authorize \$12.9 billion over four years, exceeding the President's Budget request by \$8 billion. These high spending levels are inconsistent with the deficit neutral principle, inherent in the Administration's proposal, that authorizations tie to annual Highway Trust Fund receipts. I strongly urge Congress to limit transit spending in this time of necessary deficit reduction.



## 5. Inequitable Allocation of Transit Trust Fund Receipts

Neither bill incorporates the barest principles of the Administration's proposal to allocate the Mass Transit Account of the Highway Trust Fund by formula. Both bills maintain the status quo structure of the transit program which the Administration believes is inappropriate and inequitable. Over 80 percent of funds derived from one cent of the nine-cent gasoline tax, collected from residents of all States, are allocated through earmarked discretionary grants to fewer than 20 cities around the country. The President's proposal allows all States to receive a share of gas tax revenues through a formula-based allocation.

Since the very beginning of the highway program, Congress addressed this equity consideration by requiring that highway funds, in general, be allocated on a formula basis to ensure equitable distribution. It is only reasonable that transit programs supported by the Highway Trust Fund are governed by fair formulas. Therefore, we strongly urge the Conference to adopt a more equitable allocation of the trust fund by formula.

## 6. Inappropriate Transit Provisions

The transit proposals in H.R. 3129 deviate significantly from the President's approach in several other important respects. Discretionary funding for local "new start" projects is continued and expanded to include the use of multi-year contracts not subject to any future availability of funds or to any obligation limitation set by the appropriations committees. Categorically authorizing funds to be used for the various components of discretionary grants (Section 320) and requiring annual congressional approval of Section 3 funding levels and allocations (Section 303) would unnecessarily constrain the use of Section 3 funds by categories and delay their obligation. Continuing Federal operating assistance for large urbanized areas (Section 310) perpetuates the inappropriate role of the Federal Government paying for operating deficits which result from State and local transit decisions.

Moreover, we object to Section 307 and urge that substitute transit projects be funded from the Highway Trust Fund and not the general fund. We also strongly oppose Section 316 which limits the Administration's ability to encourage private enterprise participation. There are other unnecessary and counterproductive transit provisions in the bill -- the establishment of University Transportation Centers and the creation of a bus test facility -- to name two. I urge the Conference to delete these provisions and give a fresh look at the Administration's mass transit proposal which would increase State and local flexibility, encourage greater and needed private sector involvement, and provide sufficient Federal resources in this time of necessary deficit reduction.

7. Inefficient Use of Federal Highway Funds

Several provisions of H.R. 3129 restrict the leverage of Federal funds and effectively reduce the scope of the highway programs. Provisions which increase the Federal matching share or waive non-Federal matching requirements reduce the scope of the annual highway program. Similarly, the bill discourages cost-effective use of funds by expanding the coverage of the "Buy America" program to increase domestic content requirements, limiting the use of convict-produced materials and reauthorizing, rather than terminating, the Federal compensation requirements of the highway beauty program.

In closing, I urge the Conference, in its deliberations, to fulfill its responsibilities to contribute to the reduction of the Federal deficit, to create a more appropriate Federal role in highway and transit programs and to ensure the cost-effective use of Federal funds. If our concerns are not adequately addressed, the President's senior advisors would recommend that the President not sign the Conference bill.

Sincerely yours,

*Jim*

James C. Miller III  
Director



IDENTICAL LETTER SENT TO HONORABLE JAMES J. HOWARD,  
HONORABLE DAN ROSTENKOWSKI, HONORABLE BOB PACKWOOD,  
HONORABLE JOHN C. DANFORTH AND HONORABLE JAKE GARN

October 7, 1986

## SENATE PROPOSAL

Sec. 101. Short Title - House language

Sec. 102. Approval of Interstate Cost Estimate and Extension of Interstate Program: - House language except:

- (a) Modified Senate language on administrative release of ICE,
- (b) Split the difference on authorization levels.
- (c) One-half percent minimum to all States

Sec. 103. Approval of Cost Estimate and Authorization of Appropriations for Interstate Substitute Projects: - House language except:

- (a) Modified Senate language on administrative release,
- (b) Senate extension of eligibility to any public road,
- (c) Senate generic elimination of concept approvals rather than House's elimination for 3 States,
- (d) Senate's language redistributing funds after two years rather than the House's three years,
- (e) Split the difference on authorization level,
- (f) Senate language on "(P) Right-of-Way Payback"
- (g) Did not include House "(c) Additional Amount for Substitute Transit Projects" only because not EPW jurisdiction,
- (h) Include House language "(e) Inclusion of Certain Costs as Non-Federal Share" for Oregon

Sec. 104. Authorization of Appropriations for Interstate System Construction: House language except split the difference on authorizations

- (a) House language on separate categories,
- (b) House language on 6 years of authorization

Sec. 105. Obligation Ceiling: House language except modify (b) by striking exceptions (b)(3) through the end of the subsection, and modify (f) by changing 10 percent to 5 percent and 5 percent to 2.5 percent of unobligated balances that States may obligate.

Sec. 106. Authorization of Appropriations: House language except:

- (a) split the difference on authorization levels (includes all EPW safety programs contained in title II of House bill),
- (b) Include Senate language on WIPP authorization out of general funds,
- (c) Disadvantaged Business Enterprise program: House language (5 year extension of program, annual listing of DBEs, WBEs

included in definition) with Senate 130(d) uniform certification criteria)

Sec. 107. Indian Employment and Contracting: Senate language (sec. 129)

Sec. 108. Interstate 4R and Primary Formulas: Strike House (a) (Interstate 4R formula change) and include House (b) (extension of primary formula)

Sec. 109. Elimination of Roadside Obstacles: House language

Sec. 110. Letting of Contracts: Senate language (no comparable House provision).

Sec. 111. Convict Produced Materials: House language with modification changing July 1, 1985 to December 31, 1986. (No comparable Senate provision).

Sec. 112. Advanced Construction: Senate language (similar House provision).

Sec. 113. Interstate Discretionary Funds: (no comparable Senate provision)

(1) House language continuing \$300 million Interstate construction discretionary fund, with current law priorities

(2) House language creating Interstate 4R discretionary fund with modifications (no comparable Senate provision):

(a) Discretionary fund authorized at \$100 million rather than \$200 million per year;

(b) Include House criteria under "(C) Priority Consideration for Certain Projects" and eliminate House "(D) Factors to Consider in Selection of Recipients".

(c) Include House (e) provision for right-of-way in Arizona.

Sec. 114. Flexibility of Use of Highway Funds: House language for Puerto Rico (no comparable Senate provision).

Sec. 115. Interstate 4R Program: (1) House language with Senate sentence to close loophole.

(2) Transfer of Funds for Primary System projects: House language permitting States to transfer up to 20 percent from Interstate 4R to Primary

Sec. 116. (1) Federal share: House language for (a), (b), and (c), (permits up to 100 percent Federal share for installation of traffic signs, highway lights, guardrails, or impact attenuators; lists additional priority primary routes in Pennsylvania and California; permits funds eligible under Great River Road program to have a Federal match anywhere between 75 and 95 percent), drop House (d). (No comparable Senate provision).

(2) Senate language providing Emergency Relief system match with modified language providing 100% for first 90 days rather than 30 (no comparable House provision),

(3) Senate language allowing States to overmatch.

Sec. 117. (1) Emergency Relief: House language (similar Senate provision) Increases cap from \$30 to \$50 million, raises cap to \$100 million for 1986.

(2) Territories: House language except change effective date from April 15, 1983 to date of enactment of bill. Makes Territories eligible for the Emergency Relief program.

Sec. 118. Vehicle Weight Limitations - Interstate System: Senate language (permits withheld funds to be returned if States come into compliance before funds lapse).

Sec. 119. Extension of Tolls to Finance Certain Ineligible Construction Expenses: House language (affects a Florida Interstate) No comparable Senate provision.

Sec. 120. Toll Facilities: Senate language (ensures that toll facilities not eligible for Federal-aid have sufficient resources to maintain the facilities and cover emergencies).

Sec. 121. Bridge Program: (1) House language with an increase in the bridge discretionary program of \$25 million for a total of \$225 million per year. (Senate retains current program) Add Senate language of section 116: Off-System Bridge program.

(2) Applicability of the General Bridge Act of 1948: House language (no comparable Senate provision)

(3) Bridges to Replace Certain Ferryboat Services: House language (Senate has similar provision)

Sec. 122. Minimum allocation: Senate language with House language section 124(a)

Sec. 123. National Bridge Inspection Program: House language (no comparable Senate provision)

Sec. 124. Historic Bridges: Senate language (No comparable House provision).

Sec. 125. Regulation of Tolls: Senate language (No comparable House provision)

Sec. 126. Income from Airspace Rights-of-Way: House language (similar Senate provision)

- Sec. 127. Strategic Highway Research Program: Senate language (similar House provision except for report requirement and liability language)
- Sec. 128. Highway Planning and Research: Senate language (no comparable House provision)
- Sec. 129. Wildflowers: Senate language (similar House provision)
- Sec. 130. Implementation of Certain Orders: House language (implementation of any Gramm-Rudman cuts)
- Sec. 131. Central Artery: House modified language (no comparable Senate provision)
- Sec. 132. Apportionment: House modified language (for Central Artery)
- Sec. 133. Transfer of Interstate Lanes: House language (affects California) (no comparable Senate language)
- Sec. 134. Payback of Right-of-Way Expenses: House language (affects New York) (similar Senate provision)
- Sec. 135. Expenditure of Federal Highway Funds in Virgin Islands: House language (no comparable Senate provision)
- Sec. 136. Right-Of-Way Donation: Senate language (also includes House language regarding California provision)
- Sec. 137. Railroad-Highway Crossing Needs Study: combine House and Senate studies.
- Sec. 138. Demonstration Projects: Senate criteria applied to all projects in the House and Senate bill. (States can fund these priority projects from their regular Federal-aid apportionments with the flexibility to choose any of their apportionments.)
- Sec. 139. Cumberland Gap National Historical Park, Virginia: House language (similar Senate provision)
- Sec. 140. Delaware River Bridges: House language (similar Senate provision).
- Sec. 141. Highway Designation: House language (affects Oklahoma) (no comparable Senate provision)
- Sec. 142. Bridge Formula Study: Combine House and Senate studies
- Sec. 143. Parking for Handicapped Persons: House language (no comparable Senate provision)
- Sec. 144. Feasibility Study of Using Highway Electrification Systems (grant to California Department of Transportation): House

language with Senate cost sharing requirements (no comparable Senate provision).

Sec. 145. Cost Effectiveness Study of Highway Upgrading: House language with Senate language on cost sharing (highway in Pennsylvania and New York) (no comparable Senate provision)

Sec. 146. Bridge Management Study: House language (no comparable Senate provision)

Sec. 147. State Maintenance Program Study: House language (no comparable Senate provision)

Sec. 148. Highway Feasibility Study: House language (affects Louisiana, Arkansas, and Missouri) (similar Senate provision)

Sec. 149. California Feasibility Study: House language with Senate language on cost sharing (no comparable Senate provision)

Sec. 150. New York Feasibility Study: House language (no comparable Senate provision)

Sec. 151. Prohibition on Widening Certain Routes Through Historic District: House language (affects Ohio) (no comparable Senate provision)

Sec. 152. Ferry Boat Service: House language (affects Nebraska and South Dakota) (similar Senate provision)

Sec. 153. Railway-Highway Crossings: Senate language (codifies existing rail-highway crossing program in section 203 of the Highway Safety Act of 1973) (no comparable House provision)

Sec. 154. Use of Certain Reports as Evidence: Senate language (similar House provision)

Sec. 155. Emergency Call Boxes: House language (no comparable Senate provision)

Sec. 156. Forest Highways: Senate language (no comparable House provision)

Sec. 157. Highway Beautification: Senate provision.

Sec. 158. Bicycle Projects Eligibility: Senate language (no comparable House provision)

Sec. 159. National Highway Institute: Senate language (no comparable House provision)

Sec. 160. Release of Condition Relating to Conveyance of a Certain Highway: Senate language (affects Maryland and has been passed in Appropriations bill) (no comparable House provision)

- Sec. 161. Speed Limit: Senate language with seat belt law requirement. (no comparable House provision) House language on roads posted at 50 MPH.
- Sec. 162. Davis-Bacon Threshold: Modified Senate language with \$125,000 threshold.
- Sec. 163. Access Highways to Lakes: Senate language (no comparable House provision)
- Sec. 164. Substitute Transit Project in Oregon: Senate language (no comparable House provision)
- Sec. 165. Local Match: Senate language (affects Idaho) (no comparable House provision)
- Sec. 166. Review of Reports on U.S. Route 13 Relief Route: Senate language (affects Delaware and Maryland Corps project report) (no comparable House provision)
- Sec. 167. Relocation of Utility Facilities: House language (similar Senate provision)
- Sec. 168. State Police Barracks: House language, permits building and access on a controlled access Interstate (no comparable Senate provision)
- Sec. 169. Vending Machines: House language (no comparable Senate provision)
- Sec. 170. Maryland Interstate Transfer: House language (similar Senate provision)
- Sec. 171. Planning, Design, and Construction: House language (affects Arkansas) (no comparable Senate provision)
- Sec. 172. Tank Trucks: House language (no comparable Senate provision).
- Sec. 173. Exemption from Right-of-Way Restriction: House language (affects Michigan) (no comparable Senate provision)
- Sec. 174. Removal of Limitations on Project Approval: House language (affects Hawaii) (similar Senate provision)
- Sec. 175. Combined Road Demonstration Program: Senate language modified with only 5 States participating.
- Sec. 176. Study of Highway Bridges Which Cross Rail Lines: House language (no comparable Senate provision)
- Sec. 177. Study on Use of Rock Salt on Highways: Senate language (no comparable House provision)



Sec. 178. Toll Financing: Senate language (no comparable House provision)

Sec. 179. Disaster Relief Amendments: Senate language (no comparable House provision)

Sec. 180. Technical Amendments: Combine House and Senate

Statement of Managers Language: (see attachment)

House Section 109. Contracting For Engineering and Design Services, and

House Section 111. Standardized Contract Clause Concerning Site Conditions



October 7, 1986

### MAJOR ISSUES

1. Authorization Levels: Split the difference as indicated on attached chart.
2. Length of authorization: House provision
3. Obligation Limitation: House level with Senate exemptions, House modified provision permitting States to obligate 5 percent of unobligated balances not to exceed an overall total of 2.5 percent.
4. Interstate System
  - (a) House provision on discrete category with 6 year funding; Senate drops combined Interstate-Primary category;
  - (b) House provision on Interstate discretionary category of \$300 million per year but with current law priorities;
  - (c) Senate provision on one-half percent minimum;
  - (d) House provision requiring future ICEs;
  - (e) Senate drops permanent approval of ICE, include provision on administrative release of ICE if Congress has not approved by October 1.
5. Interstate 4R program:

Drop Senate provision on combined Interstate-Primary program; Include House Interstate 4R discretionary fund but at \$100 million per year.

Include House provision on transfer from Interstate 4R to Primary
6. Interstate Substitute program:

House provision requiring further ISCE;

Drop Senate provision on permanent ISCE approval and include modified provision on administrative release if Congress has not approved an ISCE by October 1.
7. Primary Program:

Drop Senate provision on total flexibility.
8. Urban/Secondary programs

Drop Senate provision on transferability
9. Bridge Program:

Increase bridge discretionary program to \$225 million per year (House at \$250 million and Senate at \$200 million)

## 10. 85 percent minimum:

Senate provision with House language section 124(a)

## 11. Davis-Bacon:

Compromise with \$125,000 threshold (House is at \$2,000 and Senate is at \$250,000)

## 12. Buy America:

Drop both Senate and House provisions;

## 13. Disadvantaged Business Enterprise Program:

House provision with Senate uniform certification

## 14. Highway Beautification:

Senate provision

## 15. Toll Financing:

Senate provision

## 16. Central Artery:

House compromise

## 17. Speed Limit:

Senate provision with mandatory seat belt law. All existing seat belt laws would fulfill the requirement for a mandatory law. House language regarding roads posted at 50 mph.

18. Combined road demonstration program: Senate language with only 5 States.

19. South Africa sanctions: Drop House provision (Senate overrode veto)

20. Demonstration projects: Senate criteria for all House and Senate projects (projects are funded out of a State's regular Federal-aid apportionments, States have flexibility to choose any of their apportionments to fund the priority project).

20. Accept additional House and Senate provisions as shown in the attachment.



AUTHORIZATIONS (\$ in billions)

<u>PROGRAM</u>	<u>SENATE</u> <u>FY87-90</u>	<u>HOUSE</u> <u>FY87-91</u>	<u>COMPROMISE</u>
INTERSTATE	3.0	3.3*	3.15
I-4R	2.8	2.83	2.815
PRIMARY	2.35	2.305	2.325
PRIMARY MINIMUM	0	.050	.050
I-SUBSTITUTE	.650	.825	.740
MINIMUM ALLOCATION	.700	.512	.700
SECONDARY	.600	.600	.600
URBAN	.750	.750	.750
BRIDGE	1.5	1.755	1.63
FOREST HIGHWAYS	.050	.058	.055
PUBLIC LANDS	.050	.020	.040
INDIAN ROADS	.075	.090	.080
PARKWAYS	.075	.045	.060
HAZARD ELIMINATION	.175	.170	.170
RAILROAD CROSSINGS	.175	.140	.160
EMERGENCY RELIEF	.100	.100	.100
DEMOS	---	.237**	---
STUDIES	---	.003***	.001
402 (FHWA)	.010	.010	.010
TERRITORIAL HIGHWAYS	.012	---	---
MCSAP	---	.050	---
UNIVERSITY CENTERS	---	.005	---
RR DEMOS	---	.010	---
403 (FHWA)	.010	.010	.010

TOTAL AUTHORIZATION LEVELS  
(Average levels):

<u>SENATE****</u>	<u>HOUSE</u>	<u>COMPROMISE</u>
13.082	13.875	13.446

OBLIGATION LIMITATION:

12.350	12.600	12.600
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SPENDING OUTSIDE

OBLIGATION LIMITATION	.800	.925	.800
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\* 3.0 in FY 87

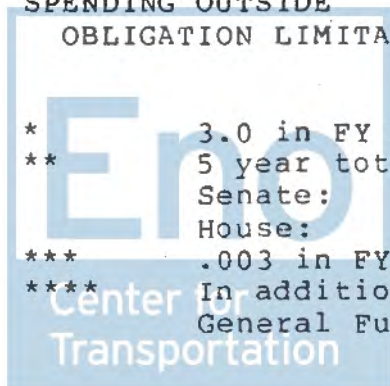
\*\* 5 year totals:

Senate: 0

House: 1.185

\*\*\* .003 in FY 87

\*\*\*\* In addition Senate authorizes \$58 million out of the General Fund for WIPP roads.



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*Jan*

# United States Senate

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS  
WASHINGTON, DC 20510

October 15, 1986

Honorable James J. Howard  
Member of Congress  
House of Representatives  
Washington, D. C. 20515

Dear Jim:

We are writing to urge that you, as Chairman of the conference committee on the Federal-Aid Highway Act of 1986, call a meeting of the House and Senate conferees at the earliest possible time.

The conferees have not met since October 7 when the Senate conferees made a proposal. Congress will be adjourning very shortly and little time remains to resolve the differences between the House and Senate bills. Highway funds should have been apportioned to the States on October 1. While we have missed that deadline, there is still time to pass a highway bill before Congress adjourns. Failure to pass a bill will result in major disruptions in addressing the needs of our highways and bridges and will jeopardize jobs in the construction industry.

We look forward to hearing from you.

Sincerely,

*Lloyd Bentsen*  
Lloyd Bentsen

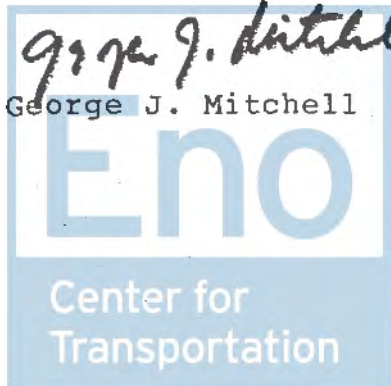
*Robert T. Stafford*  
Robert T. Stafford

*Quentin N. Burdick*  
Quentin N. Burdick

*Steve Symms*  
Steve Symms

*George J. Mitchell*  
George J. Mitchell

*John H. Chafee*  
John H. Chafee



*James Abdnor*  
James Abdnor

HOUSE OFFER OF 10/16/86

MAJOR ISSUES

1. 1/2 percent Interstate minimum: Accept Senate provision (cost: \$1.3 billion over 5 years).
2. Interstate 4R formula change: Drop House provision (key House members lose about \$800 million over 5 years; key Senate members gain about \$550 million over 5 years).
3. Bentsen minimum allocation: Phase in over five years as follows:

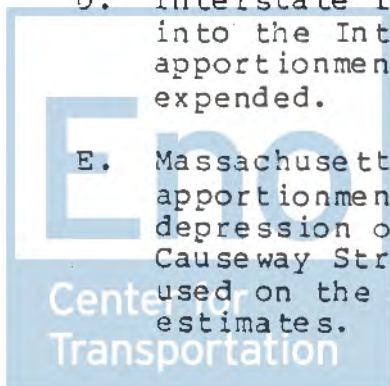
FY 1987	}	include all programs except Interstate discretionary and ER
FY 1988		
FY 1989		
FY 1990	}	include all programs
FY 1991		

4. Demonstration projects:
  - A. House projects: House would reduce the costs of its projects by about 20 percent as follows:
    1. House would cut cost by 10 percent by scaling back or dropping selected projects;
    2. Projects would be funded by separate authorization at 90/10; and
    3. Projects would be exempt from obligation ceiling.
  - B. Senate projects:
    1. Senate would make comparable 10 percent cut by scaling back or dropping selected projects;
    2. In lieu of funding from a state's apportionments, Senate projects would be funded in same manner as House projects (separate authorization);
    3. Projects would be funded by separate authorization at 90/10; and
    4. Projects would be exempt from obligation ceiling.

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5. Speed Limit: Drop Senate provision; with commitment to address next year.
6. Davis-Bacon: Drop Senate provision; with commitment to address next year.
7. Beautification:
  - A. Retain House provisions on just compensation (including flexible Federal match), farmer's signs, vegetation control, prohibition on sign modifications, and freeze on erection of new signs in commercial and industrial areas.
  - B. Accept Senate provisions on Federal funding for compensation, North Dakota billboards (no provision), annual inventories, removal of illegal and certain non-conforming signs in 90 days, elimination of Federal requirements to remove non-conforming signs generally, limitations on the use of materials from acquired signs, and regulation of signs on public lands.
  - C. Propose compromise language on sanctions, warning labels on signs, and possible provision on expanding freeze concept to include rural signs under certain circumstances.
8. Central Artery:
  - A. Four-lane third Harbor crossing eligible for Interstate construction funds instead of two-lane.
  - B. Massachusetts responsible for depression of Central Artery from High Street to Causeway Street.
  - C. Charlestown Interchange and the South Interchange on the Artery are eligible for Interstate construction costs at approximately \$500 million in state and Federal funds.
  - D. Interstate funds are available for two years and then lapse into the Interstate discretionary fund. Interstate apportionments based on 1989 ICE will be available until expended.
  - E. Massachusetts may borrow Interstate construction apportionments to finance its responsibility for funding the depression of the Central Artery from High Street to Causeway Street. Interstate construction apportionments used on the depression will be deducted from future cost estimates.



9. Buy America

A. Phase in 75% (in lieu of 85%) domestic content requirement as follows:

FY 87:	50%
FY 88:	50%
FY 89:	60%
FY 90:	60%
FY 91:	75%

B. Accept House provision on 25% price differential.

C. Drop Senate provision regarding \$500,000 threshold.

D. Drop House provision on cement.

10. Tolls: Drop Senate provision.

11. Interstate 4R discretionary: \$200 million per year.

12. Combined Road Demonstration Program: House will accept in five states.

13. Interstate/Interstate 4R/Primary: Senate agrees to retain current program structure.

14. DBE: Accept Senate offer of October 7th (House provision with

8; existing process  
ate proposal for automatic





# NEWS FROM

## Committee on Public Works and Transportation

JAMES J. HOWARD, N.J., CHAIRMAN

U.S. HOUSE OF REPRESENTATIVES  
ROOM 2165, RAYBURN HOUSE OFFICE BUILDING  
WASHINGTON, D.C. 20515  
(202) 225-4472

FOR IMMEDIATE RELEASE

THURSDAY, OCTOBER 16, 1986

Rep. James J. Howard, D-N.J., Chairman of the House Public Works and Transportation Committee, today issued the following statement on the status of H.R. 3129, the Surface Transportation and Assistance Act of 1986:

"We are very disappointed that there has been no movement whatsoever from the other side during the conference. The House conferees were prepared with an offer on demonstration projects that would have wrapped up the whole thing. We have made several offers that went toward them and went toward them even more. The Senate's last two offers were going further away from us.

"Should everything else fall into place, we have an excellent offer for them. Unfortunately, there are too many outstanding issues on which there has been no movement during the entire conference.

"The House has conceded on the one-half of one percent for states with no Interstate construction needs, a matter of more than \$1 billion. We have conceded on the issue of the Interstate 4R formula, another matter of more than \$1 billion. We have gone 80 percent of the way on the Senate's 85 percent amendment. We have proposed significant compromises on beautification, Buy America, and we have agreed to address the speed limit and Davis-Bacon issues next year. I consider all of these positions to be major concessions to the Senate.

"On the speed limit issue, I don't want to be a part of anything that will kill people and paralyze others. I want to do something for safety. However, I have agreed to make a commitment to address the issue next year.

"We have gone as far as we can on many of these issues. I still have some confidence we may have a bill this year because Senator Stafford seems interested in getting a bill. I hope we can reach an agreement."

CONTACT: David Smullen  
(202) 225-4472

November 14, 1986

M E M O R A N D U M

TO: Chairman James J. Howard  
FROM: Clyde Woodle *CW*  
SUBJECT: Reintroduction of Highway Bill

With regard to reintroduction of the highway bill in January incorporating certain features of the last House offer of 10/17/86 in order to reduce or eliminate controversial conference issues, the following discussion highlights the major differences between the House and Senate positions and any tentative agreements that were reached:

A. 1/2 percent Interstate minimum:

1. Senate bill - Included
2. House bill - Not included
3. Conference - Senate provision (cost: \$1.3 billion over 5 years)

B. Interstate 4R formula change

1. Senate bill - No change from existing law
2. House bill - Formula changed to 50% VMT, 25% gasoline consumption, 25% diesel consumption; no 1/2% minimum.
3. Conference - Drop House provision (key House members lose about \$800 million over 5 years; key Senate members gain about \$550 million over 5 years).

C. Bentsen minimum allocation:

1. Senate bill - Includes apportioned and allocated funds in minimum allocation computation.
2. House bill - Existing law; includes only apportioned funds in computation.

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3. Conference - Last House offer to phase in the Bentsen amendment over 5 years was probably acceptable to the Senate:

FY 1987	}	include all programs except Interstate discretionary and ER
FY 1988		
FY 1989		
FY 1990	}	include all programs
FY 1991		

D. ICE process:

1. Senate bill - One final ICE
2. House bill - Existing law; ICE approved by Congress biennially.
3. Conference - Biennial ICE with administrative release provision.

E. Speed Limit:

1. Senate bill - Allows 65 MPH on rural Interstates
2. House bill - No comparable provision.
3. Conference - Unresolved.

F. Demonstration projects:

1. Senate bill - About 70 Senate projects funded from existing state apportionments.
2. House bill - 91 House projects authorized at \$1.2 billion over 5 years; 100% Federal share; exempt from obligation ceiling.
3. Conference - House willing to accept Senate offer to fund projects 50% from additional Federal funding, 20% from normal Federal-aid apportionments, and 30% from state/local funds; House rejected Senate offer for \$5 million cap per project per year; House insisted that projects be exempt from obligation ceiling; no final resolution of the issue.

G. Beautification:

1. Senate bill - Allows state to remove billboards by amortization and imposes a strict moratorium on erection of new billboards in commercial and industrial areas.

2. House bill - Retains requirement to pay just compensation and imposes a freeze on the number of billboards in commercial and industrial areas (only replacement signs allowed).
3. Conference - Limited progress made on the issue; in its final offer, however, Senate indicated it would accept payment of just compensation in exchange for strict moratorium provision from Senate bill; House did not accept Senate offer.

H. Buy America:

1. Senate bill - Weakens Buy America by imposing \$500,000 threshold.
2. House bill - Strengthens Buy America by increasing domestic content of rolling stock from 50% to 85%, increasing rolling stock bid price differential from 10% to 25%, and making cement subject to Buy America.
3. Conference - Senate proposed dropping all four Buy America provisions; House proposed to drop one House and one Senate provision (\$500,000 threshold and cement), retain its bid price differential provision, and modify its domestic content provision for rolling stock from 85% to 55%; no final resolution of the issue.

I. Davis Bacon:

1. Senate bill - Increases threshold for application of Davis-Bacon from \$2,000 to \$250,000.
2. House bill - No comparable provision.
3. Conference - Senate dropped provision with commitment from House to hold hearings and consider legislation next year.

J. Central Artery:

1. House bill - Included depression of the Central Artery and a four-lane (instead of two-lane) Harbor Tunnel in the ICE.
2. Senate bill - No comparable provision.
3. Conference - A compromise was basically reached to include the four-lane Harbor Tunnel and some interchange work on the northern and southern ends of the Central Artery project in the ICE; the state would assume general responsibility for the cost of depressing the Artery (using state or I-4R funds); House also wanted a generic provision that funds apportioned based on the 1989 ICE are available until expended; no clear response from Senate on this final point.

K. Toll Financing:

1. Senate bill - Allows Federal funding in the construction or expansion of non-Interstate toll facilities; Federal funding could not exceed 35% of project costs.
2. House bill - No comparable provision.
3. Conference - Unresolved; both Houses were adhering to their positions at the end of the conference.

L. Disadvantaged Business Enterprise:

1. Senate bill - Includes women in the presumptive DBE group, imposes a uniform certification process, and makes other miscellaneous changes.
2. House bill - Includes women in presumptive DBE group.
3. Conference - House provision with Senate uniform certification process.

M. Interstate 4R discretionary:

1. Senate bill - No provision
2. House bill - \$200 million per year.
3. Conference - Senate offered \$100 million; House still wanted \$200 million.

N. Combined Road Demonstration Program:

1. Senate bill - 10 state demonstration.
2. House bill - No provision.
3. Conference - 5 state demonstration.

O. Interstate/I-4R/Primary Consolidation:

1. Senate bill - Consolidates the Interstate, Interstate 4R and primary programs.
2. House bill - 20% transferability from I-4R to primary.
3. Conference - Drop Senate consolidation; accept House transferability provision; based on informal staff conversations, the Senate, at the Administration's behest, also seemed agreeable to a generic provision offered by the

House liberalizing the transfer of cost-to-complete funds from Interstate segments open to traffic (other than HOV lanes) to I-4R and primary (this was offered in lieu of a narrower provision allowing Massachusetts to borrow from its Interstate construction apportionments to depress the Central Artery).

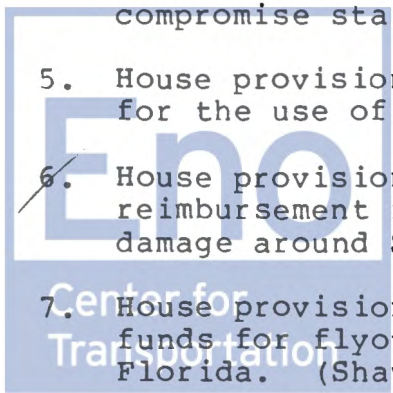
P. Interstate construction discretionary program:

1. Senate bill - No program.
2. House bill - Reauthorizes Interstate discretionary category at \$300 million per year; priority funding for Harbor Freeway; Interstate funds lapse to discretionary pot.
3. Conference - Senate was willing to accept House provision, but without priority funding for Harbor Freeway; final House offer suggested second priority (rather than first priority) funding for Harbor Freeway; no Senate response; it was also unclear whether the Senate had backed away from an important earlier Senate/House agreement to allow a state to reduce the period of availability of its apportioned Interstate construction funds from 2 years to 1 year and to allow a state to lapse current year apportionments.

Q. Other unresolved issues included the following:

1. Senate comprehensive rewrite of the Disaster Relief Act. (Lautenberg)
2. The need for an additional \$339 million in FY93 Interstate construction funding to complete the System (over and above the Senate offer). (Anderson)
3. House provision clarifying discretionary bridge eligibility for the Acosta Bridge in Florida. (Bennett, Chappell)
4. House provision requiring a changed site conditions clause in Federal-aid contracts (House willing to explore compromise statutory language). (Howard)
5. House provision authorizing preferential Federal match (+5%) for the use of coal ash in highway construction. (Snyder)
6. House provision granting Utah \$29 million (in ER funds) as reimbursement for their use of I-4R funds to avoid flooding damage around Salt Lake City. (Monson)
7. House provision authorizing use of Interstate construction funds for flyovers and park-n-ride lots adjacent to I-95 in Florida. (Shaw)

AGC



8. House provision reprogramming the use of \$2+ million in urban high density funds. (Visclosky)
9. House provision concerning signs on construction projects indicating the source of funding for the project. (Howard)
10. Funding for university transportation research centers. (Shuster)
11. Senate also requested that the House drop the following three provisions (which were probably acceptable to the House):
  - a. General policy authorizing limited interest payments on bonds for advance construction Interstate and primary projects.
  - b. Qualifications-based procurement of architectural and engineering services.
  - c. Authorizing retroactive ER funding for a 1983 disaster in the Virgin Islands (Senate agreeable to prospective ER funding for the Territories).

cc: Chairman Anderson





# STATEMENT OF ADMINISTRATION POLICY

January 6, 1987  
(House Rules)

H.R. 2 - Surface Transportation and Uniform  
Relocation Assistance Act  
(Howard (D) New Jersey)

The administration opposes H.R. 2 and, if it is presented to him in its current form, the President's senior advisers will recommend that the President veto the bill.

The administration urges adoption of the legislative proposal to reauthorize highway safety and highway construction programs that was transmitted to Congress by the Department of Transportation on January 5, 1986. Otherwise H.R. 2 should be amended to:

- authorize obligations for highway, transit, and highway safety activities of \$77.4 billion for fiscal years 1987-1991, instead of \$91 billion as contained in H.R. 2 (the adverse budget impact of H.R.2, compared with the Administration's proposal, would total \$17.1 billion during 1987-1991: in addition to providing for excess obligations of \$13.6 billion, it would not -- as the administration has proposed -- add \$3.5 billion in new revenues to the Highway Trust Fund by repealing the current tax exemptions for gasohol, bus operators, and State and local governments);
- delete the provisions which undermine the purpose of the highway and transit obligation limitations by excluding spending on "demonstration projects" from those limitations;
- delete authorizations for over 100 expensive special interest projects;
- delete authorizations for two Boston projects to be added to the Interstate System which increase the Federal cost to complete the Interstate by \$1.8 billion;
- delete the provisions which continue discretionary transit grants and authorize multi-year contracts, as well as effectively exempt these funds from sequestration and annual obligation limitations;
- delete provisions increasing the Federal matching share and waiving non-Federal matching requirements in certain cases;

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- delete provisions (1) increasing domestic content requirements, (2) preventing States from using sealed bids and automatically accepting the lowest bidder on architectural and engineering contracts, (3) limiting the use of convict-produced materials, and (4) reauthorizing rather than terminating the compensation requirements of the highway beautification program;
- incorporate administration proposals to increase Federal and State flexibility in the use of highway funds to allocate mass transit account funds by formula and to increase the non-Federal share on transit projects to 50%;
- delete the provision that would permit States or localities to prohibit or restrict the awarding of federally-funded highway and transit construction contracts to businesses conducting business in South Africa; and
- delete definitions and requirements under the Uniform Relocation Act which increase Federal costs, restrict State and local flexibility, and are inconsistent with the principles of Federalism.

The administration is strongly opposed to any amendments to H.R. 2 that would increase spending levels or place the Highway Trust Fund off-budget or remove it from the budget controls contained in Gramm-Rudman-Hollings.

The administration also urges the adoption of amendments to repeal the current tax exemptions enjoyed by gasohol, bus operators, and State and local governments, estimated to generate \$3.5 billion between 1987-1991, thereby assuring sufficient Highway Trust Fund revenues to cover the administration's proposed authorizations.

\* \* \* \* \*

(Not to be Distributed Outside Executive Office of the President)

The Legislative Reference Division developed this draft position statement in consultation with TCJ (Adkins/Kathy Collins) and the Department of Transportation (John Collins).

H.R. 2 is substantially similar to H.R. 3129 as considered by the Congress in 1986; the administration's position, as set forth above, is the same as last year's position statement on H.R. 3129.

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## Overview of H.R. 2

H.R. 2, as reported by the House Committee on Public Works and Transportation, would: authorize \$13.6 billion more for highway, transit, and highway safety activities during fiscal years 1987-1991 than is proposed in the 1988 budget; mandate substantial "pork" in the form of highway special interest and "demonstration" projects funded outside of the obligation limitation; add two costly Boston projects to the cost of completing the interstate system; continue transit programs proposed for elimination; restrict flexibility by establishing allocations for certain types of transit projects and by requiring congressional approval of certain transit recipients; reject the administration's block grant and other proposed reforms; and add definitions and requirements to the Uniform Relocation Act which increase Federal costs, restrict State and local flexibility, and are inconsistent with principles of Federalism.

Legislative Reference Division Draft  
1/6/87





EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

January 7, 1987

MEMORANDUM FOR: WILL BALL  
FROM: JOE WRIGHT *JWR*  
SUBJECT: Highway Bill Differences

We discussed this at the Operating Group meeting on Tuesday and there was some confusion about the accrued interest in the Highway Trust Fund. The five year (1987-1991) costs of the House highway-transit bill (\$91B) and the Administration bill (\$77B) are as follows:

1987-1991  
(\$ in billions)

	<u>House Bill</u>	<u>Admin Bill</u>	<u>Difference</u>
Highways	69.5	68.0	+1.5
Safety	.8	.7	+ .1
<u>Transit</u>	<u>20.7</u>	<u>8.7</u>	<u>+12.0</u>
<u>TOTAL</u>	<u>91.0</u>	<u>77.4</u>	<u>+13.6</u>

The \$13.6B difference is explained as follows:

Highways

- o The House bill authorizes \$4.9B more than the Administration bill (\$4.7B in interest and \$.2B of general funds).
- o The Administration bill authorizes \$3.4B in increased revenues from repeal of gas tax exemptions. The House bill does not include these increased revenues.
- o The net additional spending in the House bill is \$1.5B.

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## Transit

- o The House bill authorizes \$12B in general funds that the Administration proposes to eliminate.

The interest on the trust fund accrues at slightly over \$1B per year (\$1.336 in 1986). Interest is estimated to be \$1.245B in 1987, and \$1.210B in 1988. However, there is no portion of the balance that represents accrued interest, because the interest has always been spent by the Congress. Our proposal to hold the interest in the trust fund has never been adopted.

There has to be action on this bill before March 1, 1987, when funds begin to run out in the states.

cc: Jim Miller



THE WHITE HOUSE

WASHINGTON

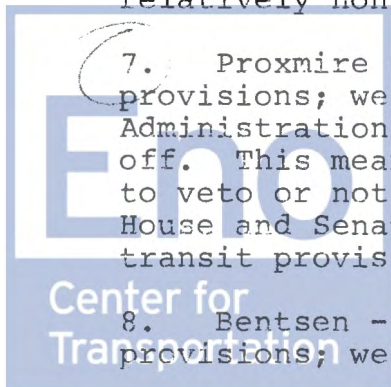
January 28, 1987

MEMORANDUM TO WILL BALLV  
THROUGH: Pam Turner  
FROM: Larry Harlow  
SUBJECT: Status on Highway bill

The highway bill will likely be laid down tomorrow, with floor action scheduled for Monday.

The following amendments are anticipated:

1. Symms -- 55 mph amendment. Likely will pass; we support.
2. Chafee -- Buy America provision regarding clinker, cement. We oppose; it failed last year.
3. Stafford -- Highway beautification modified. His original attempt failed in Committee 8-8. We will support, but it's not important.
4. Symms -- possible amendment to lower Davis-Bacon thresholds. We would support. It was successful last year but the dollar levels for this year's attempt are not yet determined.
5. Gramm -- delete funding for IA transit project. We supported a similar effort last year in the House.
6. Glenn - possible Government Affairs amendment to provide relocation assistance. I understand this has been relatively non-controversial in the past.
7. Proxmire -- Senate Banking Committee's mass transit provisions; we oppose. Gramm had been expected to offer an Administration amendment on mass transit, but has backed off. This means our position on the mass transit issue -- to veto or not veto -- will be critical, since both the House and Senate versions will contain high cost mass transit provisions.
8. Bentsen -- Senate Finance Committee's revenue provisions; we support.





EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

Honorable Robert C. Byrd  
United States Senate  
Washington, D.C. 20510

Dear Senator Byrd:

I am writing to convey the Administration's strong opposition to a "Buy America" amendment to be offered on the Floor by Senator Cochran to S. 387, the Federal-Aid Highway Act of 1987.

We understand that the amendment would prohibit purchases of foreign materials for federally-funded highway projects. Such a provision would add millions of dollars to the cost of highway projects; cause substantial construction delays (because of insufficient domestic cement production); and invite foreign retaliation against United States exports. The Office of the United States Trade Representative advises that restraints on cement imports would almost certainly result in Canadian retaliation against the United States specialty steel exports.

The Senate Environment and Public Works Committee-reported legislation very appropriately proposes to raise the project cost threshold to \$500,000 for the application of Buy America restrictions. The proposed amendment is clearly contrary to our national interest. If adopted by the Senate and subsequently included in the final version of this legislation, it would result in the President's senior advisors recommending disapproval of the bill.

Sincerely yours,

cc:

TCJ/TGS Official File

DO Records

DO Chron

Dep. Director

Mr. Tupper

Leg. Affairs

Mr. Muris

Ms. Crawford

Mr. Schwartz (2)

TCJ Front Office

Mr. Adkins

Ms. Collins

James C. Miller III  
Director

TCJ:KC:adf:1/28/87  
#170,2 Document #167

Transportation

IDENTICAL LETTERS SENT TO HONORABLE ROBERT J. DOLE,  
HONORABLE JOHN H. CHAFEE, HONORABLE QUENTIN N. BURDICK,  
AND HONORABLE ROBERT T. STAFFORD



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

09 FEB 1987

MEMORANDUM FOR DONALD T. REGAN  
Chief of Staff to the President

THROUGH: James C. Miller III  
Director

FROM: Joseph R. Wright  
Deputy Director

SUBJECT: Status of Highway/Transit Legislation: Need for  
LSG to Reaffirm a Veto Position

Both the House and Senate have passed highway/transit legislation and are preparing for conference. Our concerns have not been addressed. In fact, the Senate made the highway bill worse by adding 63 highway pork projects and the Senate Banking Committee transit provisions which we oppose. OMB and DOT support a veto of a conference bill that does not address our transit concerns or includes the House highway provisions. We need to reaffirm our position with a LSG meeting and communicate it quickly to the conferees.

Background

- o The House passed highway/transit legislation (H.R. 2) without amendments under a closed rule. The Senate legislation (S. 387) passed with several amendments which would:
  - ~ raise the speed limit to 65 m.p.h. on rural Interstate highways;
  - ~ add 63 highway pork projects that States could fund from their regular allocation of highway funds (i.e., no extra funding); and
  - ~ ensure each State an 80 percent minimum allocation of transit trust funds. (Two conditions effectively negate the amendment's impact.)

Administration's Concerns

- o Both the House and Senate-passed bills exceed the President's Budget and fail to repeal gas tax exemptions which would generate \$3.5B in additional receipts by 1991. (See Attachment A for details.)
- ~ In 1988 alone, H.R. 2 authorizes \$18.3B which exceeds the President's Budget by \$3.4B and S. 387 authorizes \$16.4B which exceeds the Budget by \$1.5B.

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Transportation

- ~ Compared to the President's Budget, by 1991 the legislation would add \$7.5B (Senate) to \$12.2B (House) to the deficit due to increased outlays and foregone receipts.
- o Both bills are loaded with special interest projects. (See Attachment B.) There are 170 highway pork projects included at a total estimated cost of about \$8.3B, of which \$1.2B is authorized in H.R. 2. Both bills mandate that the Federal Government enter into a multi-year contract for completion of the second phase of the Los Angeles Metro Rail. The House bill increases the Federal cost to complete the Interstate System by at least \$1.8B by adding the two Boston projects.
- o Neither bill addresses our transit concerns. Both bills: (1) significantly exceed the President's Budget proposal for transit, due largely to the continuation of general fund spending; (2) continue the discretionary program (one third of which Congress earmarks for new starts) and fail to distribute the transit account of the trust fund by formula; and (3) fail to raise the non-Federal matching share to 50 percent and eliminate operating subsidies for large urban areas (over 200,000 population).

#### Conference Prospects

- o Conference, which could begin the week of February 15th, is unlikely to address our concerns and produce a signable bill.
  - ~ There is likely to be a compromise that provides extra funding for highway pork projects in both bills but require a State matching share and/or a maximum Federal dollar amount per project.
  - ~ There is likely to be a State-Federal cost sharing compromise to fund the Boston Interstate projects.
  - ~ Neither bill provides acceptable transit provisions and conference is unlikely to adopt our transit proposal.

#### Recommendation

- o DOT and OMB believe that we should maintain our veto position because there is no way conference could address our concerns.
- o We need to reaffirm our veto position so that there is clear agreement on the position to be communicated to the conferees.

Attachments

**Eno**

Center for  
Transportation



1987 - 1991  
 Comparison of House and Senate  
 Highway/Transit Legislation with the Administration's Proposal  
 (\$ in billions)

<u>Authorizations</u>	<u>House</u>	<u>Senate</u>	<u>Pres. Budget</u>	<u>Delta from Pres. Budget</u>	
				<u>House</u>	<u>Senate</u>
Highways	69.5	66.0	68.0	+ 1.5	-2.0
Transit	20.7	16.2	8.7	+12.0	+7.5
Safety	.8	-	.7	+ .1	- .7
Total	91.0	82.2	77.4	+13.6	+4.8
<u>Outlays</u>					
Highways	69.2	67.1	66.1	+ 3.1	+1.0
Transit	20.6	18.9	15.1	+ 5.5	+3.8
Safety	.9	-	.8	+ .1	- .8
Total	90.7	86.0	82.0	+8.7	+4.0
<u>Receipts</u>					
Repeal Gas Tax Exemptions	--	--	- 3.5	+3.5	+3.5
<u>Total Deficit Impact of House and Senate Bills</u>					
(Increased Spending Plus Foregone Revenues)	--	--	--	+12.2	+7.5

Notes: Although the Senate and Administration propose a four-year reauthorization, estimates are made for five years for comparability with the five-year House bill. Authorization legislation largely determines the level of annual spending because the highway program and a good portion of the transit program operate on contract authority which does not require appropriations to be obligated.

**Explanation of Special Interest  
Provisions in the Highway/Transit Legislation**

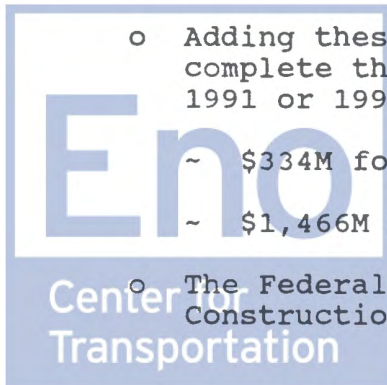
There are three types of special interest provisions in the House and Senate legislation.

1. Highway Demonstration Projects (i.e., pork)

- o Includes highway construction or improvement projects included at the request of individual members or Senators to benefit their district or State.
- o The projects are "demonstrations" in name only and may or may not be on the Federal-aid system. No congressional hearings have been held and no benefit-cost analysis has been applied.
- o The House provides separate 100 percent Federal funding not subject to the highway obligation limitation. The Senate requires that the projects be funded within regular Federal-aid allotments, without separate funding and subject to the obligation limitation.
- o There are 99 projects in the House bill authorized at \$1.2B over 1987-91. The Senate bill includes 98 projects, but no separate funding. (Twenty seven projects are double counted.)
- o Total cost for all projects, including amounts authorized in the House bill, is estimated at \$8.3B.

2. Interstate System

- o The House bill adds two Boston projects to the Interstate System: depressing the Central Artery and building a 4-lane, third harbor tunnel.
- o These projects, as requested by Massachusetts, were not part of the final Interstate mileage and design.
- o Adding these projects will increase the Federal cost to complete the Interstate System by at least \$1.8B through 1991 or 1992:
  - ~ \$334M for the tunnel; and
  - ~ \$1,466M for the Central Artery.
- o The Federal Government pays 90 percent of Interstate Construction costs.



- o No separate authorization is provided for these projects in the House bill. They would be funded from the Interstate construction authorization.
- ~ The Senate bill replaces the separate Interstate construction authorization with a consolidated Interstate/primary program as the Administration proposed.

### 3. Transit

- o Both the House and Senate bills would require DOT to enter into multi-year contracts to fund the second phase of the Los Angeles metrorail.
  - ~ The House specifies the contract amount at \$110M in 1987 and \$190M in subsequent years from the discretionary grant program. The Senate bill does not specify amounts.
- o The Senate earmarks \$17M of section 9 (formula grant) funds to build a high speed train between Los Angeles and Las Vegas.
- o The House authorizes \$10M annually to fund university research centers for highway/transit research.
- o The House provides \$4.4M annually in additional operating assistance for Miami and Ft. Lauderdale.
- o The House provides \$3.2M to establish and run a bus testing center in Altoona, PA.



THE WHITE HOUSE

WASHINGTON

February 11, 1987

MEMORANDUM FOR JOHN TUCK

THROUGH: ALAN KRANOWITZ  
PAMELA TURNER

FROM: HENRY GANDY  
LARRY HARLOW

SUBJECT: Conference Strategy on Highway Bill

The Senate asked for a Conference and appointed conferees on February 4th. The House is expected to appoint conferees on the highway bill during the week of February 16th, although the actual Conference is not expected to begin until the following week. House Chairman Jim Howard has stated that he "expects" to have a bill to the President by March 1. However, Howard's well-known intransigence on the 55-mph speed limit issue (Senate bill) could delay a conference agreement past that date. House will act first on the Conference Report.

The House passed the highway bill under a closed rule allowing no amendments by a vote of 401 to 20. The Senate passed its version by a vote of 96 to 2 after adopting several amendments, including a Symms amendment on the 55 mph speed limit and an amendment adding 63 special highway "demonstration" projects.

It is extremely unlikely that the major provisions objectionable to the Administration will be resolved in Conference. OMB and DOT therefore support a veto recommendation on the Conference Report. If the decision of the ISG is to agree to that recommendation, that decision must be communicated in the strongest possible terms to the conferees prior to the Conference.

Given the current climate -- states running short on highway funds and attendant contract/labor problems -- it will be extremely difficult to sustain a veto of a highway bill containing any of the major provisions objectionable to the Administration.

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Transportation

The best chance of sustaining a veto will be if the conference product contains the House scheme, or something close to it, for funding of demonstration projects. In that case, the sentiment in the Senate may well be to sustain the veto, since the key actors in the Senate feel that they exercised restraint in funding for demo projects, while the House has not. A veto solely on the basis of the funding levels in either the House or Senate versions for highways or mass transit will be much tougher to sustain.

Staff has met twice already on the highway portions of the bill. Nineteen major issues have been identified, headed by the 65 mph speed limit and demonstration projects. House staff has informed Senate staff that Howard is unwilling to accept the speed limit provisions and will not bend on the demonstration projects. Nevertheless, the speed limit may be the Senate's strongest bargaining chip. Senator Burdick has indicated that he would drop the 65 mph speed limit if the House dropped the highway demo projects. Last year, Howard was unwilling to make this deal.

#### Recommendation

At this time, we should hold firm on the veto threats, citing all of our objections. In the meantime, we should be working with Burdick to back his position on the highway demo projects. He is sympathetic to our position, and also desperate for highway funding; North Dakota is worse off than any other state. He may well be amenable to a strategy to veto a bill containing the objectionable House demo projects and then moving a clean highway bill ASAP.



THE WHITE HOUSE  
WASHINGTON

Conferees on H.R. 2

SENATE

Environment & Public Works

Moynihan <sup>N</sup>	Stafford <sup>N</sup>	
Burdick <sup>Y</sup>	Symms <sup>Y</sup>	Y-3
Mitchell <sup>N</sup>	Chafee <sup>N</sup>	N-4
Breaux <sup>Y</sup>		

Finance

Matsunaga <sup>Y</sup>	Dole <sup>Y</sup>	Y-3
Bentsen <sup>Y</sup>	Roth <sup>N</sup>	N-2
Moynihan <sup>N</sup>		

Banking, Housing & Urban Affairs

Proxmire <sup>N</sup>	Cranston <sup>Y</sup>	Y-3
Riegle <sup>Y</sup>	Dixon <sup>N</sup>	
Heinz <sup>N</sup>	D'Amato <sup>N</sup>	N-4
Gramm <sup>Y</sup>		

Commerce, Science & Transportation

Hollings <sup>N</sup>	Gore <sup>N</sup>	Y-0
Danforth <sup>N</sup>		N-3

Governmental Affairs

Sasser <sup>Y</sup>	Levin <sup>N</sup>	Y-1
		N-1

Y-10  
N-14

Total



HOUSE  
(proposed)

Public Works

Howard  
Anderson  
Roe

Shuster  
Hammerschmidt

Ways & Means

Rostenkowski  
Gibbons  
Pickle  
Rangel  
Stark  
Jones  
Jacobs

Duncan  
Archer  
Vander Jagt  
Crane



COMPARISON OF HOUSE AND SENATE  
HIGHWAY/TRANSIT LEGISLATION WITH THE ADMINISTRATION'S PROPOSAL





1987 - 1991  
 Comparison of House and Senate  
 Highway/Transit Legislation with the Administration's Proposal  
 (\$ in billions)

<u>Authorizations</u>	<u>House</u>	<u>Senate</u>	<u>Pres. Budget</u>	<u>Delta from Pres. Budget</u>	
				<u>House</u>	<u>Senate</u>
Highways	69.5	66.0	68.0	+ 1.5	-2.0
Transit	20.7	16.2	8.7	+12.0	+7.5
Safety	<u>.8</u>	<u>-</u>	<u>.7</u>	<u>+ .1</u>	<u>- .7</u>
<b>Total</b>	<b>91.0</b>	<b>82.2</b>	<b>77.4</b>	<b>+13.6</b>	<b>+4.8</b>
<u>Outlays</u>					
Highways	69.2	67.1	66.1	+ 3.1	+1.0
Transit	20.6	18.9	15.1	+ 5.5	+3.8
Safety	<u>.9</u>	<u>-</u>	<u>.8</u>	<u>+ .1</u>	<u>- .8</u>
<b>Total</b>	<b>90.7</b>	<b>86.0</b>	<b>82.0</b>	<b>+8.7</b>	<b>+4.0</b>
<u>Receipts</u>					
Repeal Gas Tax Exemptions	--	--	- 3.5	+3.5	+3.5
<u>Total Deficit Impact of House and Senate Bills</u>					
(Increased Spending Plus Foregone Revenues)	--	--	--	+12.2	+7.5

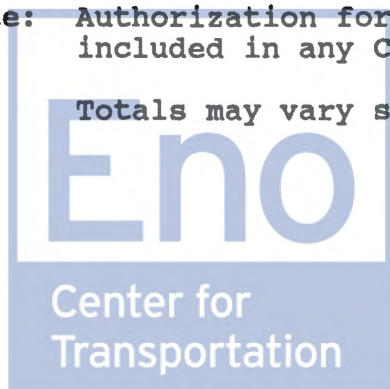
Notes: Although the Senate and Administration propose a four-year reauthorization, estimates are made for five years for comparability with the five-year House bill. Authorization legislation largely determines the level of annual spending because the highway program and a good portion of the transit program operate on contract authority which does not require appropriations to be obligated.

Total Highway/Transit and Safety Programs

	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1987-90</u>	<u>1987-91</u>
<b>President's Budget</b>							
Budget Authority.....	16,792	14,915	14,915	14,915	15,920	61,537	77,457
Outlays.....	16,423	16,076	17,156	16,451	15,861	66,106	81,967
<b>House Bill (H.R. 2)</b>							
Budget Authority.....	17,332	18,308	18,377	18,447	18,471	72,464	90,935
Outlays.....	16,844	17,747	18,566	18,816	18,657	71,973	90,630
<b>Senate Bill (S. 387)</b>							
Budget Authority.....	16,514	16,435	16,435	16,435	16,435	65,819	82,254
Outlays.....	16,632	17,233	17,586	17,500	17,049	68,951	86,000
<b><u>Delta from President's Budget</u></b>							
<b>House</b>							
Budget Authority.....	540	3,393	3,462	3,532	2,551	10,927	13,478
Outlays.....	421	1,671	1,410	2,365	2,796	5,867	8,663
<b>Senate</b>							
Budget Authority.....	-278	1,520	1,520	1,520	515	4,282	4,797
Outlays.....	209	1,157	430	1,049	1,188	2,845	4,033

Note: Authorization for safety programs was not included in the Senate bill but is expected to be included in any Conference agreement.

Totals may vary slightly from comparison chart (Attachment A) due to rounding.



Highway Programs  
(in millions of dollars)

	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1987-90</u>	<u>1987-91</u>
<b>President's Budget</b>							
Budget Authority.....	13,397	13,397	13,397	13,397	14,419	53,588	68,007
Outlays.....	12,508	12,744	13,776	13,501	13,591	52,529	66,120
<b>House Bill (H.R.2)</b>							
Budget Authority.....	13,631	13,947	13,966	13,986	13,960	55,530	69,490
Outlays.....	12,907	14,098	14,145	14,058	14,017	55,208	69,225
<b>Senate Bill (S.387)</b>							
Budget Authority.....	13,263	13,182	13,182	13,182	13,182	52,809	65,991
Outlays.....	12,876	13,809	13,622	13,454	13,374	53,761	67,135
<b><u>Delta from President's Budget</u></b>							
<b>House</b>							
Budget Authority.....	234	550	569	589	-459	1,942	1,483
Outlays.....	399	1,354	369	557	426	2,679	3,105
<b>Senate</b>							
Budget Authority.....	-134	-215	-215	-215	-1,237	-779	-2,016
Outlays.....	368	1,065	-154	-47	-217	1,232	1,015

Note: Although the Senate and Administration bills are four-year bills, estimates are made for five years for comparability with the five-year House authorization.

**Eno**

Center for  
Transportation

Mass Transit Programs  
(in millions of dollars)

	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1987-90</u>	<u>1987-91</u>
<b>President's Budget</b>							
Budget Authority.....	3,251	1,374	1,374	1,374	1,357	7,373	8,730
Outlays.....	3,756	3,170	3,225	2,800	2,124	12,951	15,075
<b>House Bill (H.R. 2)</b>							
Budget Authority.....	3,545	4,205	4,255	4,305	4,355	16,310	20,665
Outlays.....	3,770	3,471	4,242	4,578	4,463	16,061	20,524
<b>Senate Bill (S. 307)</b>							
Budget Authority.....	3,251	3,253	3,253	3,253	3,253	13,010	16,263
Outlays.....	3,756	3,424	3,964	4,046	3,675	15,190	18,865
<b><u>Delta from President's Budget</u></b>							
<b>House</b>							
Budget Authority.....	294	2,831	2,881	2,931	2,998	8,937	11,935
Outlays.....	14	301	1,017	1,778	2,339	3,110	5,449
<b>Senate</b>							
Budget Authority.....	0	1,879	1,879	1,879	1,896	5,637	7,533
Outlays.....	0	254	739	1,246	1,551	2,239	3,790

Note: Although the Senate and Administration bills are four-year bills, estimates are made for five years for comparability with the five-year House authorization.

Totals may differ from summary chart (Attachment A) due to rounding.

**Eno**

Center for  
Transportation

Highway Safety Programs  
(in millions of dollars)

	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1987-90</u>	<u>1987-91</u>
<b>President's Budget</b>							
Budget Authority.....	144	144	144	144	144	576	720
Outlays.....	159	162	155	150	146	626	772
<b>House Bill (H.R. 2)</b>							
Budget Authority.....	156	156	156	156	156	624	780
Outlays.....	167	178	179	180	177	704	881
<b>Senate Bill (S. 387)</b>							
Budget Authority.....	--	--	--	--	--	--	--
Outlays.....	--	--	--	--	--	--	--
<b><u>Delta From President's Budget</u></b>							
<b>House</b>							
Budget Authority.....	12	12	12	12	12	48	60
Outlays.....	8	16	24	30	31	78	109

**Note:** Although the Administration's bill is a four-year bill, estimates are made for five years for comparability with the five-year House authorization. The Senate bill does not include safety provisions.



THE WHITE HOUSE  
WASHINGTON

February 13, 1987

2-20  
PT  
Thanks. What about  
the 34 senator  
letter idea  
worth pursuing as  
a way of  
[signature]

MEMORANDUM TO JOHN TUCK  
THROUGH: PAMELA J. TURNER  
ALAN KRANOWITZ  
FROM: LARRY HARLOW  
HENRY GANDY  
SUBJECT: Status of the highway conference

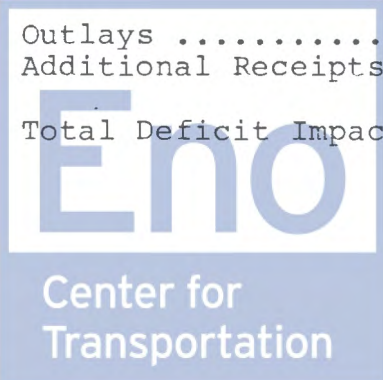
STATUS

The Senate asked for a Conference and appointed conferees on February 4th. The House is expected to appoint conferees on the highway bill during the week of February 16th, although the actual Conference is not expected to begin until the following week. House Chairman Jim Howard has stated that he "expects" to have a bill to the President by March 1. However, Howard's well-known intransigence on the 55-mph speed limit issue (Senate bill) and his insistence on the costly House demonstration (pork) projects is likely to delay a conference agreement past that date. The House will act first on the Conference Report.

It is extremely unlikely that the major provisions objectionable to the Administration will be resolved in Conference. Funding levels will surely be too high, at least for mass transit.

1987 - 1991  
(\$ in billions)

	House	Senate	Pres. Budget	Delta from Pres. Budget	
				House	Senate
Authorizations .....	91.0	82.2	77.4	+13.6	+4.8
Outlays .....	90.7	86.0	81.8	+8.9	+4.2
Additional Receipts ..	--	--	- 3.5	+3.5	+3.5
Total Deficit Impact (outlays & foregone receipts)				+12.4	+7.7



OUTLOOK/VETO STRATEGY

The best chance of sustaining a veto will be if the conference product contains the House scheme, or something close to it, for funding of demonstration projects. In that case, the sentiment in the Senate may well be to sustain the veto, since the key actors in the Senate feel that they exercised restraint in funding for demo projects, while the House has not. A veto solely on the basis of the funding levels in either the House or Senate versions for highways or mass transit will be much tougher to sustain.

If the Conference report does contain unacceptably high spending for demonstration projects, and is vetoed, we will need to concentrate on Senate Republicans to sustain the veto, and play hard on the need for Republicans to support the President after the clean water veto. Also, as already stated, key Senate Democrats may be sympathetic as well because of the lack of restraint by the House. Conversely, if the demonstration projects are largely deleted from the bill, it will be very difficult to sustain a veto in the Senate, but the chances of success in the House increase. Given these factors, it is therefore imperative that we remain firm in our opposition to any House demo projects in the final conference agreement.

At this time, we must persuade Burdick, Stafford and other key Senate Republicans to hold firm against the demo projects, and work through Dole to begin to prepare for the 1/3 plus one we will need to sustain a veto. Burdick and Stafford should be stroked by inviting them to visit with the President or the Chief about the conference. We may wish to consider the chances for a letter signed by 34 or more Senators to the President or the conference railing against the House projects, and pledging to vote to sustain a veto.



7-11-87

JAMES J. HOWARD, NEW JERSEY, CHAIRMAN

GLENN M. ANDERSON, CALIFORNIA  
ROBERT A. BOE, NEW JERSEY  
JOHN B. BREAUX, LOUISIANA  
NORMAN Y. MINETA, CALIFORNIA  
JAMES J. OBERSHAR, MINNESOTA  
HENRY J. NOWAK, NEW YORK  
ROBERT W. EDGAR, PENNSYLVANIA  
ROBERT A. YOUNG, MISSOURI  
MCKEON R. RAHALL, WEST VIRGINIA  
DOUGLAS APPLEGATE, OHIO  
RON DI LUOGO, VIRGIN ISLANDS  
GUS SAVAGE, ILLINOIS  
FORO F. SUNIA, AMERICAN SAMOA  
DOUGLAS H. BOSCO, CALIFORNIA  
JIM MOODY, WISCONSIN  
ROBERT A. BORSKI, PENNSYLVANIA  
JOE KOLTER, PENNSYLVANIA  
TIM VALENTINE, NORTH CAROLINA  
EDOLPHUS TOWNS, NEW YORK  
WILLIAM O. LIPINSKI, ILLINOIS  
MICHAEL A. ANDREWS, TEXAS  
J. ROY ROWLAND, GEORGIA  
ROBERT E. WISE, JR., WEST VIRGINIA  
KENNETH J. GRAY, ILLINOIS  
CHESTER G. ATKINS, MASSACHUSETTS  
PETER J. VISCLOSKY, INDIANA  
JAMES A. TRAFICANT, JR., OHIO  
CATHY (MRS. GILLIS) LONG, LOUISIANA  
JIM CHAPMAN, TEXAS  
CARL C. PERKINS, KENTUCKY

GENE SNYDER, KENTUCKY  
JOHN PAUL HAMMERSCHMIDT, ARKANSAS  
BUD SHUSTER, PENNSYLVANIA  
ARLAN STANGELAND, MINNESOTA  
NEWTON GINGRICH, GEORGIA  
WILLIAM F. CLINGER, JR., PENNSYLVANIA  
GUY MOLINARI, NEW YORK  
E. CLAY SHAW, JR., FLORIDA  
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DON SUNDQUIST, TENNESSEE  
NANCY L. JOHNSON, CONNECTICUT  
RON PACKARD, CALIFORNIA  
SHERWOOD BOEHLERT, NEW YORK  
TOM DELAY, TEXAS  
SONNY CALLAHAN, ALABAMA  
DEAN A. GALLO, NEW JERSEY  
HELEN DELICH BENTLEY, MARYLAND  
JIM LIGHTFOOT, IOWA  
DAVID S. MONSON, UTAH  
JOHN G. ROWLAND, CONNECTICUT  
SALVATORE J. D'AMICO, SPECIAL  
COUNSEL AND STAFF DIRECTOR  
RICHARD J. SULLIVAN, CHIEF COUNSEL  
CLYDE E. WOODLE, CHIEF ENGINEER  
MICHAEL J. TOOHEY, MINORITY STAFF  
DIRECTOR

## Committee on Public Works and Transportation

U.S. House of Representatives

Room 2165, Rayburn House Office Building

Washington, DC 20515

TELEPHONE: AREA CODE 202, 225-4472

### MEMORANDUM

TO: THE HONORABLE JOHN PAUL HAMMERSCHMIDT  
FROM: MINORITY STAFF  
DATE: FEBRUARY 18, 1987  
SUBJ: STAFF DISCUSSIONS ON H.R. 2 CONFERENCE

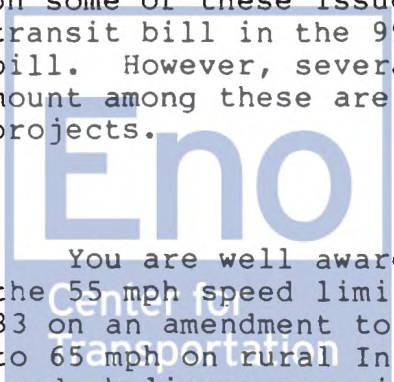
At the direction of the Committee Leadership, House staff has been meeting with appropriate Senate staff to begin laying the groundwork for the conference on H.R. 2. We have met at least once on the highway, highway safety, and mass transit titles. The purposes of these meetings were to define the significant issues that would require Member-level negotiation, and define those issues where the staff could probably work out a compromise subject to the Members' approval. A short discussion of those meetings for each Title follows.

### Title I - Highways

Staff has met on three occasions. Nineteen issues have been identified that will need some discussion or negotiation by the Members. (See Attachment A). It is recognized that the progress on some of these issues made during conference on the highway/transit bill in the 99th Congress may help negotiations on this bill. However, several issues continue to be contentious. Paramount among these are the 55/65 mph speed limit and demonstration projects.

### 55/65 mph Speed Limit

You are well aware of the forces at odds over the change to the 55 mph speed limit. The Senate had a recorded vote of 65 to 33 on an amendment to H.R. 2, in favor of raising the speed limit to 65 mph on rural Interstates. Chairman Howard, on the other hand, believes any rise in the speed limit would adversely affect highway safety by adding traffic injuries and deaths.





### Demonstration Projects

The funding of demonstration projects has been a continuing controversy during negotiations on the past several highway bills. The current Senate approach allows States to fund priority projects (99 named in their bill) with any combination of normally apportioned highway funds, with the local match being commensurate with the category of funds used. The House has 100 percent Federal funding (new money) for 81 projects outside the obligation ceiling. Negotiations during the last conference produced a Senate offer to fund demonstration projects at 50 percent new Federal money, 20 percent with other apportioned highway funds, and 30 percent with local match. The demonstration projects would be subject to a \$5 million per year cap on the new money and subject to the obligation ceiling. The House countered with the same funding scheme, without the \$5 million per year cap and placed the projects outside the obligation ceiling. Indications are that the Senate may recede from their offer of the last conference. The limited Senate staff discussions have focused on cost-sharing and capping the costs. They have also shown no desire to treat their priority projects in the same manner as House demonstration projects, whatever the ultimate funding scheme may be.

### Other Issues

On the non-controversial issues, the staffs have begun drafting compromise language that could form the framework for a final bill. As issues arise for which a reasonable compromise cannot be recommended to the Members, they will be elevated for discussion by the conferees.

### Title II - Highway Safety

Staff has met once to identify controversial issues. While there are no issues of the magnitude in the highway and mass transit titles, there will undoubtedly be discussion on funding levels for highway safety programs and the length of the authorization. Since the Senate did not have a highway safety title this time and the senate staff gave no strong indications of their position, it is difficult to predict the level of controversy, if any.

#### Splash and Spray Suppressant Devices

The staff fully expects that, at the very least, Senator Danforth will take issue with the House provision (offered by Mr. McEwen) that modifies current requirements for splash and spray suppressant devices. The House provision would require further research to develop technology to solve splash and spray visibility problems created by trucks. The provision further

requires that any research recommendations for equipment installation on trucks should be implemented only if the product can be manufactured by at least three companies. The House provision is aimed at avoiding costly retrofit requirements for trucking companies since the current research seems to show that available splash and spray suppressant devices do not make any detectable improvement in visibility. Mr. Danforth does not want any further research since current law virtually mandates the use of a product manufactured by Monsanto, a Missouri-based company. The U.S. Department of Transportation supports the House position.

### Title III - Mass Transit

The staff has met twice to define controversial issues. The list has not been completed; however, it appears that the paramount issues center around 1) funding levels out of the Mass Transit Account and distribution mechanisms, 2) funding for L.A. Metro Rail, and 3) Buy America.

#### Funding Levels

The House funding levels are approximately \$800 million per year more than the Senate, primarily in the section 3 program (Mass Transit Account). The Senate bill provides that any funding out of the Mass Transit Account above \$1 billion must go out 70 percent by formula and 30 percent discretionary. The concept, termed "blending", is a departure from current policy that keeps virtually the entire Mass Transit Account for the discretionary program, and formula grants out of the general fund.

The Senate is strongly committed to the blending concept. Although at their funding levels the amount going out by formula in the blending scheme is miniscule (\$1.75 million nationwide), their staff seems firm in wanting the concept (even at low funding levels) in the law. With respect to overall funding levels, the Senate staff indicated they were not favorably disposed to increased funding out of the Mass Transit Account.

#### L.A. Metro Rail

Both bills direct the Secretary to enter into a multi-year contract for L.A. Metro Rail. The House bill directs a certain level of funding (\$110 million in FY 87, and \$190 million in FY 88-91). The Senate bill is silent on the level of funding. The Senate staff indicated that this was surely a Member-level issue (Mr. Cranston is a Senate conferee), but would have to be worked out in the context of the overall funding for new starts (Senate bill \$400 million, House bill \$680 million).

Buy America

The House bill provides for significantly stiffer domestic content requirements (85 percent compared with 50 percent current law) for transit rolling stock. The House bill also increases the price preference for domestic products from 10 percent to 25 percent before Buy America requirements can be waived. The Senate staff has expressed extreme concern that many American manufacturers cannot meet these requirements and the requirements could damage existing industry in this country. We understand Mr. Shuster is working on a compromise plan, but the details on the compromise have not been fully developed.

Other Issues

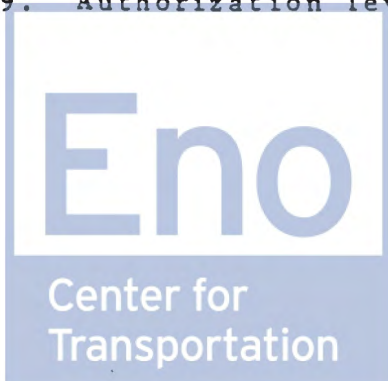
As in the highway title, the staffs will be working on legislative language for agreements on the non-controversial issues. If reasonable agreements cannot be reached on any of the provisions, those issues will be elevated for discussion by the Members.

Attachment



HIGHWAY BILL CONFERENCE ISSUES

1. One-half percent minimum
2. Speed limit
3. Demonstration projects
4. Toll financing
5. Interstate 4R formula
6. Buy America
7. 85 percent minimum allocation
8. Interstate and Interstate 4R discretionary category
9. ICE and ISCE process
10. Central Artery
11. Highway beautification
12. Disadvantaged Business Enterprise program
13. Interstate-primary category consolidation
14. Combined road plan demonstration program
15. South Africa
16. Cost sharing on studies
17. Advanced construction
18. Member provisions
19. Authorization levels





EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

FEB 19 1987

Honorable Robert Michel  
Minority Leader of the House  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Mr. Minority Leader:

I am writing to convey the Administration's specific concerns as the House and Senate prepare for conference on legislation (H.R. 2 and S. 387) to reauthorize highway, transit and highway safety programs.

In general, both bills authorize spending in excess of the President's Budget, fail to repeal \$3.5 billion in gas tax exemptions, and authorize extensive special interest provisions which weaken the integrity of Federal highway and transit programs. Although the President's senior advisors would recommend that the President sign the highway title of S. 387, neither bill in its present form is acceptable to the Administration. Therefore, if the conference agreement does not satisfactorily address our concerns outlined herein, the President's senior advisors would strongly recommend that the President veto the bill.

1. Special Interest Provisions

Both bills authorize special treatment for numerous special interest projects that divert funds from meeting nationwide Federal highway and transit needs. The House bill is replete with narrow, special interest projects, studies and authorities: about 100 highway demonstration projects and studies; additional Interstate projects for Massachusetts which increase the Federal cost to complete the Interstate by at least \$1.8 billion; and waivers of non-Federal matching share requirements. In contrast, the Senate bill contains priority treatment for about 100 highway projects to be funded within regular Federal-aid programs without additional funding. If the House approach of 100 percent Federal funding is adopted, the total Federal liability for all highway projects identified in both bills is estimated to be at least \$8.3 billion.

Authorizing highway demonstration projects, especially with additional Federal funding, and exempting them from the annual obligation limitation, is poor management of Highway Trust Fund resources and reduces the funds available for maintaining the Federal-aid system. Some of the projects would not otherwise be eligible for Federal-aid, and others are on the Federal-aid system and could be funded under normal procedures without special treatment. Moreover, without a local matching share requirement and without any hearing record whatsoever, there is no basis to justify these projects as important priorities. With regard to highways, although we strongly object to the

of funds for specific projects, the Senate bill is clearly a more responsible approach and we urge the Senate conferees to maintain the terms of S. 387.

Both House and Senate bills contain precedent-setting provisions which mandate Federal funding of the second phase of the Los Angeles Metro Rail project. No previous authorization bill for the Urban Mass Transportation Administration (UMTA) has required the entering into of a contract for construction of a major capital project. Furthermore, the merits of this second phase of the L.A. system are unknown as yet, since the alignment and cost have not been determined by the local authorities. We oppose a congressional mandate that UMTA fund the additional system mileage (4.4 miles) before proper evaluation is made and without regard to local funding capacity.

## 2. Unaffordable Transit Authorizations

H.R. 2 would authorize \$20.7 billion in transit spending over five years, a level \$12 billion above the President's Budget. Title II of S. 387 would authorize \$13 billion over four years, exceeding the President's Budget request by \$5.6 billion. These high spending levels are inconsistent with the deficit neutral principle, inherent in the Administration's proposal, that authorizations tie to annual Highway Trust Fund receipts and that general fund financing of transit programs be terminated. I strongly urge Congress to limit transit spending to a level supported by proceeds from one cent of the fuel tax.

## 3. Inequitable Allocation of Transit Trust Fund Receipts

While we are opposed to the high transit authorization levels in both bills, we are even more concerned that maintenance of the status quo structure of the transit program is inappropriate and inequitable. Over 80 percent of funds derived from one cent of the fuel tax, collected from residents of all States, are allocated through earmarked discretionary grants to fewer than 20 cities. The President's proposal allows all States to receive a share of fuel tax revenues through a formula-based allocation. Although the Senate bill seemingly provides that no State will receive less than 80 percent of its transit penny tax contributions, the effect of the provision is negated by the unworkable conditions that a State must meet to qualify for the 80 percent minimum allocation, pursuant to subsection (3). No credible data exists on Federal revenues generated by States to do the calculation required in this subsection.

Since the very beginning of the highway program, Congress addressed this equity consideration by requiring that highway funds, in general, be allocated on a formula basis to ensure equitable distribution. It is only reasonable that transit programs supported by the Highway Trust Fund are governed by fair

formulae. At a minimum the conference should incorporate the Senate provision, but without the conditions specified in subsection (3).

#### 4. Increased Highway Spending in H.R. 2

H.R. 2 authorizes \$69.5 billion over five years which exceeds the President's Budget for highway programs by \$1.5 billion. Two provisions of the bill significantly weaken highway spending controls by disregarding the intent of the highway obligation limitation. First, the bill expands the list of obligations exempt from the obligation limitation to include House members' special projects. Secondly, the bill provides a windfall of extra obligation authority for States that exhaust their share of the annual limitation by August 1st of each year. The conference should not adopt these provisions.

#### 5. Trade Barriers/Foreign Relations

H.R. 2 amends the "Buy America" provision to increase the domestic content requirement for buses, rolling stock and associated equipment from 50 percent to 85 percent; and to prohibit the use of foreign cement. These provisions would add significantly to the cost of highway and transit projects, cause procurement and construction delays and invite foreign retaliation. H.R. 2 also allows the Federal highway and transit programs to be governed by State and local anti-apartheid contracting laws. This provision raises serious constitutional questions concerning the exclusive power of the Federal Government to conduct foreign relations and regulate foreign commerce. We strongly support the Senate bill which does not include any of these provisions but does appropriately seek to restrict the coverage of Buy America to projects over \$500,000.

#### 6. Inappropriate Transit Provisions

The transit proposals in H.R. 2 deviate significantly from the President's approach in several other important respects. Discretionary funding for local "new start" projects is continued and expanded to include the use of multi-year contracts not subject to any future availability of funds or to any obligation limitation set by the appropriations committees. Categorically authorizing funds to be used for the various components of discretionary grants and requiring annual congressional approval would unnecessarily constrain the use of Section 3 funds and delay their obligation. Furthermore, continuing Federal operating assistance for large urbanized areas perpetuates the inappropriate role of the Federal Government paying for operating deficits which result from State and local transit decisions.

In closing, I urge the conference, in its deliberations, to address our concerns by enacting legislation that provides prudent levels of Federal spending without special interest provisions.

Sincerely yours,



James G. Miller III  
Director







THE SECRETARY OF TRANSPORTATION  
WASHINGTON, D.C. 20590

February 20, 1987

IDENTICAL LETTERS TO:

The Honorable Quentin N. Burdick  
United States Senate  
Washington, D.C. 20510

Senators Moynihan, Mitchell, Breaux,  
Stafford, Symms, Chafee, Bentsen,  
Matsunago, Proxmire, Cranston, Riegle  
Dixon, Heinz, D'Amato, Gramm,  
Hollings, Gore, Danforth, Sasser  
and Levin.

Dear Quentin:

Conferees will be meeting shortly to resolve the many differences between the Senate and House versions of H.R. 2, the bill which authorizes highway construction, highway safety and transit programs. It is very important to transportation mobility and safety in this country that multi-year legislation be enacted to reauthorize our nation's highway construction, highway safety, and transit programs. The President's senior advisors would recommend that he sign a bill that reauthorized highway construction programs in the manner proposed by the Senate version of H.R. 2. However, there are a number of extremely troublesome issues before the Conferees which could lead directly to the bill being vetoed if not addressed satisfactorily.

° Special Interest/Demonstration Projects. We strongly oppose the provisions in the House bill which provide additional funding for narrow, special interest highway and transit projects. We strongly believe that states are in the best position to identify the most cost-effective projects and set project priorities.

With specific regard to transit, we oppose the provisions in both versions of the bill which mandate support of the Los Angeles metrorail project. This provision would require that a large percentage of the highway user fees in the Mass Transit Account be directed to only one city. The Department already has agreed to spend some \$475 million on the first phase of this project, and we do not think additional scarce gas tax based funds should be committed to this project. Moreover, we understand Los Angeles has sufficient local funds to complete the second phase on its own.

° Transit Authorizations. The transit authorization levels in H.R. 2 exceed the President's budget by \$12 billion over the five year period of the bill. The Senate bill would exceed the President's budget by almost \$6 billion over four years. We strongly oppose these excessive authorizations and firmly believe that Federal transit assistance should be limited to the proceeds from one cent of the fuels tax without general revenue funding. This approach would put both highway and transit funding on a user fee basis.

transportation

Limiting Federal assistance would also encourage more prudent, cost-effective transit programs.

° Transit Programs. While we oppose the high transit authorization levels in both bills, we are even more concerned that retention of the status quo structure for the transit program precludes an equitable distribution of funds among the states. Both bills reauthorize the current basic transit program structure, perpetuating the transit discretionary program (funded from the Highway Trust Fund) which the Administration proposes to eliminate in favor of a formula program. However, we support the concept of the Senate proposal to guarantee each state its fair share of the mass transit program funded from the Highway Trust Fund as a starting point to increase the equity of mass transit funding. Since the one cent of the fuels tax is collected from all states, it is only reasonable that it should be allocated to all states by an equitable formula. This approach would ensure that each state receives a portion of the mass transit part of the highway tax and make it difficult for Congress to earmark Trust Fund programs. However, we urge the deletion of the conditions in the Senate provision which deny a fair share of transit funds to a state if the state received more Federal assistance than it contributed in all fuel taxes and Federal revenue collections. There is not any credible data on Federal collections on a state-by-state basis to make this latter calculation.

° Increased Highway Spending. The highway spending that would be permitted by both the House and Senate bills, coupled with the failure to repeal costly exemptions, results in a deficit impact in both bills that exceeds the Administration's budget request. A conference agreement that exceeds the Senate's lower levels would be unacceptable. Specifically:

- Authorization levels. The total authorizations, including amounts for the highway minimum allocation provision, should not exceed Senate levels.

- Obligation limitation. We strongly oppose section 105 of the House bill which expands the list of obligations exempt from the ceiling, and makes demonstration projects exempt from the ceiling. We also oppose the House provision that would provide a windfall of extra obligational authority for states that exhaust their regular obligational authority. Compared to the Senate bill, these provisions significantly weaken spending controls.

° Increased Trade Barriers/Foreign Relations. The Senate explicitly rejected attempts to increase domestic protection provisions in highway and transit programs during

consideration of the bill on the floor. Under the House Buy America amendment, domestic content requirements for buses, rolling stock, and associated equipment would be increased from 50 percent to 85 percent. We also object to the House proposal prohibiting use of foreign cement. These provisions would add millions of dollars to the cost of these programs, cause construction and procurement delays, and invite foreign retaliation. We are strongly opposed to these changes and urge the adoption of the Senate language.

We also oppose the provision in sections 110 and 313 of the House bill which would allow state and local governments to use Federal grant funds to influence relations with South Africa. The provision could have a chilling impact on competitive bidding. It would also destroy the uniformity of the contracting process and add to bid preparation costs.

° Additional Interstate Projects. Section 132 of the House bill makes the Central Artery-Third Harbor Tunnel in Boston fully eligible for Interstate construction funds and could add up to at least \$1.8 billion to the cost of completing the Interstate highway system. We strongly oppose this section. It is unfair to authorize additional Interstate funding at 90 percent Federal cost for projects that benefit one city when the Interstate system has been restricted from adding new costs since 1981. The cost of the depression of the Central Artery is not justified on the basis of the transportation benefits to the nation.

There are a number of other issues, that if addressed by the Conferees as we have proposed, would greatly benefit highway and transit programs. These are discussed in the enclosure.

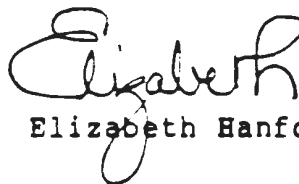
We hope that the Conference Committee will weigh these concerns carefully. If the conference agreement does not satisfactorily address our concerns, the President's senior advisors would strongly recommend that he veto the bill.

The Office of Management and Budget advises that there is no objection to the submission of these views to the Committee and that enactment of the provisions outlined in the first part of this letter would not be in accord with the program of the President.

**Eno**

Center for  
Transportation

Sincerely,



Elizabeth Hanford Dole

## ENCLOSURE

### DECISIONS THAT WOULD BENEFIT HIGHWAY AND TRANSIT PROGRAMS

- 55 Speed Limit. As the President has indicated, we support efforts which would provide states with enhanced ability to regulate highway speeds within their jurisdictions.
- Toll Financing. We support the provision in the Senate bill which would allow Federal-aid funds and toll revenues to be combined at a 35 percent Federal matching share to build new toll roads, while not allowing tolls to be placed on existing Interstate highways. This change would increase funds available for highway construction without additional Federal user fees. In many states, such funding flexibility would enable states to construct projects that they would otherwise be unable to finance.
- Billboards. We support efforts in the House bill to revise the current unworkable laws dealing with highway beautification. However, we believe that states should be allowed to use their police power to remove non-conforming signs. Of course, state actions would be subject to the limitations imposed by Takings Clause and the First Amendment of the Constitution. We strongly oppose the House provision which would require us to withhold at least 5 percent of a state's funds for even minor non-compliance with the provision.
- Combined Interstate/Primary Program. We believe that the Senate provision to merge the Interstate and Primary programs is essential to give the states the flexibility they need to address critical highway needs. This new structure recognizes the need to balance the preservation of the existing major highway system with the need to build new highways. We support the Senate's distribution method which would rely upon an administrative adjustment to the Interstate Cost Estimate (ICE), thereby avoiding the disruption caused by delayed ICE approval.
- Discretionary Bridge Program. We support the provision in the House bill which would increase the discretionary portion of the bridge rehabilitation and replacement program from \$200 million to \$250 million per year. This will facilitate the repair of high-cost bridges.
- Emergency Relief. We support the provision in the Senate bill which would lower the Federal matching share from 100 percent

Eno

Center for  
Transportation

to the applicable system share for emergency relief highway projects. We believe that the Senate approach is equitable since it permits a 100 percent Federal share for truly emergency work that is done within 30 days of the disaster. We oppose, however, the Senate provision which would allow a single state to receive the entire \$100 million made available in a year from the program. Raising the state cap for emergency relief from the current level of \$30 million to \$100 million would be unfair to states where disasters occurred late in the year. We believe that the \$30 million cap should be maintained and that any additional Federal assistance for major disasters should be provided separately, as needed.

° Competitive Bidding. We oppose section 109 of the House bill and the section in the Senate mass transit title that would prevent a state from using sealed bids for architect and engineering contracts. This practice may increase project costs because states would not be required to accept the lowest bid. Moreover, these state contracting procedures should not be dictated by Federal law.

° Combined Road Plan. The Administration had proposed a block grant for non-Federal interest highway systems and bridges. Although neither the Senate nor the House bill contains a full block grant, the Senate bill has a block grant pilot program that we strongly support.

° SHRP Liability. We strongly object to the Senate provision which provides Federal liability for actions of the National Academy of Sciences taken in connection with the Strategic Highway Research Program (SHRP).

° Heavy Vehicle Use Tax. We oppose the provision in the Senate bill that imposes the full Heavy Vehicle Use Tax on all Canadian truckers. This amendment undercuts a congressionally-mandated study on transborder trucking due to be submitted to Congress on October 1, 1987. The Canadian Government has expressed in the strongest terms its concern over this amendment. Transport Minister John Crosbie indicated that our mutual effort to increase the presently small Canadian provincial membership in the International Registration Plan (IRP) may be jeopardized by this action, and that the current consideration of motor carrier regulatory reform in Canada, which will benefit United States truckers, could be adversely affected. Canada has repeatedly stated that it had no objection to its truckers paying their fair share of the heavy vehicle use tax in the United States, and has suggested a number of ways that this share could be assessed. We would prefer that the final bill be silent on the issue, as the House bill presently is. However, if the conference believes the issue must be addressed, we could accept a proportional level of

the tax (for example, 50 percent), perhaps tied to membership in the IRP.

° Annual Congressional Approval--Transit. We oppose section 303 of the House bill which would require congressional legislation to approve each year's funding levels and allocation of funds for transit projects funded under the transit discretionary program. This legislative process could cause delays in the same way that the Interstate Cost Estimate approval process has caused delays and could disrupt the orderly flow of funds to states and localities.

° Clarification of Labor Provision. We strongly support the clarifying provision in the House bill that would emphasize that section 13(c) labor protective agreements are not meant to preclude transit grantees from contracting out for the provision of transit services by private companies, with the addition of language clarifying that the provision will not override provisions of prior collective bargaining agreements related to contracting out.

° Transit Operating Assistance. We oppose the continuation of operating assistance for all areas which is contained in both bills. However, we strongly oppose section 309 of the House bill because it would actually increase operating assistance to urbanized areas whose population is less than 200,000 and section 326 which would increase operating assistance available to Miami and Fort Lauderdale, Florida. We also oppose the continuation of the trade-in provision for operating assistance. The original provision was intended to provide a short period of transition. That time has now expired and should not be extended. We prefer the Senate approach which would not continue the trade-in provision.

° Splash and Spray. We support the House provision which would require the Secretary to find that splash and spray suppression devices on trucks will actually improve visibility and reduce accidents before issuing a standard to require their installation.

° Highway Safety Authorizations. The Highway Safety authorization levels in H.R. 2 exceed the President's budget by \$132 million over the 5 year period of the bill. Of this, \$71 million is due to continued funding of the alcohol incentive grant program. This is a temporary program that has fulfilled its original mission.

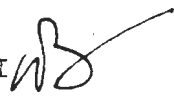
° Uniform Relocation Assistance Act. The Administration supports enactment of Title III of the Senate bill without amendments. The Administration opposes Title VI of the House bill, which would increase Federal costs, restrict state and local flexibility, and is inconsistent with the principles of Federalism.

THE WHITE HOUSE

WASHINGTON

February 20, 1987

MEMORANDUM TO DONALD T. REGAN

FROM: WILLIAM L. BALL, III 

SUBJECT: Proposed meetings with Senator Burdick (D-ND) and Senator Stafford (R-VT) regarding the Highway/Mass Transit bill

Both the House and the Senate have passed highway/mass transit funding bills. A Conference Committee should begin to meet next week. Already, staff has met several times and yesterday Sen. Moynihan (D-New York) and Rep. Howard (D-New Jersey), the Chairman of the Senate conferees and the Chairman of the House conferees, respectively, sat down together.

Our primary concern with the bill is the House funding of demonstration projects -- a.k.a., pork projects. Howard offered a scheme to Moynihan which would, in essence, cut the House funding by half -- still unacceptable to us.

Our allies in this Conference are led by, surprisingly, Senator Burdick (D-North Dakota), Chairman of the Environment & Public Works Committee. Senator Stafford (R-Vermont), Ranking Republican on the Committee, also is with us against the House pork projects. However, a meeting here with you, Jim Miller and Secretary Dole would reinforce and strengthen the resolve of these two big Senate players against the House "pork."

Although a senior member of the Senate, Senator Burdick has not been invited to the White House in a policy role in years. An effort to express our support for him in this fashion would likely have long-lasting beneficial reflections not only in this legislation, but in upcoming issues as well.

The meeting should occur this week. If you concur, a thorough briefing paper will be prepared for you.

Eno

Center for  
Transportation

THE WHITE HOUSE

WASHINGTON

February 25, 1987

MEMORANDUM TO DONALD T. REGAN

FROM: WILLIAM L. BALL, III

SUBJECT: Meeting with Senator Burdick (D-ND) and Senator Stafford (R-VT) regarding the Highway/Mass Transit bill; Friday, February 27 at 2:00 p.m.

Background/Purpose of Meeting

Both the House and the Senate have passed highway/mass transit funding bills. A Conference Committee has begun to meet.

Our primary concern with the bill is the House funding of demonstration projects -- a.k.a., pork projects. The Senate also funds demonstration projects, but only within the highway funding for states under their normal allotments. The House conferees have informally offered a scheme to the Senate which would, in essence, cut the House funding by half -- still unacceptable to us.

Our allies in this Conference against the House "pork" are led by, surprisingly, Senator Burdick (D-North Dakota), Chairman of the Environment & Public Works Committee. Senator Stafford (R-Vermont), Ranking Republican on the Committee, also is with us against the House pork projects.

The purpose of having them here is to meet with you, Jim Miller and Secretary Dole to reinforce and strengthen the resolve of these two big Senate players against the House "pork." Although a senior member of the Senate, Senator Burdick has not been invited to the White House in a policy role in years. An effort to express our support for him in this fashion would likely have long-lasting beneficial reflections not only in this legislation, but in upcoming issues as well.

Funding Levels are Too High

It is unlikely that the major provisions objectionable to the Administration will be resolved in Conference. Funding levels probably will be too high, at least for mass transit. We support the Senate funding levels for the highway portion.



1987 - 1991  
Comparison of House and Senate  
Highway/Transit Legislation with the Administration's Proposal  
(\$ in billions)

<u>Auth.</u>	<u>House</u>	<u>Senate</u>	<u>Pres.</u>	<u>Delta from Pres. Budget</u>	
				<u>House</u>	<u>Senate</u>
Highways	69.5	66.0	68.0	+ 1.5	-2.0
Transit	20.7	16.2	8.7	+12.0	+7.5
Safety	<u>.8</u>	<u>-</u>	<u>.7</u>	<u>+ .1</u>	<u>- .7</u>
Total	91.0	82.2	77.4	+13.6	+4.8
<u>Outlays</u>					
Highways	69.2	67.1	66.1	+ 3.1	+1.0
Transit	20.6	18.9	15.1	+ 5.5	+3.8
Safety	<u>.9</u>	<u>-</u>	<u>.6</u>	<u>+ .3</u>	<u>- .6</u>
Total	90.7	86.0	81.8	+ 8.9	+4.2

Outlook/Veto Strategy

The best chance of sustaining a veto will be if the conference product contains the House scheme, or something close to it, for funding of demonstration projects. In that case, the sentiment in the Senate may well be to sustain the veto, since the key actors in the Senate feel that they exercised restraint in funding for demo projects, while the House has not. A veto solely on the basis of the funding levels in either the House or Senate versions for highways or mass transit will be much tougher to sustain.

If the Conference report does contain unacceptably high spending for demonstration projects, and is vetoed, we will need to concentrate on Senate Republicans to sustain the veto, and play hard on the need for Republicans to support the President after the clean water veto. Also, as already stated, key Senate Democrats may be sympathetic as well because of the lack of restraint by the House. Conversely, if the demonstration projects are largely deleted from the bill, it will be very difficult to sustain a veto in the Senate, but the chances of success in the House increase. Given these factors, it is therefore imperative that we remain firm in our opposition to any House demo projects in the final conference agreement. At this time, we must persuade Burdick, Stafford and other key Senate Republicans to hold firm against the demo projects.

THE WHITE HOUSE  
WASHINGTON

February 26, 1987

*File  
Highways*

MEMORANDUM TO DONALD T. REGAN

FROM: WILLIAM L. BALL, III

SUBJECT: Meeting with Senator Burdick (D-ND) and Senator Stafford (R-VT) regarding the Highway/Mass Transit bill; Friday, February 27 at 2:00 p.m.

Background/Purpose of Meeting

Both the House and the Senate have passed highway/mass transit funding bills. A Conference Committee has begun to meet.

Our primary concern with the bill is the House funding of demonstration projects -- a.k.a., pork projects. Under the House plan, funding for these projects would be in addition to normal highway funding, at a cost of \$1.2 billion over the five year life of the bill. (The total estimated cost of these projects is \$8.3 billion.) The Senate also funds demonstration projects, but only within the highway funding for states under their normal allotments.

The Senate already has offered a compromise which would cost \$700 million for the life of the bill -- still unacceptable to us at this time.

Our allies in this Conference against the House "pork" are led by, surprisingly, Senator Burdick (D-North Dakota), Chairman of the Environment & Public Works Committee. Senator Stafford (R-Vermont), Ranking Republican on the Committee, also is with us against the House pork projects.

The purpose of having them here is to meet with you, Jim Miller and Secretary Dole to reinforce and strengthen the resolve of these two big Senate players against the House "pork." Although a senior member of the Senate, Senator Burdick has not been invited to the White House in a policy role in years. An effort to express our support for him in this fashion would likely have long-lasting beneficial reflections not only in this legislation, but in upcoming issues as well.

Center for  
Transportation

## Funding Levels are Too High

It is unlikely that the major provisions objectionable to the Administration will be resolved in Conference. Funding levels probably will be too high, at least for mass transit. We support the Senate funding levels for the highway portion.

1987 - 1991  
Comparison of House and Senate  
Highway/Transit Legislation with the Administration's Proposal  
(\$ in billions)

<u>Auth.</u>	<u>House</u>	<u>Senate</u>	<u>Pres.</u>	<u>Delta from Pres. Budget</u>	
				<u>House</u>	<u>Senate</u>
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Total	90.7	86.0	81.8	+ 8.9	+4.2

## Outlook/Veto Strategy

The best chance of sustaining a veto will be if the conference product contains the House scheme, or something close to it, for funding of demonstration projects. In that case, the sentiment in the Senate may well be to sustain the veto, since the key actors in the Senate feel that they exercised restraint in funding for demo projects, while the House has not. A veto solely on the basis of the funding levels in either the House or Senate versions for highways or mass transit will be much tougher to sustain.

If the Conference report does contain unacceptably high spending for demonstration projects, and is vetoed, we will need to concentrate on Senate Republicans to sustain the veto, and play hard on the need for Republicans to support the President after the clean water veto. Also, as already stated, key Senate Democrats may be sympathetic as well because of the lack of restraint by the House. Conversely, if the demonstration projects are largely deleted from the bill, it will be very difficult to sustain a veto in the Senate, but the chances of success in the House increase. Given these factors, it is therefore imperative that we remain firm in our opposition to any House demo projects in the final conference agreement. At this time, we must persuade Burdick, Stafford and other key Senate Republicans to hold firm against the demo projects.

463775

Daniel P. Moynihan  
New York

United States Senate  
Washington, D.C.


March 1, 1987

Dear Howard:

Quent Burdick, Bob Stafford and I were to have met with Don Regan Friday afternoon to discuss the highway bill. Perhaps I can bring you up to date.

The first thing to know is that the bill should have passed in the 99th Congress. The conference committee could not reach agreement, and the clock ran out. Thus the states have been without funding for almost half this fiscal year and a crisis approaches. The problem is that the House bill provides for a fair number of "demonstration projects," the Senate none, and the Administration threatens to veto any. The final bill will include mass transit, where OMB's feelings are yet stronger.

I was not on the last conference but am chairman of this one. I feel we are near to working out something which you might want to consider. We are at your service.

Best,  


Honorable Howard H. Baker, Jr.  
The White House  
Washington, DC





EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

*John -  
I'm not sure he  
been sent over yet -  
to this morning. In  
Thanks  
Jordan*

MEMORANDUM FOR HOWARD J. BAKER, JR.  
CHIEF OF STAFF

THROUGH: James C. Miller III

FROM: Carol T. Crawford

SUBJECT: Major Special Interest Projects in the  
Highway/Transit Bill

This memorandum describes the costs associated with major special interest projects in the highway/transit reauthorization conference bill. (See Attachment A for details.)

Highway "Demonstration" Projects

The conference agreement authorizes Federal spending of \$285 million annually or \$1,425 million over the five-year authorization period, for the highway "demonstration" (i.e., pork barrel) projects in the House and Senate bills as well as for new projects in 13 States that were not in either bill. The \$1,425 million provides funds to all States in addition to their Federal highway formula funds. Of the \$1,425 million, add-on spending (amount above the obligations limitation) would be \$890 million. The remaining \$535 million represents earmarking of discretionary highway funds that would otherwise be spent on Interstate or bridge projects.

The bill partially exempts the demonstration projects from Federal highway spending controls (i.e., the annual obligation limitation). The \$890 million in add-on spending would be exempt from the annual obligation limitation. The earmarked discretionary funds would not be exempt.

Spending necessary to complete these highway demonstration projects will continue beyond the five-year time frame. The conference bill allows States to use either State or Federal highway funds to cover remaining outyear costs. If State funds are not used, the total Federal costs to complete these projects is estimated to be \$6.5 billion. (Attachment B summarizes the costs of the highway demonstration projects.)

Boston Interstate Projects

In addition to highway "demonstration" projects, the conference bill adds \$1.1 billion to the Federal cost of completing the Interstate System by expanding the scope of the two Boston Interstate projects (i.e., the Central Artery and the Third Harbor Tunnel) that are eligible for Interstate highway funds. In addition, the conference agreement requires the State

to pay for the \$800 million estimated cost of tunnelling the Central Artery but allows the State to draw from its Federal highway formula funds (at up to 90 percent Federal match, or \$720 million) to cover this cost.

### Los Angeles Metrorail

The transit title of the bill mandates that the Secretary of Transportation enter into a funding agreement for the 4.4-mile second phase of the Los Angeles Metrorail. The system's route alignment has not been determined, its costs are unknown, and the required environmental impact statement is incomplete. The conference bill allows up to \$870 million for this project.

Attachments



Pork In Highway/Transit Conference Bill  
(\$ in millions)

	Specifically Authorized or Earmarked Costs (1987-91)	Additional Potential Federal Cost of Completing Projects	Comments
1. Highway "Demos" (\$8.3B est. total cost)	1,780	6,520	Federal funds to be split evenly between the 156 projects in both bills (99 from House, 98 from Senate, 41 common to both). All States assured 0.5% of Federal funds, including 13 States with no projects. New contract authority not subject to ob. limit.
o <u>Federal Share</u>	1,425	6,250	
- New Contract Authority.....	890	3,260*	
- Earmark of Federal-aid Highway Discretionary Funds.	535	3,260	
o <u>State Share</u>	355	--	
2. Boston Interstate Projects:		1,080	Expands scope of projects eligible for Interstate highway funds (90% Federal match).
o Central Artery.....	--	746	
o Third Harbor Tunnel.....	--	334	
o Depressing Central Artery.....	--	(720)**	
3. Other Special Interest Highway....	Unknown	Unknown	Still being conferenced.
4. Transit:			
o Los Angeles Metrorail.....	870	Unknown	Mandates funding.
Total	2,295	7,600	Total authorized and potential additional Federal costs estimated at \$9,895 M.

\* Assumes continuation in the outyears of 50% of costs financed from new, separately authorized Federal funds. Conference agreement allows use of State or Federal funds to finance remaining outyear costs not covered in the conference agreement.

\*\* Assumes use of Federal-aid highway formula funds in lieu of State funds. The \$720 million would not constitute additional Federal spending because the funds would otherwise be spent as part of the State's formula allocation.

Demos in Highway Conference Bill  
(\$ in millions)

	<u>Authorized in Bill</u> (1987-91)	<u>Potential Additional Federal Costs to Complete*</u> (Outyears)	<u>Total Costs</u>
<u>Federal Costs</u>			
o Earmarks of highway discretionary funds (above States' formula amounts but within obligation limitation).....	535	3,260	3,795
o New contract authority (above obligation limitation).....	890	3,260	4,150
Total Federal Cost.....	1,425	6,520	7,945
State Cost Sharing.....	355	--	355
TOTAL COSTS.....	1,780	6,520	8,300

\* Conference agreement allows use of State or Federal-aid highway funds to finance remaining costs not covered in the bill. Table assumes: (1) States will finance projects from Federal funds; (2) continuation in the outyears of 50 percent of costs financed from new, separately authorized Federal funds; and (3) remaining costs would be financed from discretionary funds. Estimates are subject to change based on final list of projects contained in Conference bill.



THE WHITE HOUSE

WASHINGTON

March 2, 1987

MEMORANDUM TO WILLIAM L. BALL, III

THROUGH: PAMELA J. TURNER

FROM: LARRY HARLOW

SUBJECT: Update on Highway Conference

Stafford's staff told me this morning:

- o The Senate "50-30-20" proposal to House conferees is informal, made to House staff by Moynihan's staff. It includes a \$178 million cap per year on demonstration projects, to be split in some as yet undetermined manner between House projects and Senate projects.
- o Confusion is growing over our position on demonstration projects, most of it evidently generated by Moynihan and Mitchell. Those two Senators are saying that our veto bottom line really is mass transit funding, not demonstration projects.

Also, conferees are confused about whether we are philosophically opposed to the projects per se, or just to demonstration projects funded outside the obligation ceiling.

Recommendation

1. Need firm answer to the question raised above on demonstration projects. (My two bits: yes, we are philosophically opposed; but, our veto angle is on the extent of the funding outside the obligation ceiling.)
2. In order to resolve the uncertainty, we need to have a meeting or telephone calls to Burdick, Stafford, Moynihan and Symms/Chafee by COB tomorrow.

Eno

Center for  
Transportation

March 4, 1987 02:12 PM

HOUSE PROPOSAL ON MAJOR ISSUES

1. One-half percent minimum - Drop Senate provision.
2. Speed Limit - House provision.
3. Demonstration Projects - Accept Senate proposal except cost sharing requirement is as follows: 50% new Federal funding and 50% from regular Federal-aid funds (any category except Interstate construction and hazard elimination); all Federal funds to be available until expended and exempt from obligation ceiling. (NOTE: If the total cost of the project exceeds the authorized level (new Federal funding plus match from regular Federal-aid funds), the State may use any combination of state and Federal-aid funds to make up the difference). A mechanism would be included to automatically reserve the regular Federal-aid funds required for the project.
4. Toll financing - Drop generic Senate provision and substitute a limited 3 project pilot program for Orange County, California, Pennsylvania, and Florida; pilot projects would allow combined use of toll financing and regular federal-aid for new or expanded capacity on non-Interstate highways; the federal share shall not exceed 35 percent; accept Senate provisions regarding Georgia payback, West Virginia toll extension, and toll bridge deregulation.
5. Interstate 4R Formula - House will agree to apportion I-4R funds based 50% on the House formula and 50% on the Senate formula (existing law) if the Senate recedes to the House on its Interstate 4R discretionary provision and level of funding.
6. Buy America - House drops cement; Senate drops \$500,000 threshold.
7. 85% minimum allocation - 85% minimum allocation program becomes permanent law; the Bentsen amendment is phased in over three years as follows: FY 87-89 - include all programs except Interstate Discretionary and Emergency Relief; FY 90 and thereafter - include all programs.
- 8(a) Interstate Construction Discretionary Fund - House provision.
- 8(b) Interstate 4R Discretionary Fund - See 5 above.

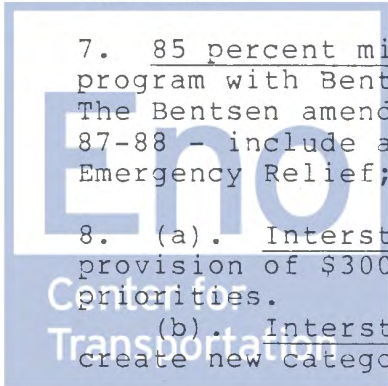
9. Interstate Cost Estimate (ICE) and Interstate Substitute Cost Estimate (ISCE) - Accept Senate offer.
10. Central Artery - Accept Senate offer, except (1) the state may use I-4R and primary funds to depress the artery; (2) include a generic provision allowing a state to lapse Interstate construction funds and obligational authority immediately into the discretionary fund; and (3) apportionments based on the 1989 ICE are available until expended (generic provision).
11. Highway beautification - (See attachment).
12. DBE - Senate proposal OK, except let SBA regulation govern the size of a DBE.
13. Interstate primary category consolidation - House provision.
14. Combined road demonstration program - 5 states.
15. South Africa - PASS.
16. Cost Sharing on Studies - Accept Senate offer, except 75 percent Federal share and no cost cap.
17. Advance Construction - Accept Senate offer, provided that one-year advanced funding provision must be used prior to October 1, 1990.
18. Member Provisions -
19. Authorizations - To be discussed.



March 4, 1987

SENATE PROPOSAL ON MAJOR ISSUES

1. One-half percent minimum. Senate provision (current law--nearly half the States are now half-percent States and over the life of the bill as many as 38 will be half-percent States).
2. Speed limit. Senate provision to increase speed limit to 65 mph on rural Interstates at State option; House provision permitting roads posted at 50 miles per hour to be counted in the 55mph certification process; keep current compliance formula.
3. Demonstration projects. \$178M is set aside per year for demonstration projects, with that amount to be split equally between the House and Senate and with each to identify projects to be funded with their share of the funds. There is a cost-sharing requirement as follows: 50% new Federal funding, a minimum 20% State or local funding, and a maximum 30% from regular Federal-aid highway funds. The 50% new Federal funds are to be outside of the obligation ceiling; the 30% regular Federal-aid funds are to be under the obligation ceiling. All States will receive a minimum of 1/2% of the new Federal funds. States receiving 1/2% monies shall be permitted to use such funds on any Federal-aid project with the above cost-sharing requirements. Priority status, using the Senate flexible funding proposal, is given to the remaining unfunded projects in both bills.
4. Toll financing. Senate provision.
5. Interstate 4R formula. Senate provision (current law--28 States would lose funding under the House proposal).
6. Buy America. No change to current law on Buy America under this Act.
7. 85 percent minimum allocation. 85% minimum allocation program with Bentsen amendment becomes permanent law immediately. The Bentsen amendment is phased in over two years as follows: FY 87-88 - include all programs except Interstate Discretionary and Emergency Relief; FY 89 and thereafter - include all programs.
8. (a). Interstate construction discretionary fund. House provision of \$300 million per year but with current law priorities.  
(b). Interstate 4R discretionary. Drop House provision to create new category (keep current law).



9. Interstate Cost Estimate (ICE) and Interstate Substitute Cost Estimate (ISCE). Administrative release of ICE if Congress has not acted by October 1. This provision would be for the length of the bill. One final ISCE (FY 1987) to be approved in this bill with the Secretary authorized to make subsequent administrative adjustments.

10. Central Artery. House provision making the Central Artery an eligible Interstate construction project, but subject to the following conditions:

(a). 4 lane Third Harbor crossing eligible for Interstate construction funds instead of 2 lane.

(b). Massachusetts responsible for construction costs for depression of Central Artery from High Street to Causeway Street. No Federal-aid funds may be used for that portion of the project.

(c). Charlestown Interchange and the South Interchange on the Artery are eligible for Interstate construction costs.

(d). Interstate funds are available for 2 years and then lapse into the Interstate discretionary fund.

(e). Massachusetts may not borrow Interstate construction apportionments or any other Federal-aid funds to finance its responsibility for funding the depression of the Central Artery from High Street to Causeway Street.

11. Highway beautification. House provisions with modifications noted below:

(a). House language on freeze on billboards. Limit replacement billboard to up to the same size as the one removed. Include a 2,500 foot buffer zone around national parks, wildlife refuges, forests, and historic sites or districts where no new billboards could be erected.

(b). House language on "End to Unzoned Commercial and Industrial Areas."

(c). House language on "Annual Inventory of Billboards"; delete the word "capability".

(d). House language on tree-cutting.

(e). House language on funding. Lift one-quarter of one percent cap to allow States to spend as little or as much as they choose on billboard removal.

(f). House language on illegal billboards. Change effective date to January 1, 1988.

(g). House language on cash compensation. Define compensation as cost of sign minus depreciation.

(h). House language on "Limitation on Use of Materials."

(i). House provision on "Limitation on Permitting" with definition of maintenance which will end current practice of allowing signs to be totally rebuilt over a period of a few years.

(j). Retain Federal control over billboards on all Federal lands, including Indian reservations (subject to consultation with the affected tribes), as current law does.

12. Disadvantaged Business Enterprise program. House and Senate provision adding women. House provision on annual listing of eligible firms with Senate provisions on uniform certification criteria and \$10M level. Direct Secretary to revise waiver regulations to permit any state to more readily adjust its goal from the 10% requirement if that number does not reflect a reasonable goal in that State.

13. Interstate-primary category consolidation. House provision.

14. Combined road plan demonstration program. Senate language. Note that Rhode Island, New York, and Virginia wish to participate in program.

15. South Africa. Drop House provision.

16. Cost sharing on studies. Senate provision on 50-50 match. Drop studies required in connection with some House demonstration projects. Make distinction between studies of national significance and local interest. Set some cost cap.

17. Advance construction. Senate provision including retroactive date with House provision on interest.

18. Member provisions. Accept ones that have no cost and where there are no objectionable features. Have same 85-15 match requirement for Oregon HOV lane project (Senate bill) as for California HOV lane project (House bill).

19. Authorization levels. To be discussed.





EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

MEMORANDUM FOR WILLIAM L. BALL, III  
Assistant to the President for  
Legislative Affairs

THROUGH: Carol T. Crawford *CTC*  
Associate Director  
Economics and Government *Call*

FROM: Kathy Collins *KC*

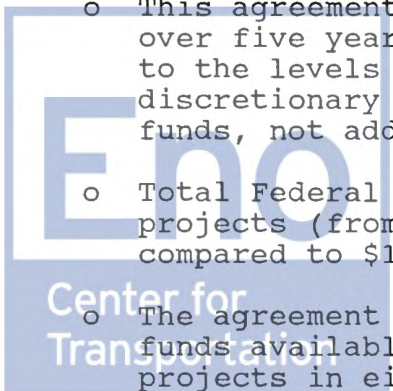
SUBJECT: Status of Conference on Highway/Transit  
Legislation

House and Senate conferees have reached tentative agreements on most highway issues. Remaining issues to be discussed at the next meeting, scheduled for March 10th, include: the speed limit, authorization levels, Buy America, anti-apartheid, billboards and members' special interest provisions. It is expected that staff, not a formal conference, will settle the transit, safety and revenue titles. In general, the Senate has receded to the House. Major resolved and unresolved issues are discussed below and summarized in the attached tables.

Issues in Agreement

1. Demonstration Projects (See Tab A)

- o Demonstration projects will be funded with 80 percent Federal highway trust funds and 20 percent State/local funds. The Federal match consists of 50 percent from "new" Federal-aid funds specifically authorized at \$178 million annually and 30 percent from other highway discretionary funds (\$107 million annually).
- o This agreement adds \$178 million annually or \$890 million over five years, not subject to the obligation limitation, to the levels authorized in the Senate bill. The use of discretionary funds is simply an earmarking of existing funds, not add-on funding.
- o Total Federal spending over five years for demonstration projects (from new and earmarked funds) is \$1.425 billion compared to \$1.2 billion in the House bill.
- o The agreement covers projects in both bills and also makes funds available for use by the 13 States that had no projects in either bill. Additional costs necessary for



project completion, but not covered by authorizations in the bill, may be funded by any combination of State and Federal highway funds. If Federal funds are used, the total Federal liability may be at least \$6.5 billion.

2. Boston Projects (Third Harbor Tunnel/Central Artery)

Of the \$3.3 billion estimated cost of both projects, \$2.5 billion would be eligible for 90 percent Federal Interstate funding, while the State would be responsible for financing \$800 million associated with depressing the Central Artery. However, the State could use its allocation of other Federal-aid highway funds, in lieu of State funds, to cover this cost. This provision increases the Federal cost to complete the Interstate System by at least \$1.1 billion. (See Tab B)

3. Interstate 4R Program (I4R)

There will be no change in the formula for distributing I4R funds. However, a new category of discretionary funds will be established as a \$200 million annual set-aside from the I4R authorization level (amount to be decided).

4. Tolls

The conferees agreed to allow toll financing in conjunction with Federal-aid on highways in seven States (Pennsylvania, California, Florida, South Carolina and three States to be selected by the Secretary of Transportation.) On toll projects, Federal-aid cannot exceed 35 percent of project cost.

5. Urban/Secondary Block Grant

The Secretary is authorized to establish a block grant demonstration program in five States (Rhode Island, Virginia, New York, and two States selected by House conferees) to demonstrate the feasibility of turning over greater responsibility to State officials for administering the highway program.

Unresolved Issues

1. Raising the Speed Limit

There is agreement to allow State legislatures to raise the speed limit to 65 m.p.h. on rural interstate highways without violation of the Federal 55 m.p.h. statute. However, the House insists on tougher Federal penalties and compliance monitoring requirements than the Senate is willing to accept.



2. Authorizations/Obligation Limitation

Authorizations have not been discussed. However, the conferees are expected to stay within last year's Budget Resolution levels for the Federal-aid highway program of \$13.517 billion which would increase the Senate bill's authorization levels by \$1.8 billion over five years. We also expect the conferees to adopt the House provision which provides a "bonus" obligation limitation, on top of whatever is agreed to as the authorized obligation limitation. (The Senate Budget Committee has informed the conferees that the conference bill will require a waiver of Section 303(a) of the Budget Act and possibly of Sections 302(b) and 311.)

3. Buy America

The conferees will agree to drop any change from current law in the highway title. However, the Senate wants to make this agreement contingent on the House agreeing to drop the expanded domestic content requirements in its transit title. The House is resisting this condition.

4. Members' Provisions

There has been no discussion of the 39 special interest provisions contained in both bills (29 in the House bill, 10 in the Senate). This category includes provisions to: waive State and local matching shares; give priority treatment to specific projects; and fund special interest studies or projects not included elsewhere.

5. Anti-apartheid Provisions

The Senate strongly opposes the House language which subjects Federal highway funds to State and local anti-apartheid ordinances. The House resists dropping its provision.

6. Billboards

The Senate bill makes no change to the highway beautification program. The House bill establishes a freeze on the number of billboards in commercial areas, authorizes the use of Federal-aid funds for billboard removal and mandates sanctions against States that do not comply with the freeze. The Senate wants to adopt the House freeze provision without the other requirements. The House opposes this approach.

7. Transit Title

- o Transit conferees have not met and there is a chance that a conference agreement will be reached without a formal meeting.

- o House authorization levels of \$20.7 billion over five years, exceed the President's Budget by \$12 billion. The Senate bill authorizing \$13 billion over four years, exceeds the President's request by \$5.6 billion.
- o Both House and Senate bills continue to use the highway trust funds derived from one cent of the fuel tax for transit discretionary grants. Over 80 percent of the trust funds, collected from all States, currently benefit fewer than 20 cities. The President's proposal allows all States to receive a share of fuel tax revenues through a formula-based allocation.



## Highways

<u>Item</u>	<u>Admin. Position</u>	<u>H.R. 2</u>	<u>S. 387</u>	<u>Conference</u>
5-yr. Authorizations	\$68.0B	\$69.5B	\$65.4B	No discussion
Delta from Pres. Budget	--	+\$1.5B	-\$2.0B	
Authorization Period	1987-90	1987-91	1987-90	1987-91
Gas Tax Exemption Receipts	+\$3.5B	--	--	--
Interstate/Primary Block	\$8.16B/yr.	--	\$8.15B/yr.	Keep separate programs
Urban/Secondary Block	All States	--	10-State Demo	5-State Demonstration
Demo Projects (Pork)				
~ Number	--	99	98	156+
~ Federal Cost in Bill	--	\$1.2B	No new funds	\$1.4B
~ Total Cost	--	\$4.1B	\$4.2B	\$8.3B+
Boston Interstate Projects				
~ Add'l Total Costs	--	\$3.3B	--	\$3.3B
~ Add'l Federal Costs	--	\$1.8B	--	\$1.1B
55 m.p.h.	--	--	65 m.p.h. on Rural Interstates	No agreement
Buy America	Support Senate bill	Restricts cement imports	Raises Buy America threshold to \$500K	Drop both provisions, if House drops provi- sion in transit title.
Billboards	No change	Caps billboard # and sanctions States for non-compliance	No change	No agreement.
Tolls	Support Senate bill	No change	Allow tolls with Federal-highway funds.	Allow tolls with Federal-highway funds in 7 States.
Obligation Limits (Controls spending of authorizations)	\$12.787B/yr. Demo projects not exempt.	\$12.6B annually. Exempts demo projects and provides bonus ob. limit.	\$12.35B/year. Demo projects not exempt.	No decision on level. Demo projects partially exempt.



Transit (excluding WMATA)

<u>Item</u>	<u>Admin. Position</u>	<u>H.R. 2</u>	<u>S. 387</u>	<u>Conference</u>
5-yr. Authorizations Delta from Pres. Budget	\$8,730M --	\$20,665M +\$11,935M	\$16,263M +\$7,533M	
Authorization Period	1987-90	1987-91	1987-90	
General Fund Approps. (except WMATA)	Eliminates (beginning 1988)	Continues general fund approps.	Continues general fund approps.	
Multi-year Contracts	No provision. Cannot obligate funds beyond budget year.	Intent to allow advance obligation of funds for outyears (but imperfectly drafted).	No provision.	
Private Sector	Increases competition.	Prohibits DOT requiring level of private participation.	No provision.	No Discussion of Transit Title
New Starts	Eliminates New Starts in 1988.	Continues New Starts.	Continues New Starts.	
Rulemaking	No provision.	No provision.	Mandates excessive rulemaking.	
Labor Protection	Repeal 13c labor protection.	Maintains 13c protection but it cannot prohibit contracting out.	No provision.	
Buy America	No provision.	Increases domestic content.	No provision.	
Los Angeles Metro	No provision.	Mandates an \$870M contract for 4.4-mile second phase after environmental report is approved.	Mandates contract for 4.4-mile second phase after environ- mental report is approved, with no dollar specifications.	



Highway Pork In Conference Bill  
(\$ in millions)

	Specifically Authorized or Earmarked Federal Costs (1987-91)	Additional Potential Federal Cost of Completing Projects	Comments
1. Highway "Demo" Projects (Total):	(1,425)	(6,520)	
o New Contract Authority.....	890	3,260*	Federal funds to be split evenly between the 156 projects in both bills (99 from House, 98 from Senate, 41 common to both). All States assured 0.5% of Federal funds, including 13 States with no projects.
o Other Federal-aid Highway Earmarks (30 percent Federal Share).....	535	3,260	
2. Boston Interstate Projects:		(1,880)	
o Central Artery.....	--	746	Expands current projects beyond scope of that currently eligible for Interstate funds (90% Federal match).
o Third Harbor Tunnel.....	--	334	
o Depressing Central Artery.....	--	800	
3. Other Highway Provisions.....	Unknown	Unknown	No agreement reached on other special interest provisions which may increase costs.
4. Transit:	(870)	Unknown	Senate does not stipulate
o Los Angeles Metrorail.....	870		Total authorized and potential additional Federal liability estimated at \$10,695 million.
Total	2,295	8,400	

\* Assumes continuation in the outyears of 50% of costs financed from new, separately authorized Federal funds. Conference agreement allows use of State or Federal funds to finance remaining costs not covered in the conference agreement.



Cost to Complete the Interstate  
Tentative Conference Agreement on Boston Projects  
(\$ in millions)

	<u>1987 DOT ICE*</u>	<u>House Bill (Mass. Request)</u>	<u>Tentative Conference Agreement</u>	<u>Delta from 1987 ICE</u>	
				<u>House</u>	<u>Conference</u>
I-90 Tunnel	1,069 (2-Lane)	1,441 (4-Lane)	1,441 (4-Lane)	+372	+372
I-93 Artery depression	245 --	1,074 <u>800</u>	1,074 <u>--**</u>	+829 <u>+800</u>	+829 <u>--</u>
Total	1,314	3,315	2,515	+2,001	+1,201
90% Federal Share	1,183	2,983	2,264	+1,800	+1,081

\* 1987 Interstate Cost Estimate, as transmitted to Congress in January 1987.

\*\* State will pay to depress the Central Artery and may use other Federal-aid funds to cover this cost.



THE WHITE HOUSE  
WASHINGTON

March 9, 1987

3/11  
call to S-a and complete.  
W

MEMORANDUM FOR SENATOR BAKER

FROM: WILLIAM L. BALL, III *WLB*

Subject: Phone calls to Senators Burdick and Stafford

You questioned my suggestion about the President making these calls, so I have pulled them back to see if you might make the calls instead.

In the Highway Bill Conference, both Burdick and Stafford have been very supportive of our efforts to keep the House demonstration projects out of the bill. However, the latest compromise does not look good. Neither the President nor his Chief of Staff have had much contact with these two Senators over the past year, and I thought this would be a good occasion for a pat on the back with a word of encouragement should we need to sustain a veto on this question.

It would be good if you could call; talking points prepared for the President are attached.



THE WHITE HOUSE

WASHINGTON

RECOMMENDED TELEPHONE CALL FOR THE PRESIDENT

TO: Senator Quentin Burdick (D-North Dakota)

DATE: Tuesday, March 10, 1987

RECOMMENDED BY: William L. Ball, III

PURPOSE: To encourage Senator Burdick's continued strong opposition to costly highway demonstration projects and to thank him for his support on this issue.

BACKGROUND: Both the House and the Senate have passed highway/mass transit funding bills, and a conference committee is now meeting to iron out differences. Senator Burdick, Chairman of the Senate Environment and Public Works Committee, has been steadfast in the conference committee in his opposition to expensive highway demonstration projects that are contained in the House version of the bill. However, it appears that any final compromise will contain over \$1 billion worth of these unnecessary projects.

If so, your senior advisors will recommend veto of the bill. It will be important to have Senator Burdick's support in order to sustain the veto in the Senate. We believe we have his support, but a call from you should strengthen his resolve in the face of what surely will be very strong pressure to override your veto.

TOPICS FOR DISCUSSION: See attached.

DATE OF SUBMISSION: March 6, 1987

ACTION:

Eno

Center for  
Transportation



State Highway

Reasons to Oppose Spending  
From Any Source for  
Highway Demonstration Projects

- o Highway demonstration projects increase Federal spending whether funded from the users fees deposited in the Highway Trust Fund or the general fund.
  - ~ Administration opposes spending increases above the Senate highway levels in order to keep highway spending in line with highway revenues which avoids any impact on the deficit.
- o Chairman Howard argues that the Highway Trust Fund is intended for purposes such as highway demonstration projects. But demonstration projects serve special interests, not national highway interests.
- o The Federal-aid highway program was established as a categorical aid program, distributed equitably by formula, to all States to meet needs on the designated Federal-aid System.
  - ~ The House bill undermines the integrity of the Federal-aid program by providing separate funding for projects that are already eligible for the existing categories of Federal-aid.
- o Congressional earmarking of additional funds for specific projects conflicts with the Administration's view that States, not the Federal Government should set priorities for the highway projects to be funded with local, State and Federal funds.







EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

MAR 10 1987

MEMORANDUM FOR THE DIRECTOR  
DEPUTY DIRECTOR

THROUGH: Carol T. Crawford  
FROM: Kathy Collins/Irene Loftus <sup>rc</sup> <sup>JFL</sup>  
SUBJECT: Status of Conference on Highway/Transit  
Legislation

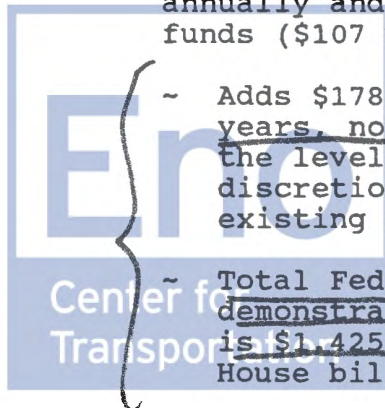
The House and Senate conferees completed their public meetings on the highway title of reauthorization legislation. Remaining highway issues (i.e., authorization and obligation limitation levels, anti-apartheid, phase-in of 85 percent minimum allocation and members' special interest provisions) as well as the transit, revenue and safety titles will be resolved privately. A conference report is expected by Monday, March 16th.

Major Highway Agreements

- o Allow the House, when it takes up the conference report, to vote on the Senate provision to raise the speed limit to 65 m.p.h. on rural Interstate highways.
- o Continue the current highway beautification program.
- o Adopt Brooks Act language which prevents States from accepting the lowest bid on architectural and engineering contracts.
- o Require 65 percent Federal match, 35 percent State match on all studies.
- o Fund demonstration projects with 80 percent Federal highway trust funds and 20 percent State/local funds. The Federal match consists of 50 percent from "new" Federal-aid funds specifically authorized at \$178 million annually and 30 percent from other highway discretionary funds (\$107 million annually).

~ Adds \$178 million annually or \$890 million over five years, not subject to the obligation limitation, to the levels authorized in the Senate bill; use of discretionary funds is simply an earmarking of existing funds, not add-on funding.

~ Total Federal spending over five years for demonstration projects (from new and earmarked funds) is \$1.425 billion compared to \$1.2 billion in the House bill.



United States Senate  
WASHINGTON, DC 20510

464313

March 12, 1987

Honorable Howard Baker  
Chief of Staff to the President  
The White House  
Washington, D. C. 20500

Dear Howard:

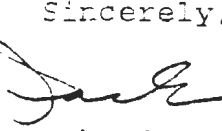
At a meeting of the Republican congressional delegation from Missouri, we discussed our likely vote should the President veto the Highway Bill. Of the two Senators and four Congressmen present, only one, Jack Buechner, indicated that he would more than likely vote to sustain the veto. The rest of us would most likely be constrained to vote to override.

We did think that it would be advisable to let you know of our intentions in advance so as not to "blind side" the President.

Best regards.


Sincerely,

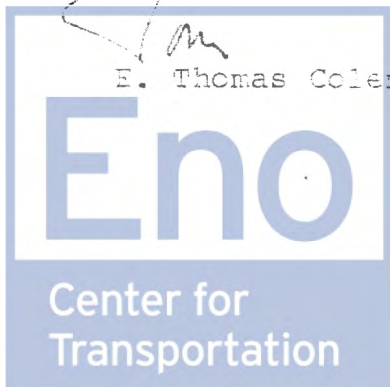
  
Christopher S. Bond

  
John C. Danforth

  
Gene Taylor

  
Bill Emerson

  
E. Thomas Coleman



THE WHITE HOUSE  
WASHINGTON

March 17, 1987

MEMORANDUM FOR JIM MILLER

From: Will Ball *WB*  
Subject: Highway Bill

As we move to assess our ability to sustain a possible veto of the Highway Bill, we will need to answer two questions:

- 1) Will we facilitate a "quick turn-around" on the bill?
- 2) What kind of highway bill can the President sign?

We should prepare to discuss these points in specific terms with Senator Baker and Secretary Dole as soon as possible.

cc: John Tuck  
Pam Turner  
Alan Kranowitz



SPECIAL AND DEMONSTRATION PROJECTS IN 1987 HIGHWAY LEGISLATION

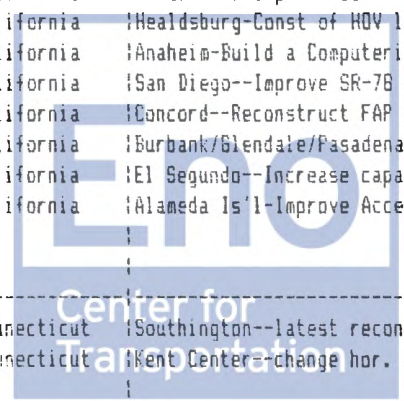
File Name: DEMOXXX

ITEM No.	STATE	PROJECT DESCRIPTION/LOCATION	A* FUNDED PROJECTS				ESTIMATED	B* FUNDED PROJECTS	
			TOTAL 5-YEAR AUTHORIZATIONS				ULTIMATE	FEDERAL	STATE
			50% FF (\$M)	30% FF (\$M)	STATE (\$M)	TOTAL (\$M)	COST (\$M)	(\$M)	(\$M)
1	Alabama	Fairhope/Foley--accelerate widening of US-98 to 4 lanes.	10.50	9.30	4.20	21.00	23.00	-	-
2	Alabama	Florence/Sheffield--Bridge over Tennessee River near Patton Island.	7.50	4.50	3.00	15.00	53.00	-	-
		STATE SUBTOTAL	18.00	13.80	7.20	36.00	76.00	0.00	0.00
3	Arkansas	Fort Smith--traffic signalization and widening of Waldron Road.	4.25	2.55	1.70	8.50	8.50	-	-
4	Arkansas	Construction on US-71 between I-49/I-540 & MO State line @ Bella Vista.	22.50	13.50	9.00	45.00	185.00	-	-
5	Arkansas	Bonesboro--Const 4 Grade Separations on 4-lane Bypass Route of the City.	6.15	3.69	2.46	12.30	13.30	-	-
6	Arkansas	Fine Bluff--Highway Bridge at Lock and Dam	1.00	0.60	0.40	2.00	18.00	-	-
		STATE SUBTOTAL	33.90	20.34	13.56	67.80	224.80	0.00	0.00
7	California	San Bernadino Co.--Ontario International Airport Access.	14.50	8.70	5.80	29.00	38.00	-	-
8	California	San Jose/Santa Clara--reduce congestion at hwy/hwy & hwy/RR intersection.	14.50	8.70	5.80	29.00	29.00	-	-
9	California	Compton--Construct a Grade Separation @ RR/Hwy Crossing.	3.75	2.25	1.50	7.50	8.50	-	-
10	California	Modesto--construct RR grade separation on SR-132.	6.50	3.90	2.60	13.00	14.30	-	-
11	California	Riverside/Imperial Co.--Improve safety on SR-86 from I-8 to I-10.	4.00	2.40	1.60	8.00	120.00	-	-
12	California	City of Paso Robles. Const 2-lane Br (Niblick Rd) across Salinas River.	1.55	0.93	0.62	3.10	4.50	-	-
13	California	Los Angeles, Fort Demo/Intermodal Transportation Project. (20 projects)	37.00	22.20	14.80	74.00	58.00	-	-
	California	Adds an additional 7 Projects to the Los Angeles Port Demo project.	See #13	See #13	See #13	See #13	16.00	-	-
14	California	Santa Rosa--Improve 12.5 mi of Stoney Point Rd, from Petaluma to SR-12.	5.25	3.15	2.10	10.50	10.50	-	-
15	California	Healdsburg--Const of HOV lanes on N-S Route Named in (41)(A) above.	12.00	7.20	4.80	24.00	25.00	-	-
16	California	Anaheim--Build a Computerized Transportation Management Sys for the area.	0.45	0.27	0.18	0.90	0.90	-	-
17	California	San Diego--Improve SR-78 from I-5 (Oceanside) to I-15 (Escondido).	9.40	5.64	3.75	18.80	27.00	-	-
18	California	Concord--Reconstruct FAP route between Concord and West Pittsburgh.	2.00	1.20	0.80	4.00	39.00	-	-
19	California	Burbank/Blendale/Pasadena Airport--Const Access & Parking for Airport.	3.00	1.80	1.20	6.00	7.00	-	-
20	California	EI Segundo--Increase capacity of Highway Tunnel serving the Airport.	1.50	0.90	0.60	3.00	76.00	-	-
21	California	Alameda Is'l--Improve Access (Sec 139) Rt, Serv Oakland Airp't/Alameda Is	4.00	2.40	1.60	8.00	65.00	-	-
		STATE SUBTOTAL	119.40	71.64	47.76	238.80	539.70	0.00	0.00
22	Connecticut	Southington--latest reconstruction techniques on N-S Hwy on FAU system.	1.93	1.16	0.77	3.85	4.08	-	-
23	Connecticut	Kent Center--change hor. & vert. alignment of N-S primary highway.	see #22	see #22	see #22	see #22	0.20	-	-
		STATE SUBTOTAL	1.93	1.16	0.77	3.85	4.28	0.00	0.00

*Order*

*Revised*  
*Approved*  
*Approved*  
*Approved*

*with construction*



ITEM No.	STATE	PROJECT DESCRIPTION/LOCATION	A" FUNDED PROJECTS TOTAL 5-YEAR AUTHORIZATIONS				ESTIMATED	B" FUNDED PROJECTS	
			50% FF (\$M)	30% FF (\$M)	STATE (\$M)	TOTAL (\$M)	ULTIMATE	FEDERAL (\$M)	STATE (\$M)
							COST (\$M)		
24	Dist. of Col.	ICMO Canal, Georgetown--improve access to Georgetown University.	4.00	2.40	1.60	8.00	200.00	-	-
		STATE SUBTOTAL	4.00	2.40	1.60	8.00	200.00	0.00	0.00
25	Florida	IMiami--improved access to Port of Miami.	5.15	3.09	2.06	10.30	500.00	-	-
26	Florida	ISanford--expedite construction of an interchange at SR-46A and I-4.	7.00	4.20	2.80	14.00	14.50	-	-
27	Florida	ITampa--Construct grade separation on US-41. Port Access	6.85	4.11	2.74	13.70	13.70	-	-
		STATE SUBTOTAL	19.00	11.40	7.60	38.00	528.20	0.00	0.00
28	Georgia	ISavannah--Bridge replacement over Savannah River. [Talmadge Br.]	33.25	19.95	13.30	66.50	91.00	-	-
29	Georgia	Reconst 3.8 mi of P'tree Indus Hwy, I-285 to SR-141 (6-lane Fwy/with FR)	12.50	7.50	5.00	25.00	37.50	-	-
		STATE SUBTOTAL	45.75	27.45	18.30	91.50	128.50	0.00	0.00
30	Idaho	IBoise--Extend Broadway-Chinden connector, I-184 to Broadway Ave. Downtown	11.50	6.90	4.60	23.00	18.00	-	-
31	Idaho	IPost Falls--Reconst the Seltice Way from Pleasant View to Huetter Rd	see #30	see #30	see #30	see #30	5.00	-	-
32	Idaho	IUpgrade US-20/26 bet'wn Idaho Nat Engr Lab and Idaho Falls	-	-	-	-	60.00	45.00	15.00
		STATE SUBTOTAL	11.50	6.90	4.60	23.00	83.00	45.00	15.00
33	Illinois	IJo Daviess/Stephenson Co.--Improve passing on 50 mi of US-20 (truck rte).	1.50	0.90	0.60	3.00	20.00	-	-
34	Illinois	IChicago--Replace movable Br with fixed span. Division St over Chicago Rivi	6.00	3.60	2.40	12.00	13.20	-	-
35	Illinois	ICook Co.--Replace Bridge on Lake Shore Drive (Jackson Park Hist Dist).	see #34	see #34	see #34	see #34	4.50	-	-
36	Illinois	ICook Co.--Raze Ogden Ave Br. over Goose Is'd, B'tw Clybourn & Chicago Ave	see #34	see #34	see #34	see #34	0.90	-	-
37	Illinois	ICook Co.--Reconstruct 1-mile segment of Hwy between Nagle & Oak Park Ave.	6.04	3.62	2.42	12.08	0.40	-	-
38	Illinois	ICook Co.--Const 3 Parking facilities next to Rock Island RR line, SW Chic	see #37	see #37	see #37	see #37	1.44	-	-
39	Illinois	IOak Lawn--Widen/Resurface 4-lane Southwest Hwy to less than Minimum Stds.	see #37	see #37	see #37	see #37	1.70	-	-
40	Illinois	ICalumet Park--Reconstruct 127th Street from Calumet Park to Blue Island.	see #37	see #37	see #37	see #37	1.05	-	-
41	Illinois	ICumberland Station--Const first level of 2-level Park/Ride facility.	see #37	see #37	see #37	see #37	5.30	-	-
42	Illinois	IChicago--Reconst Western Blvd over Western Ave near 33rd St	see #37	see #37	see #37	see #37	5.00	-	-
43	Illinois	IChicago--Const 2 parking lots at future SW Rapid Transit Sta.	see #37	see #37	see #37	see #37	3.00	-	-
44	Illinois	IMt Vernon--Reconst 1.4-mile sec of Ill-15 between Mt Vernon & I-57.	0.98	0.59	0.39	1.96	1.30	-	-
45	Illinois	IEvanville--Upgrade Liberty & Broad Sts. between Ill-3 & County Hwy 4.	see #44	see #44	see #44	see #44	0.31	-	-
46	Illinois	IUnion Co.--Improve route to a State Landmark Alto Pass to Bald Knob.	see #44	see #44	see #44	see #44	0.35	-	-
47	Illinois	IMadison Co.--Reconstruct Center Grove Road from IL-157 to IL-159.	1.10	0.66	0.44	2.20	2.20	-	-
48	Illinois	ILincoln--Const Ill-121 Freeway between Lincoln (I-55) & Morton (I-74).	17.00	10.20	6.80	34.00	130.00	-	-
		STATE SUBTOTAL	32.62	19.57	13.05	65.24	190.64	0.00	0.00

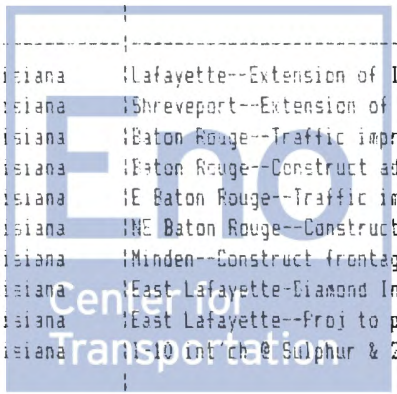
*Hawkins labels*  
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Center for  
Transportation

ITEM No.	STATE	PROJECT DESCRIPTION/LOCATION	A* FUNDED PROJECTS TOTAL 5-YEAR AUTHORIZATIONS				ESTIMATED	B* FUNDED PROJECTS		
			50% FF	30% FF	STATE	TOTAL	ULTIMATE	FEDERAL	STATE	
			(\$M)	(\$M)	(\$M)	(\$M)	COST (\$M)	(\$M)	(\$M)	
49	Indiana	Cline Avenue/Herman Expressway Interchange upgrading in East Chicago	-	-	-	-	12.75	11.48	1.28	<i>Support/Quayle</i>
50	Indiana	Hammond--Relocate RR to eliminate RR/Hwy Grade Crossing.	2.82	1.69	1.13	5.63	20.00	-	-	<i>Support/Quayle</i>
51	Indiana	Lafayette--Railroad Relocation Project	20.00	12.00	8.00	40.00	79.00	-	-	<i>Support/Quayle</i>
STATE SUBTOTAL			22.82	13.69	9.13	45.63	111.75	11.48	1.28	
52	Iowa	Clarinda--Reconstruct Highway between Clarinda and Shanandoah.	4.50	2.70	1.80	9.00	12.60	-	-	
53	Iowa	Replace US-50 Bridge to Platt, Nebraska	-	-	-	-	5.40	4.86	0.54	
54	Iowa	Relocation US-61 in Dubuque & widen US-61 south to DeWitt	20.00	12.00	8.00	40.00	50.00	-	-	
STATE SUBTOTAL			24.50	14.70	9.80	49.00	68.00	4.86	0.54	
55	Kansas	Emporia--Provide a new Prairie Street Overpass	-	-	-	-	5.60	4.20	1.40	<i>Dole</i>
56	Kansas	Olathe--Improve the 119th Street Interchange	13.00	7.80	5.20	26.00	26.00	-	-	<i>Dole</i>
57	Kansas	Lawrence--Construct a By-pass Project	-	-	-	-	21.00	15.75	5.25	<i>Dole</i>
58	Kansas	Wichita, Replace Kellogg/Oliver St Interchange with new fly-over design	-	-	-	-	10.00	7.50	2.50	<i>Dole</i>
59	Kansas	Douglas Co--Const 4-mi Access Rd (K-10) b/tw I-70 & Reservoir/Research Pk	4.50	2.70	1.80	9.00	15.20	-	-	
STATE SUBTOTAL			17.50	10.50	7.00	35.00	77.80	27.45	9.15	
60	Kentucky	KY-22 from Denton to I-75 at Dry Ridge. May use KY-36 to Williamstown.	-	-	-	-	20.50	15.38	2.05	
61	Kentucky	Campbell Co--KY-9, 2.1-mi sec from I-275 north to 4-lane sec in Wilder.	4.50	2.70	1.80	9.00	11.20	-	-	
62	Kentucky	KY-461 from KY-80, Shopville to US-25, Mt Vernon, Pulaski/Rockcastle Co.	7.00	4.20	2.80	14.00	14.10	-	-	<i>Ford</i>
63	Kentucky	Pike Co--Reconst a 2-mile section of US-119 (APD Cor 6).	7.50	4.50	3.00	15.00	25.00	-	-	
STATE SUBTOTAL			19.00	11.40	7.60	36.00	70.80	15.38	2.05	
64	Louisiana	Lafayette--Extension of I-49 from I-10, south to the Vermillion River.	3.00	1.80	1.20	6.00	169.60	-	-	<i>Johnston/Long</i>
65	Louisiana	Shreveport--Extension of I-49 from I-20, north to I-220.	see #64	-	-	see #64	182.50	-	-	<i>Johnston/Long</i>
66	Louisiana	Baton Rouge--Traffic improvement near I-12/Essen Lane interchange.	5.40	3.24	2.16	10.80	14.00	-	-	<i>Johnston/Long</i>
67	Louisiana	Baton Rouge--Construct additional ramp lane to I-10/110 interchange.	see #66	-	see #66	-	39.20	-	-	<i>Johnston/Long</i>
68	Louisiana	NE Baton Rouge--Traffic improvement near I-12/Sherwood Forest Blvd int'ch	see #66	-	see #66	-	0.10	-	-	
69	Louisiana	NE Baton Rouge--Construct access road from I-110 to the Airport.	see #66	-	see #66	-	3.00	-	-	
70	Louisiana	Minden--Construct frontage road along I-20.	0.38	0.23	0.15	0.75	0.75	-	-	
71	Louisiana	East Lafayette--Diamond Interchange at Louisiana Ave and Interstate Hwy	1.25	0.75	0.50	2.50	5.00	-	-	<i>Long</i>
72	Louisiana	East Lafayette--Proj to provide access to the Interstate from a highway	1.25	0.75	0.50	2.50	2.00	-	-	<i>Johnston/Long</i>
73	Louisiana	I-10 Int'ch @ Sulphur & 2 mi access road (Arizona Ave to LA-108)	2.95	1.77	1.18	5.90	5.90	-	-	<i>Johnston/Long</i>
STATE SUBTOTAL			14.23	8.54	5.69	28.45	413.05	0.00	0.00	





ITEM No.	STATE	PROJECT DESCRIPTION/LOCATION	A" FUNDED PROJECTS TOTAL 5-YEAR AUTHORIZATIONS				ESTIMATED	B" FUNDED PROJECTS		
			50% FF	30% FF	STATE	TOTAL	ULTIMATE	FEDERAL	STATE	
			(\$M)	(\$M)	(\$M)	(\$M)	COST (\$M)	(\$M)	(\$M)	
74	Maine	Brunswick-Topsham Bypass, from I-95 to Brunswick NAS to Bath Iron Works	15.00	9.00	6.00	30.00	30.00	-	-	<i>Adrian</i>
STATE SUBTOTAL			15.00	9.00	6.00	30.00	30.00	0.00	0.00	
75	Maryland	Washington Co. US-48 Const EB Ramp to US-40 & NB Access Rd from Mt. Rd	0.28	0.17	0.11	0.56	0.56	-	-	
76	Maryland	Re-align Intersection of Md-162 (Hammond Ferry Rd) with Poplar Ave.	1.55	0.93	0.62	3.10	1.30	-	-	
77	Maryland	Widen 2 mi of Md-162 from Poplar Ave to Md-176 to 4 lanes	see #76	see #76	see #76	see #76	0.30	-	-	
78	Maryland	Widen 1/2 mi Poplar Ave from Md 170 to Md 162 to 4 lanes	see #76	see #76	see #76	see #76	1.50	-	-	
79	Maryland	Md-4 Bridge over Patuxent River Prince Georges & Anne Arundel Counties	1.29	0.77	0.52	2.58	2.58	-	-	
80	Maryland	Const interchange Md-3 & Blair Dr in Bowie	4.31	2.59	1.72	8.62	8.62	-	-	
81	Maryland	Md-197 const 4 lane Hwy to bypass Bowie & serve Bowie State College	2.70	1.62	1.00	5.40	5.40	-	-	
82	Maryland	Relocate Md-115 from Montgomery Village Ave to Shady Grove Rd	4.28	2.57	1.71	8.56	8.56	-	-	
83	Maryland	Rehabilitation of Md-213 bridge over Chester Riv Queen Anne's & Kent Co	1.99	1.19	0.80	3.98	3.98	-	-	
84	Maryland	Replace bridge connecting Md-838 to Wye Island Rd Queen Anne's Co	1.30	0.78	0.52	2.60	2.60	-	-	
STATE SUBTOTAL			17.70	10.62	7.08	35.40	35.41	0.00	0.00	
85	Massachusetts	East Milton--construct deck over I-93.	1.75	1.05	0.70	3.50	30.00	-	-	
86	Massachusetts	Lawrence-Const Serv Rd along the Shawsheen River (Mass Ave-Merrimack St)	2.00	1.20	0.80	4.00	4.00	-	-	
87	Massachusetts	Const road between Liberty St and Mass 21 in Belchertown	0.50	0.30	0.20	1.00	1.00	-	-	
STATE SUBTOTAL			4.25	2.55	1.70	8.50	35.00	0.00	0.00	
88	Michigan	Wayne Co.--two road improvements to demonstrate safety, etc.	1.10	0.66	0.44	2.20	3.90	-	-	<i>Lewis</i>
89	Michigan	Mason Co US-10/31 and US-31	20.00	12.00	8.00	40.00	43.40	-	-	
STATE SUBTOTAL			21.10	12.66	8.44	42.20	47.30	0.00	0.00	
90	Minnesota	Const RR/Hwy Sep in Moorhead & Reconst 2 Segs of US-2, Fosston - Bagley	2.50	1.50	1.00	5.00	3.50	-	-	
91	Minnesota	Pine City--construct interchange on I-35 and county road.	1.30	0.78	0.52	2.60	1.90	-	-	
92	Minnesota	Reconstruct County Road-129 an Access Road to the Voyageurs Nat'l Park.	2.27	1.36	0.91	4.53	4.53	-	-	
93	Minnesota	Aurora/Hoyt Lakes--Const Hwy connecting Aurora/Hoyt Lakes & Silver Bay.	0.75	0.45	0.30	1.50	25.00	-	-	
94	Minnesota	St Louis Co--Const Access Rd from CR-413 to the Bois Forte Chippewa Res.	0.50	0.30	0.20	1.00	1.00	-	-	
95	Minnesota	Design/Locate replacement of the Bloomington Ferry Br, Hennepin/Scott Co	20.00	12.00	8.00	40.00	46.75	-	-	
STATE SUBTOTAL			27.32	16.39	10.93	54.63	82.68	0.00	0.00	

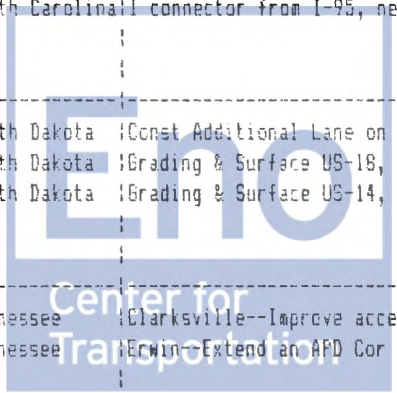
LINE	STATE	PROJECT DESCRIPTION/LOCATION	A* FUNDED PROJECTS TOTAL 5-YEAR AUTHORIZATIONS				ESTIMATED	B* FUNDED PROJECTS	
			50% FF	30% FF	STATE	TOTAL	ULTIMATE	FEDERAL	STATE
			(\$M)	(\$M)	(\$M)	(\$M)	(\$M)	(\$M)	(\$M)
95	Mississippi	Widen US-98 for 14.7 miles near Hattisburg (Forrest and Perry Counties)	10.29	6.17	4.12	20.58	20.58	-	-
		STATE SUBTOTAL	10.29	6.17	4.12	20.58	20.58	0.00	0.00
97	Missouri	Carthage/Noel--accelerate construction of Priority Primary Rte 71.	22.50	13.50	9.00	45.00	190.00	-	-
98	Missouri	Columbia--Add 2 lanes to a 196-mile route between Columbia & Lancaster.	5.50	3.30	2.20	11.00	263.00	-	-
99	Missouri	Phase 1 of the South Midtown Freeway US-71 in Kansas City.	7.50	4.50	3.00	15.00	147.90	-	-
100	Missouri	St Charles Co.--Const SR-115 Bypass from I-270, west 12.5 miles to I-70.	6.50	3.90	2.60	13.00	160.20	-	-
101	Missouri	Restore the Martin Luther King Bridge, Bet'wn St Louis and East St Louis	-	-	-	-	55.50	44.40	11.10
		STATE SUBTOTAL	42.00	25.20	16.80	84.00	818.60	44.40	11.10
102	Nebraska	Replace US-30 bridge over Missouri Riv between Blair, NE & Mo Valley, IA	2.70	1.62	1.08	5.40	5.40	-	-
		STATE SUBTOTAL	2.70	1.62	1.08	5.40	5.40	0.00	0.00
103	Nevada	Sparks--Construction of Interchange Between I-80 and Sparks Boulevard.	5.25	3.15	2.10	10.50	11.70	-	-
104	Nevada	Improvement of the Boulder Highway in Henderson, Landscaping	8.05	4.83	3.22	16.10	6.00	-	-
105	Nevada	Las Vegas - Const Urban Interchange @ Sahara Ave. & I-15	see #104	see #104	see #104	see #104	9.00	-	-
		STATE SUBTOTAL	13.30	7.98	5.32	26.60	26.70	0.00	0.00
106	New Mexico	Construct a new route from Las Alamos to Santa Fe	20.00	12.00	8.00	40.00	80.80	-	-
107	New Mexico	For work of US-70 from Las Cruces to Texico	-	-	-	-	232.00	174.00	58.00
		STATE SUBTOTAL	20.00	12.00	8.00	40.00	312.80	174.00	58.00
108	New Jersey	Passaic Co.--Route 21 Acceleration project.	25.00	15.00	10.00	50.00	76.00	-	-
109	New Jersey	Laurelton Circle in Brick Twp, Reconstruction of Rotary.	10.00	6.00	4.00	20.00	13.20	-	-
110	New Jersey	Upgrade SR-70 from Laurelton Circle to Brielle Circle (Wall Township).	see #109	see #109	see #109	see #109	0.00	-	-
111	New Jersey	Dover Twp.--Bridge across the Toms River.	1.00	0.60	0.40	2.00	2.50	-	-
		STATE SUBTOTAL	36.00	21.60	14.40	72.00	91.70	0.00	0.00

*Laxalt/Hecht*  
*Laxalt/Hecht*





ITEM No.	STATE	PROJECT DESCRIPTION/LOCATION	A" FUNDED PROJECTS				ESTIMATED	B" FUNDED PROJECTS		
			TOTAL 5-YEAR AUTHORIZATIONS				ULTIMATE	FEDERAL	STATE	
			50% FF (\$M)	30% FF (\$M)	STATE (\$M)	TOTAL (\$M)	COST (\$M)	(\$M)	(\$M)	
	Pennsylvania	Boysburg	2.75	1.65	1.10	5.50	5.50	-	-	<i>Spec for</i>
138	Pennsylvania	Johnstown--Study cost of a 4-lane Hwy between Rte 56 and Rte 22	-	-	-	-	1.00	-	-	
139	Pennsylvania	Johnstown--Const IAP Proj to enhance safety & economic devel't of an area	5.50	3.30	2.20	11.00	60.00	-	-	
140	Pennsylvania	Pitonsa/Pyrone--close 12-mile gap on US-220 in Blair County	45.00	27.00	18.00	90.00	90.00	-	-	
141	Pennsylvania	Allentown--eliminate RR grade crossing, (Basin St. @ CONRAIL crossing).	3.00	1.80	1.20	6.00	10.00	-	-	<i>Spec for</i>
142	Pennsylvania	Southern Exp'way (P Pri Rte) connect to proposed Midfield Air terminal.	2.75	1.65	1.10	5.50	76.00	-	-	
143	Pennsylvania	New 2-lane Hwy, Conway access road to I-79, (Mid-Valley Exp'way).	6.70	4.02	2.68	13.40	29.10	-	-	
144	Pennsylvania	Croyle Imp-Upgrade 1.3-mile Access Rd to Johnstown Flood Nat'l Memorial.	0.36	0.22	0.14	0.72	0.72	-	-	
145	Pennsylvania	Kittanning/Brookville--Reconst 30-miles of 2-lane Rd between the Cities.	5.00	3.00	2.00	10.00	20.00	-	-	
146	Pennsylvania	Chadville--Reconst 3.5-mile sec of FAP Rte near the Uniontown Bypass.	4.50	2.70	1.80	9.00	10.00	-	-	
147	Pennsylvania	Construct Interchange off I-81 near Chambersburg. In Franklin County	2.50	1.50	1.00	5.00	5.00	-	-	
148	Pennsylvania	Ebsenberg--A Bypass to divert traffic from US-219 to a 5.1-mile segment	-	-	-	-	33.00	24.75	8.25	
149	Pennsylvania	Ebsenberg--A Study to 4-lane US-22 west of Ebsenberg to Pittsburgh	-	-	-	-	1.50	1.13	0.38	
150	Pennsylvania	Somerset--Study, & PE to upgrade US-219 to 4 lanes, Somerset to MD Line	-	-	-	-	1.00	0.75	0.25	
151	Pennsylvania	Const a 4.9 mile by-pass of Exton Parallel to Route 30	-	-	-	-	75.00	67.50	7.50	
		STATE SUBTOTAL	78.06	46.84	31.22	156.12	408.82	94.13	16.38	
152	Rhode Island	US-1 in Providence, Improvements on Allens Ave. & Eddy Street	3.90	2.34	1.56	7.80	4.00	-	-	
153	Rhode Island	RI-33 in West Warwick, Improvements on Wakefield Street Segment	see #152	see #152	see #152	see #152	3.80	-	-	
		STATE SUBTOTAL	3.90	2.34	1.56	7.80	7.80	0.00	0.00	
154	South Carolina	Isle of Palms Bridge.	-	-	-	-	20.30	15.23	5.08	<i>Thomson</i>
155	South Carolina	The SC portion of the Bobby Jones Exp'wy from I-20 to Georgia State Line	-	-	-	-	25.00	22.50	5.00	<i>Thomson</i>
156	South Carolina	connector from I-95, near Florence to US-17, N. of Myrtle Beach.	20.00	12.00	8.00	40.00	440.00	-	-	<i>Thomson</i>
		STATE SUBTOTAL	20.00	12.00	8.00	40.00	485.30	37.73	10.08	
157	South Dakota	Const Additional Lane on SD-244, from Mt. Rushmore Mem. to near Keystone	9.90	5.94	3.96	19.80	3.00	-	-	
158	South Dakota	Grading & Surface US-18, from West Todd County Line east	see #157	see #157	see #157	see #157	9.30	-	-	
159	South Dakota	Grading & Surface US-14, from Iroquois to DeSmet	see #157	see #157	see #157	see #157	7.54	-	-	
		STATE SUBTOTAL	9.90	5.94	3.96	19.80	19.84	0.00	0.00	
160	Tennessee	Clarksville--Improve access Rd to Ft Campbell. US-41A from US-79 to KY.	2.50	1.50	1.00	5.00	13.80	-	-	<i>Spec for</i>
161	Tennessee	Erwin--Extend an APD Cor B Hwy 15 miles from River View to Sam's Gap.	10.00	6.00	4.00	20.00	96.50	-	-	
		STATE SUBTOTAL	12.50	7.50	5.00	25.00	110.30	0.00	0.00	



ITEM No.	STATE	PROJECT DESCRIPTION/LOCATION	A* FUNDED PROJECTS TOTAL 5-YEAR AUTHORIZATIONS				ESTIMATED	B* FUNDED PROJECTS	
			50% FF	30% FF	STATE	TOTAL	ULTIMATE	FEDERAL	STATE
			(\$M)	(\$M)	(\$M)	(\$M)	COST (\$M)	(\$M)	(\$M)
162	Texas	Beaumont Liberty/Laurel Overpass at I-10 connects two St's./Phelan Blvd	3.00	1.80	1.20	6.00	12.00	-	-
163	Texas	Arcola - Construct Grade Separation between 2 Hwy & RR Crossing	1.50	0.90	0.60	3.00	5.00	-	-
164	Texas	US-59 corridor from Texarkana to Houston to Beeville	-	-	-	-	2066.40	1549.80	516.60
165	Texas	Dallas--Upgrade 15.4 miles of North Central Expressway, I-635 to SR-121	20.00	12.00	8.00	40.00	167.16	-	-
166	Texas	Ft Worth--Reconstruct I-30 Interchange (West Leg)	-	-	-	-	150.00	135.00	15.00
			24.50	14.70	9.80	49.00	2400.50	1684.80	531.60
167	Virginia	Roanoke Valley-Extension from Blue Ridge Parkway to the Explore Project.	7.50	4.50	3.00	15.00	15.00	-	-
168	Virginia	Gloucester Co--Replace/Expand Br connect Co. with Newport News/Hampton.	2.00	1.20	0.80	4.00	100.00	-	-
		STATE SUBTOTAL	9.50	5.70	3.80	19.00	115.00	0.00	0.00
169	West Virginia	New River--Construct Parkway between Interstate & New River.	8.80	5.28	3.52	17.60	80.00	-	-
170	West Virginia	Kanawha Co--Reconstruction of the Historic Chelyan Bridge.	1.00	0.60	0.40	2.00	48.50	-	-
			9.80	5.88	3.92	19.60	128.50	0.00	0.00
		U.S. GRAND TOTALS	\$830.17	\$501.11	\$332.07	\$1,660.35	\$8,355.05	\$2,149.71	\$658.67

*Handwritten notes:*  
 164: *10/1/87*  
 165: *10/1/87*  
 166: *10/1/87*

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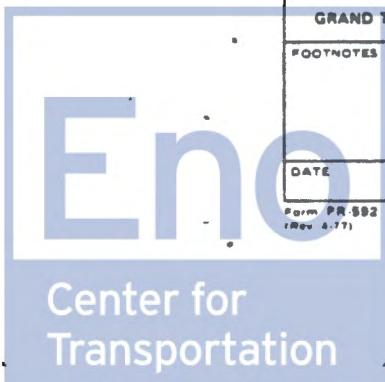
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Transportation

NOTE: EVERY STATE, INCLUDING THOSE NOT LISTED ABOVE, WILL RECEIVE A MINIMUM OF \$4.154 MILLION IN "NEW" FEDERAL AUTHORIZATIONS (REF. 50% FF COLUMN)

March 17, 1987  
FHWA, HNB-10

# 1/2% ALLOCATIONS

STATE		
ALABAMA		
ALASKA	4.154	
ARIZONA	4.154	
ARKANSAS		
CALIFORNIA		
COLORADO	4.154	
CONNECTICUT	2.929	
DELAWARE	4.154	
DIST OF COL	.154	
FLORIDA		
GEORGIA		
HAWAII	4.154	
IDAHO		
ILLINOIS		
INDIANA		
IOWA		
KANSAS		
KENTUCKY		
LOUISIANA		
MAINE		
MARYLAND		
MASSACHUSETTS		
MICHIGAN		
MINNESOTA		
MISSISSIPPI		
MISSOURI		
MONTANA	4.154	
NEBRASKA	1.454	
NEVADA		
NEW HAMPSHIRE	4.154	
NEW JERSEY		
NEW MEXICO		
NEW YORK		
NORTH CAROLINA		
NORTH DAKOTA		
OHIO		
OKLAHOMA	4.154	
OREGON	2.904	
PENNSYLVANIA		
RHODE ISLAND	.254	
SOUTH CAROLINA		
SOUTH DAKOTA		
TENNESSEE		
TEXAS		
UTAH	4.154	
VERMONT	4.154	
VIRGINIA		
WASHINGTON	4.154	
WEST VIRGINIA		
WISCONSIN	4.154	
WYOMING	4.154	
TOTAL		
AMERICAN SAMOA		
GUAM		
PUERTO RICO		
VIRGIN ISLANDS		
GRAND TOTAL	60.997	
FOOTNOTES	SENATE ALLOCATION - \$ 39.55 HOUSE ALLOCATION - \$ 21.45 \$ 61.00	
DATE	COMPILED BY	CHECKED BY





U.S. Department of  
Transportation

Office of the Secretary  
of Transportation

Office of Assistant Secretary

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

**MAR 17 1987**

MEMORANDUM FOR THE HONORABLE WILLIAM L. BALL  
ASSISTANT TO THE PRESIDENT FOR LEGISLATIVE AFFAIRS

FROM: REBECCA GERNHARDT RANGE *Rebecca Range*  
ASSISTANT SECRETARY FOR GOVERNMENTAL AFFAIRS

SUBJECT: VETO OF H.R. 2

ISSUE

The President will shortly be presented with a highway/transit bill, H.R. 2, that we believe authorizes unacceptably high spending levels for highway and transit programs and intrudes on state interests by making special funding available for special interest highway and transit projects.

BACKGROUND

In FY 86, the Federal government provided roughly \$16 billion for highway and transit programs. Of this, \$14 billion was generated from highway users fees (fuel and truck taxes). The remaining \$2 billion came from the general fund and was used for transit grants. New authorizations for these programs ended on September 30, 1986. This funding is used by state and local governments to build new highways, bridges and transit systems and repair existing facilities. Many states are in serious trouble because this year's highway funds are still not available.

The President's budget proposed a \$14 billion program per year for highways and transit, funded entirely from user fees. This attempt to stop funding transit from the general fund has found no support in Congress.

CONFERENCE PRODUCT

We believe that there are three main problems with H.R. 2.

o Spending levels. The total five-year spending levels in the bill for highway programs are at least \$5 billion in obligations more than the President's budget. The total five-year authorization levels in the bill for transit programs are over \$9 billion more than the President's budget. While we have no expectation that the Congress will adopt the levels in the President's budget, we believe that the "surgical" veto offers the opportunity to ratchet the levels down and to restore the traditional federal/state partnership.

Center for  
Transportation

c Demonstration projects. Demonstration projects are projects directed by the bill to be funded in a certain area. This is a gross distortion of the process that has developed over the past 30 years where the projects have been selected by state and local officials. Moreover, the bill is fiscally irresponsible in the manner that it treats highway special interest projects and the Los Angeles Metrorail project. The act would provide \$1.42 billion of identified Federal funding for highway special interest projects, with nearly \$900 million not subject to any spending controls. Even more importantly, these identified amounts may start projects, but will not finish them all. The ultimate additional total cost of these highway projects would be as much as \$4 billion.

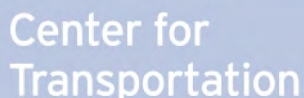
The direction to fund the Los Angeles Metrorail project is a gross distortion of funding priorities. The provision would require up to \$870 million, or 14% of the trust fund monies authorized by the act for the national transit program, to be spent in one city. Even more importantly, Los Angeles has not decided where to build the project and the environmental review process is incomplete.

o Transit Funding. Since 1983, more than \$5 billion has been collected for transit purposes from motorists. However, this national source of revenue has not been distributed fairly to each of the states. Only 10 states have received the vast bulk of this money.

H.R. 2 provides \$11.6 billion from general revenues for transit and \$6.2 billion of revenues from the Trust Fund by formula. The annual level of funding from the general fund should be reduced and more of the revenue from the Trust Fund should be distributed by formula.

#### TIMING

The House and Senate conferees will attempt to file the conference report on the highway/transit bill (H.R. 2) Tuesday, March 17. The House will consider the bill on Wednesday, March 18, under a rule that will waive all points of order and allow a separate vote on the Symms amendment to allow states to raise their speed limit on rural Interstates from 55 mph to 65 mph.

The logo for the Eno Center for Transportation, featuring the word "Eno" in a large, bold, blue sans-serif font.The logo for the Eno Center for Transportation, featuring the text "Center for Transportation" in a white sans-serif font on a blue rectangular background.



DEMONSTRATION PROJECTS

CONFERENCE AGREEMENT

There would be an annual authorization of \$286 million for 83 discretionary projects, \$178 million would be new money outside the obligation limitation, and \$107 million to be taken from discretionary fund accounts which would be within the obligation limit.

In addition, the States or locals would have to put up 20% of the project costs or \$71 million.

	<u>Annual Cost</u>	<u>Life of Bill</u> <u>5 years</u>
New Authorization (Outside Obligation Limit)	\$178M	\$ 890M
From Discretionary Funds (Under Obligation Limit)	\$107M	\$ 540M
State or Local Funds	\$ <u>71M</u>	\$ <u>360M</u>
Total Cost	\$356M	\$1,790B
Federal Cost	\$286M	\$1,430B

Total cost to complete "Demonstration Projects" is nearly \$4B.  
(They will not have been completed in the 5-year bill)

Under the conference Report, 47 states will receive less in federal highway apportionments than they received in 1986 and 41 states will receive less in federal highway apportionments than they would have received under the Senate-passed highway bill. These losses of federal apportionments are to "pay" for the "demonstration" and other special interest projects.

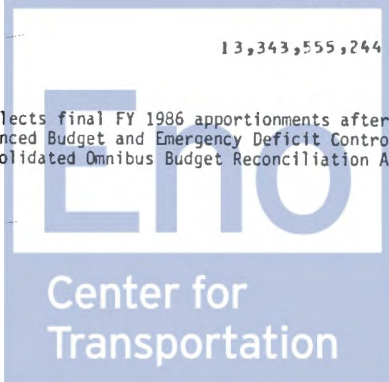


COMPARISON OF FY 1986 APPORTIONMENTS TO  
FY 1987 APPORTIONMENTS BASED ON CONFERENCE REPORT

GRAND TOTAL

STATE	FY 1986 ACTUAL APPORTIONMENTS*	ESTIMATED FY 1987 APPORTIONMENTS (CONFERENCE REPORT)	DIFFERENCE
ALABAMA	248,090,233	255,028,000	6,937,767
ALASKA	165,007,492	152,022,000	12,985,492- ✓
ARIZONA	179,993,658	146,079,000	32,914,658- ✓
ARKANSAS	134,715,377	123,383,000	11,332,377- ✓
CALIFORNIA	1,085,731,655	952,736,000	132,995,655- ✓
COLORADO	208,530,405	184,764,000	23,766,405- ✓
CONNECTICUT	287,275,254	271,101,000	16,174,254- ✓
DELAWARE	56,319,509	48,531,000	7,788,509- ✓
FLORIDA	549,417,510	422,365,000	126,052,510- ✓
GEORGIA	352,502,577	319,279,000	33,223,577- ✓
HAWAII	125,864,290	133,358,000	7,493,710
IDAH0	93,917,726	83,405,000	10,512,726- ✓
ILLINOIS	454,858,919	366,416,000	88,442,919- ✓
INDIANA	276,829,289	250,164,000	26,665,289- ✓
ICWA	193,392,782	163,944,000	29,448,782- ✓
KANSAS	166,852,354	142,013,000	24,839,354- ✓
KENTUCKY	225,197,369	162,900,000	62,297,369- ✓
LOUISIANA	346,127,823	257,300,000	88,827,823- ✓
MAINE	64,244,786	56,196,000	8,048,786- ✓
MARYLAND	303,875,475	272,859,000	28,016,475- ✓
MASSACHUSETTS	312,449,934	528,472,000	216,022,066
MICHIGAN	339,194,027	312,525,000	26,669,027- ✓
MINNESOTA	258,502,492	204,666,000	53,836,492- ✓
MISSISSIPPI	138,801,210	126,763,000	12,038,210- ✓
MISSOURI	269,376,133	249,709,000	19,667,133- ✓
MONTANA	119,460,906	106,852,000	12,608,906- ✓
NEBRASKA	119,757,875	101,867,000	17,890,875- ✓
NEVADA	80,145,763	70,377,000	9,768,763- ✓
NEW HAMPSHIRE	63,471,654	53,359,000	10,112,654- ✓
NEW JERSEY	383,493,164	312,667,000	70,826,164- ✓
NEW MEXICO	116,138,899	102,786,000	13,352,899- ✓
NEW YORK	932,399,818	627,443,000	204,956,818- ✓
NORTH CAROLINA	311,437,201	288,573,000	22,864,201- ✓
NORTH DAKOTA	84,650,815	72,796,000	11,854,815- ✓
OHIO	476,778,497	415,384,000	60,894,497- ✓
OKLAHOMA	207,657,779	189,470,000	18,187,779- ✓
OREGON	153,752,280	126,221,000	27,531,280- ✓
PENNSYLVANIA	557,408,023	499,014,000	58,394,023- ✓
RHODE ISLAND	118,580,046	100,866,000	17,714,046- ✓
SOUTH CAROLINA	169,791,172	147,799,000	21,992,172- ✓
SOUTH DAKOTA	91,706,462	80,765,000	10,941,462- ✓
TENNESSEE	264,753,743	241,405,000	23,348,743- ✓
TEXAS	919,728,895	847,164,000	72,564,895- ✓
UTAH	149,198,694	112,260,000	36,938,694- ✓
VERMONT	60,955,504	51,728,000	9,227,504- ✓
VIRGINIA	341,687,742	238,067,000	103,620,742- ✓
WASHINGTON	327,980,243	258,164,000	69,816,243- ✓
WEST VIRGINIA	114,268,289	105,661,000	8,607,289- ✓
WISCONSIN	215,035,702	193,535,000	21,500,702- ✓
WYOMING	91,924,432	79,813,000	12,111,432- ✓
DIST. OF COL.	73,957,228	82,241,000	8,283,772
PUEBLO RICO	65,865,139	61,331,000	4,495,139- ✓
TOTAL	13,343,555,244	11,753,636,000	1,589,919,244-

\*Reflects final FY 1986 apportionments after adjustments for the  
Balanced Budget and Emergency Deficit Control Act of 1985 and the  
Consolidated Omnibus Budget Reconciliation Act of 1985



U. S. DEPARTMENT OF TRANSPORTATION  
 FEDERAL HIGHWAY ADMINISTRATION

COMPARISON OF FY 1967 ESTIMATED APPORTIONMENTS UNDER  
 CONFERENCE REPORT AND UNDER SENATE PASSED BILL

STATE	SENATE PASSED BILL	CONFERENCE REPORT	DIFFERENCE
ALABAMA	279,560,000	255,028,000	24,532,000-
ALASKA	154,761,000	152,022,000	2,719,000-
ARIZONA	144,252,000	146,079,000	1,827,000
ARKANSAS	137,509,000	123,383,000	14,126,000-
CALIFORNIA	969,798,000	952,736,000	16,062,000-
COLORADO	195,564,000	184,764,000	11,800,000-
CONNECTICUT	272,742,000	271,101,000	1,641,000-
DELAWARE	50,726,000	48,531,000	2,195,000-
FLORIDA	427,503,000	422,365,000	5,138,000-
GEORGIA	340,787,000	319,279,000	21,508,000-
HAWAII	154,683,000	133,358,000	21,325,000-
IDAHO	90,349,000	83,405,000	6,944,000-
ILLINOIS	364,689,000	366,416,000	1,727,000
INDIANA	279,973,000	250,164,000	29,809,000-
IOWA	163,309,000	163,944,000	635,000
KANSAS	144,154,000	142,013,000	2,141,000-
KENTUCKY	179,160,000	162,900,000	16,260,000-
LOUISIANA	281,374,000	257,300,000	24,074,000-
MAINE	61,516,000	56,196,000	5,320,000-
MARYLAND	285,591,000	272,859,000	12,732,000-
MASSACHUSETTS	373,523,000	528,472,000	154,949,000
MICHIGAN	301,479,000	312,525,000	11,046,000
MINNESOTA	219,235,000	204,666,000	14,569,000-
MISSISSIPPI	140,512,000	126,763,000	13,749,000-
MISSOURI	263,594,000	249,709,000	13,885,000-
MONTANA	110,201,000	106,852,000	3,349,000-
NEBRASKA	134,404,000	101,867,000	2,537,000-
NEVADA	72,612,000	70,377,000	2,235,000-
NEW HAMPSHIRE	55,218,000	53,359,000	1,859,000-
NEW JERSEY	328,890,000	312,667,000	14,223,000-
NEW MEXICO	106,520,000	102,786,000	3,734,000-
NEW YORK	604,985,000	627,443,000	22,458,000
NORTH CAROLINA	320,907,000	288,573,000	32,334,000-
NORTH DAKOTA	75,947,000	72,796,000	3,151,000-
OHIO	463,632,000	415,384,000	48,248,000-
OKLAHOMA	177,075,000	169,470,000	12,395,000
OREGON	131,091,000	126,221,000	4,870,000-
PENNSYLVANIA	523,833,000	499,014,000	24,869,000-
RHODE ISLAND	96,456,000	100,866,000	4,410,000
SOUTH CAROLINA	127,036,000	147,799,000	20,763,000
SOUTH DAKOTA	84,160,000	80,765,000	3,395,000-
TENNESSEE	268,250,000	241,405,000	26,845,000-
TEXAS	944,943,000	847,164,000	97,784,000-
UTAH	122,942,000	112,260,000	10,682,000-
VERMONT	53,795,000	51,728,000	2,067,000-
VIRGINIA	254,490,000	238,067,000	16,423,000-
WASHINGTON	283,223,000	258,164,000	25,059,000-
WEST VIRGINIA	105,997,000	105,661,000	336,000-
WISCONSIN	215,227,000	193,535,000	21,692,000-
WYOMING	83,467,000	79,813,000	3,654,000-
Dist. of Col.	85,606,000	82,241,000	6,365,000-
Puerto Rico	62,003,000	61,381,000	622,000-
TOTAL	12,145,288,000	11,753,636,000	391,652,000-



Project	Sponsor	Cost	50% COST	SENATE PROJECTS	HOUSE PROJECTS	TOTAL	Estimated Ultimate Cost
✓ (1) Passaic, NJ	Roe	\$50	25	20	5	25	76.0
✓ (2) Brick Twp, NJ	Howard	20	10	-	10	10	13.2
✓ (3) Johnstown, PA	Murtha	12	6	-	5.5	5.5	60.0
✓ (4) Ft. Smith, AR	Hammerschmidt	8.5	4.25	-	4.25	4.25	8.5
✓ (5) Minnesota	Stangeland	5	2.5	2.5	-	2.5	3.5
✓ (6) Ky. Rte. 22	Snyder	20.5	10.25	-	-	-	20.5
✓ (7) Ontario, CA	G. Brown	38	19	-	14.5	14.5	38.0
✓ (8) Altoona, PA	Shuster	90	45	-	45	45	90.0
✓ (9) Louisiana	Breaux	40	20	3	-	3	343.1
✓ (10) Miami, FL	Pepper	10.3	5.15	-	5.15	5.15	500.0
✓ (11) Arkansas	Hammerschmidt	45	22.5	20	2.5	22.5	185.0
✓ (11) Missouri	Taylor	45	22.5	-	22.5	22.5	190.0
✓ (12) Sanford, FL	Howard	14	7	-	7	7	74.5
✓ (13) San Jose, CA	Mineta	29	14.5	-	14.5	14.5	29.0
✓ (14) Georgetown Univ.	Oberstar	8	4	-	4	4	200.0
✓ (15) Compton, CA	Dymally	8.5	4.25	-	3.75	3.75	8.5
✓ (16) Modesta, CA	Coelho	14	7	-	6.5	6.5	14.3
✓ (17) Columbia, MO	Volkmer	12	6	-	5.5	5.5	263.0
✓ (18) East Milton, MA	Donnelly	3.5	1.75	-	1.75	1.75	30.0
✓ (19) Foley, AL	(Edwards) Callahan	21	10.5	10.5	-	10.5	
✓ (20) Wilder, KY	Snyder	9	4.5	-	4.5	4.5	
✓ (21) Illinois	Martin	5	2.5	-	1.5	1.5	
✓ (22) Allentown, PA	Ritter	6	3	3	-	3	
✓ (23) Riverside, CA	McCandless	9	4.5	-	4.0	4.0	
✓ (24) Buffalo, NY	Nowak	12.5	6.25	-	6.25	6.25	
✓ (25) Cleveland, OH	Oakar	9	4.5	-	4.0	4.0	
✓ (26) Patton Is., AL	Flippo	16	8	-	7.5	7.5	
✓ (27) Fort Clinton, OH	Latta	15	7.5	-	10	10	
✓ (28) Chicago, IL	Rostenkowski	12	6	-	6	6	
✓ (29) Wayne Co., MI	Ford/Dingell	3.9	1.95	-	1.1	1.1	
✓ (30) Cook Co., IL	Lipinski/Russo Annunzio	13.085	6.54	-	6.04	6.04	
✓ (31) Kansas City, MO	Wheat	15	7.5	7.5	-	7.5	
✓ (32) Mt. Vernon, KY	Rogers	16	8	-	7	7	
✓ (33) Pine City, NM	Oberstar	2.6	1.3	1.3	-	1.3	
✓ (34) Paso Robles, CA	Thomas	4.1	2.05	-	1.55	1.55	
✓ (35) Suffolk Co., NY	Downey	9.75	4.875	4	.875	4.875	

Project	Sponsor	Cost	50% cost	Senate	HOUSE	TOTAL
✓(36) Connecticut	Johnson	3.85	1.925		1.925	1.925
✓(37) Dover Twp., NJ	Howard	2	1		1	1
✓(38) Los Angeles, CA	Anderson	74	37		37	37
✓(39) Pittsburgh, PA	Gaydos/Kolter Murtha/Walgren Murphy/Coyne	5.5	2.75	2.75		2.75
✓(40) Steuben Co., NY	Lundine	9	4.5	4.0		4.0
✓(41) Santa Rosa, CA	Bosco	10.5	5.25		5.25	5.25
✓(41) Healdsburg, CA	Boxer	25	12.5		12.0	12.0
✓(42) Voyagers Nt. Pk, MN	Oberstar	4.53	2.265		2.265	2.265
✓(43) Savannah, GA	Thomas	54	27	20.0	13.25	33.25
✓(44) New Swickly Tp., PA	Kolter	13.4	6.7		6.7	6.7
✓(45) Croyle Twp, PA	Murtha	.72	.36		.36	.36
✓(46) Lawrence, MA	Atkins	4	2		2	2
✓(47) Baton Rouge, LA	Breaux	15	7.5		5.4	5.4
✓(48) Minden, LA	Breaux	.75	.375	375		.375
✓(49) Anaheim, CA	Dannemeyer/ Dorman	.9	.45		.45	.45
✓(50) Isle of Palms, SC	Hartnett/ Derrick	10	5	-	-	-
✓(51) Clarksville, TN	Sundquist	5	2.5	2.5		2.5
✓(52) Clarinda, IA	Lightfoot	9	4.5		4.5	4.5
✓(53) San Diego, CA	Packard	12	6		9.4	9.4
✓(54) St. Charles Co., MD	Young	13	6.5	6.5		6.5
✓(55) Jonesboro Byp., AR	Alexander	13.3	6.65		6.15	6.15
✓(56) Illinois	Gray	1.958	.979		.979	.979
✓(57) Concord, CA	G. Miller	5	2.5		2.0	2.0
✓(58) Georgia	Gingrich	20	10		12.5	12.5
✓(59) Pike Co., KY	Perkins	15	7.5		7.5	7.5
✓(60) Madison Co., IL	Price	2.2	1.1		1.1	1.1
✓(61) Erwin, TN	Quillen	20	10		10	10
✓(62) New River, WV	Rahall	17.6	8.8	8.8		8.8
✓(63) Kittanning- Brookville, PA	Clinger	10	5		5	5
✓(64) Aurora-Hoyt Lakes Silver Bay, MN	Oberstar	1.5	.75		.75	.75
✓(65) Kanawha Co., WV	Wise	2	1		1	1
✓(66) Roanoke Snd., NC	W. Jones	20	10		9	9
✓(67) Lincoln, IL	Michel	35	17.5		17	17
✓(68) Sparks, NV	Reid	8	4	5.25		5.25

Project	Sponsor	Cost	50% COST	Senate	House	TOTAL
✓(69)	Burbank, CA Moorhead	7	3.5		3	3
✓(70)	El Segundo, CA Packard	3	1.5		1.5	1.5
✓(71)	Alameda Cnty, CA Stark	9	4.5		4.0	4.0
✓(72)	Douglas Cnty, KS Slattery	10	5		4.5	4.5
✓(73)	Chadville, PA Murphy	10	5		4.5	4.5
✓(74)	Chambersburg, PA Shuster	5	2.5	2.5	3	3.5
✓(75)	Beaumont, TX Brooks	6	3		3	3
✓(76)	St. Louis Cnty, MN Oberstar	1	0.5		0.5	0.5
✓(77)	Gloucester Cnty, VA Bateman	5	2.5		2.0	2.0
✓(78)	Arcola, TX DeLay	5	2.5		1.5	1.5
✓(79)	Hammond, IN Visclosky	5.63	2.815		2.815	2.815
✓(80)	Erie County, NY Kemp/LaFalce	10	5	4		4
✓(81)	Tampa, FL Gibbons	.4	.2	6.85		6.85
→(82)	Loysburg, PA Shuster	5.5	2.75		2.75	2.75
✓(83)	Pine Bluff, Ark. Hammerschmidt	2	1		1	1
<b>GRAND TOTAL</b>		<b>1100.47</b>	<b>590.48</b>	<b>135.33</b>	<b>423.26</b>	<b>558.58</b>
					1/2% ALLOCATION	21.45
					HOUSE TOTAL	444.71





EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET

ASSOCIATE DIRECTOR  
FOR LEGISLATIVE AFFAIRS

Mary Ann

Attached is a list of Demonstration  
projects contained in HR 2 per  
Will's request.

Steve



Top Ten Highway Demonstration Projects  
in the Conference Bill  
(\$ in millions)

<u>Location</u>	<u>Project</u>	<u>Federal Cost in Bill</u>	<u>Total Project Cost</u>
Miami, FL	Tunnel to Dodge Island	5.15	500
South Carolina	Construction of Myrtle Beach Connector	20.0	440
Lafayette, LA	Extension of I49	3.0	344
Columbia, MO	Adding 2 lanes to 106-mile route between Columbia and Lancaster	5.5	263
Washington, D.C.	Improved access to Georgetown University	4.0	200
Missouri	Accelerate construction of U.S. 71	22.5	190
Arkansas	Construction on U.S. 71	22.5	185
Suffolk County New York	Upgrade Sunrise Highway	4.8	150
Lincoln, IL	Construct Route 121 between Lincoln and Morton	17.0	130
Riverside, CA	Safety improvements on Route 86	4.0	120

**Eno**

Center for  
Transportation





EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

*file*

MAR 17 1987

MEMORANDUM FOR WILLIAM L. BALL, III  
THROUGH: Carol T. Crawford *CTC*  
FROM: Kathy Collins/Irene Loftus  
SUBJECT: Status of Highway/Transit Conference Agreement

H.R. 2 contains the following titles: Federal highway, highway safety, mass transit, and revenue titles. Another title amends the Uniform Relocation Act.

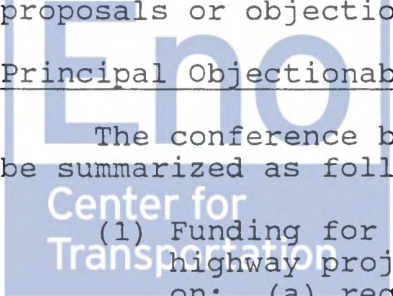
The highway and transit provisions are, of course, most critical. Authorizations for most highway and transit programs expired on September 30, 1986. No new funding is currently available for highway or transit programs other than funds provided in the Continuing Resolution for Washington Metro construction and transit formula grants (including operating subsidies). States are running out of money (in the past six months they have been spending uncommitted balances of prior year appropriations), and they face the onset of the highway construction season without new funding authority. There consequently will be substantial pressure from States and the highway construction lobby for Presidential approval of H.R. 2 (which reauthorizes these programs for five years) when it reaches the President's desk. Proponents of the bill are likely to stress that construction-related jobs will be jeopardized if the bill is not signed.

A copy of the conference report is not available. Moreover, agreement on total spending levels is subject to negotiation with the Senate Budget Committee. Based on information currently on hand, however, it is clear that the conference agreement does not satisfy the Administration's major objections previously detailed in "Statements of Administration Policy" provided the House and the Senate and in letters to the conferees from DOT and OMB. The bill includes only minimal accommodations to Administration proposals or objections.

Principal Objectionable Provisions

The conference bill's principal objectionable features may be summarized as follows:

- (1) Funding for numerous special interest transit and highway projects. For example, conferees have agreed on: (a) requiring DOT to provide up to \$870 million in discretionary transit funding for the L.A. Metrorail project; (b) increasing the Federal costs to complete

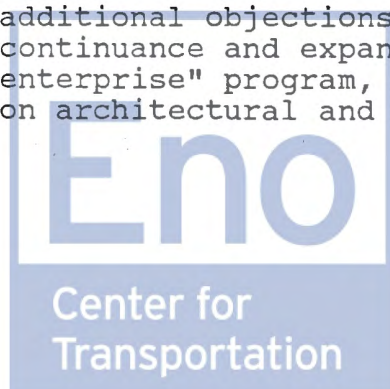


the Interstate System by \$1.1 billion with the addition of two Boston projects; and (c) Federal spending of \$1.425 billion over five years for so-called "demonstration" projects, of which \$890 million is not subject to spending controls (i.e., the annual obligation limitation). This funding is to be divided evenly between Senate and House identified projects. Regarding these "demonstrations", only 20 percent State matching funds are required, no hearing record has been established, and none of the Federal funding would be deducted from States' regular highway allocations. (A portion of the Secretary's discretionary highway funds would cover 30 percent of the projects' costs during the five-year authorization bill.)

- (2) Excessive authorization levels, especially for mass transit. Although final figures are not available, transit authorizations may approximate \$17.8 billion over five years (compared with \$8.7 billion requested by the Administration).
- (3) Continuation of inequitable and inappropriate allocation of transit trust funds (generated by the transit share of the fuel taxes) to relatively few cities. The conference bill would also continue to fund discretionary grants (used to fund new starts) and operating subsidies, both of which the Administration had proposed to curtail sharply.
- (4) Existing domestic content requirements for mass transit projects would be expanded from 50 to 60 percent by the end of the authorization period, and new restrictions would be applied to the purchase of foreign-made buses and railcars.

In addition, the bill does not repeal current exemptions from the fuel taxes -- as proposed by the Administration -- for gasohol, bus operators, and State and local governments. Repeal would have resulted in additional Highway Trust Fund revenues of \$3.5 billion over five years.

Should the bill become enrolled, there will be numerous additional objections cited by individual agencies (e.g., continuance and expansion of the "disadvantaged business enterprise" program, and restrictions on accepting the lowest bid on architectural and engineering contracts).



Accommodations to Administration Position.

By contrast, there were few accommodations to Administration proposals. The most noteworthy accommodations include:

- (1) Elimination of a House provision permitting the application of State and local anti-apartheid provisions to federally-funded highway and transit contracts.
- (2) Addition of a provision permitting a combination of Federal highway and toll funding for seven construction projects in at least five States.
- (3) Creation of a pilot highway block grant program covering five States (the Administration had proposed a block grant program covering all 50 States).
- (4) The conferees' agreement to let the House vote on the provision in the Senate bill which would raise the speed limit to 65 miles per hour on rural Interstate highways. If adopted, the provision would be included in the conference report.

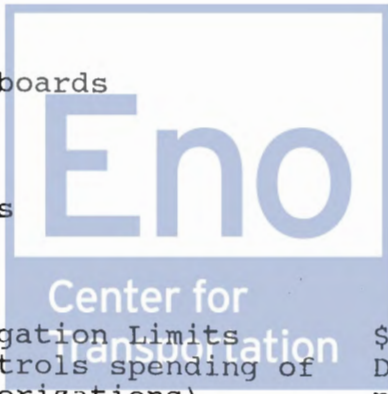
Attached are tables detailing how provisions of the House, Senate, and Conference versions of H.R. 2 compare with the Administration's position on significant issues.

Attachments



Highways

<u>Item</u>	<u>Admin. Position</u>	<u>H.R. 2</u>	<u>S. 387</u>	<u>Conference</u>
5-yr. Authorizations	\$68.0B	\$69.5B	\$65.4B	\$68.8B (tentative)
Delta from Pres. Budget	--	+\$1.5B	-\$2.0B	+\$0.8B
Authorization Period	1987-90	1987-91	1987-90	1987-91
Gas Tax Exemption Receipts	+\$3.5B	--	--	--
Interstate/Primary Block	\$8.16B/yr.	--	\$8.15B/yr.	Keep separate programs
Urban/Secondary Block	All States	--	10-State Demo	5-State Demonstration
Demo Projects (Pork)				
~ Number	--	99	98	156+ (negotiable)
~ Federal Cost in Bill	--	\$1.2B	No new funds	\$1.4B
~ Potential Add'l Fed. Costs	--	--	--	\$6.5B+ (estimate)
Boston Interstate Projects				
~ Add'l Total Costs	--	\$3.3B	--	\$3.3B
~ Add'l Federal Costs	--	\$1.8B	--	\$1.1B
55 m.p.h.	--	--	65 m.p.h. on Rural Interstates	House to vote on Senate provision.
Buy America	Support Senate bill	Restricts cement imports	Raises Buy America threshold to \$500K	Drop both provisions
Billboards	No change	Caps billboard # and sanctions States for non-compliance	No change	No change.
Tolls	Support Senate bill	No change	Allow tolls with Federal-highway funds.	Allow tolls with Federal-highway funds in at least 5 States.
Obligation Limits (Controls spending of authorizations)	\$12.787B/yr. Demo projects not exempt.	\$12.6B annually. Exempts demo projects and provides bonus ob. limit.	\$12.35B/year. Demo projects not exempt.	\$12.6B (tentative). Demo projects partially exempt, \$150M bonus exempt.



Transit (excluding WMATA)

<u>Item</u>	<u>Admin. Position</u>	<u>H.R. 2</u>	<u>S. 387</u>	<u>Conference</u>
5-yr. Authorizations Delta from Pres. Budget --	\$8.7B --	\$20.7B +\$12.0B	\$16.2B +\$7.5B	About \$17.8B +\$9.1B.
Authorization Period	1987-90	1987-91	1987-90	1987-91
General Fund Approps. (except WMATA)	Eliminates (beginning 1988)	Continues general fund approps.	Continues general fund approps.	Continues general fund.
Trust Fund Allocation	Distribute by formula.	Discretionary -- benefitting few cities.	Allows some to be distributed by formula.	\$100-\$200M/yr. distributed by formula.
Multi-year Contracts	No provision. Cannot obligate beyond budget yr.	Intent to allow advance obligation of funds for outyears	No provision.	No provision.
Private Sector	Increases competition.	Prohibits level of private participation.	No provision.	No provision.
New Starts	Eliminates in 1988.	Continues.	Continues.	Continues.
Rulemaking	No provision.	No provision.	Mandates excessive rulemaking.	Mandates some rulemaking.
Labor Protection	Repeal 13c labor protection.	Keeps 13c but cannot prohibit contracting out.	No provision.	No provision.
Buy America	No provision.	Increases domestic content from 50% to 85%.	No provision.	Increases domestic content to 60% by bill's end.
Los Angeles Metro -- (primarily 4.4-Mile Second Phase).	No provision.	Mandates an \$870M contract.	Mandates contract; no dollar specifications.	Mandates contract and funds up to \$870M.

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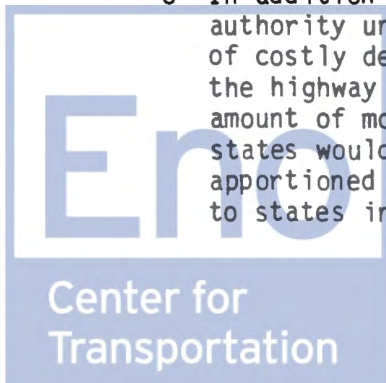
**STATE-BY-STATE COMPARISON:  
CONFERENCE REPORT VS. SENATE-PASSED BILL (S.387)**

House and Senate conferees have completed negotiations on a \$87 billion highway, highway safety and transit reauthorization bill. Under the highway title of the bill, the Department of Transportation estimates that:

- o 41 states will receive lower apportionments under the conference report than under the Senate-passed bill, S.387.
- o This difference in apportionments translates into a loss to states of \$391.7 million annually, or \$1.96 billion over the five year life of the legislation. Broken down by state, the losses over 5 years are as follows:

Alabama	\$122.5 million	Nevada	\$ 11 million
Alaska	13.5 million	New Hampshire	9.5 million
Arkansas	70.5 million	New Jersey	71 million
California	80.5 million	New Mexico	18.5 million
Colorado	59 million	North Carolina	161.5 million
Connecticut	8 million	North Dakota	16 million
Delaware	11 million	Ohio	241 million
Florida	25.5 million	Oregon	24.5 million
Georgia	107.5 million	Pennsylvania	149.5 million
Hawaii	106.5 million	South Dakota	17 million
Idaho	34.5 million	Tennessee	134 million
Indiana	149 million	Texas	489 million
Kansas	10.5 million	Utah	53.5 million
Kentucky	81.5 million	Vermont	10.5 million
Louisiana	120.5 million	Virginia	82 million
Maine	26.5 million	Washington	125.5 million
Maryland	63.5 million	West Virginia	1.7 million
Minnesota	73 million	Wisconsin	108.5 million
Mississippi	68.5 million	Wyoming	18 million
Missouri	69.5 million	Dist. of Columbia	32 million
Montana	16.5 million	Puerto Rico	3.1 million
Nebraska	12.5 million		

- o In addition to lower apportionment levels, states lose spending authority under the conference agreement. Because of the inclusion of costly demonstration projects, conferees were forced to lower the highway program obligation ceiling to compensate for the large amount of money outside the obligation ceiling. Consequently, states would be allowed to spend only 95 cents of every dollar apportioned to them because of the lower ceiling. Thus, the losses to states in formula funds noted above would increase.



THE WHITE HOUSE

WASHINGTON

March 18, 1987

MEMORANDUM FOR WILLIAM L. BALL, III

THROUGH: ALAN M. KRANOWITZ *AKK*  
FROM: HENRY M. GANDY *HMG*  
SUBJECT: Votes on Highway Conference Report

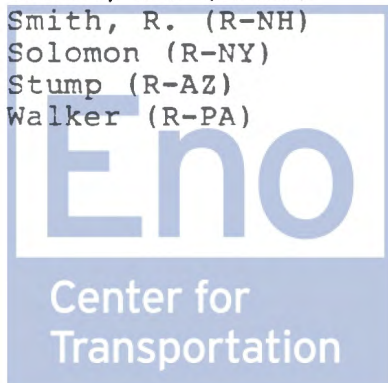
Motion to Recommit  
(without instructions)  
(25-401)

Passage of Conference  
Report (407-17)

Armey (R-TX)  
Badham (R-CA)  
Brown (R-CO)  
Cheney (R-WY)  
Coble (R-MC)  
Crane (R-IL)  
Dreier (R-CA)  
Gregg (R-NH)  
Herger (R-CA)  
Hunter (R-CA)  
Hyde (R-IL)  
Inhofe (R-OK)  
Kyl (R-AZ)  
Lagomarsino (R-CA)  
Lukens (R-OH)  
Lungren (R-CA)  
Mack (R-FL)  
McMillan (R-NC)  
Sensenbrenner (R-WI)  
Shumway (R-CA)  
Smith, D. (R-OR)  
Smith, R. (R-NH)  
Solomon (R-NY)  
Stump (R-AZ)  
Walker (R-PA)

Brown (R-CO)  
Buechner (R-MO)  
Crane (R-IL)  
Dreier (R-CA)  
Gregg (R-NH)  
Herger (R-CA)  
Lagomarsino (R-CA)  
Lungren (R-CA)  
Mack (R-FL)  
Sensenbrenner (R-WI)  
Shumway (R-CA)  
Smith, D. (R-OR)  
Smith, R. (R-NH)  
Solomon (R-NY)  
Stump (R-AZ)  
Walker (R-PA)

Williams (D-MT)



THE WHITE HOUSE  
WASHINGTON

~~Will Fall~~

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*fyi*  
*JCB*

March 18, 1987

TO: ~~SENATOR BAKER~~

FROM: ~~JIM CANNON~~

Senator Wilson called to urge the President NOT to veto the Highway Bill. Senators Stevens, Heinz, D'Amato, Cohen all add that RR would be ill-advised to veto. Budget reasons do not apply, Wilson insists, the veto would be only a symbolic act.

Eno

Center for  
Transportation



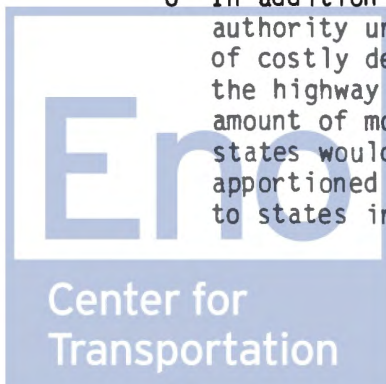
**STATE-BY-STATE COMPARISON:  
CONFERENCE REPORT VS. SENATE-PASSED BILL (S.387)**

House and Senate conferees have completed negotiations on a \$87 billion highway, highway safety and transit reauthorization bill. Under the highway title of the bill, the Department of Transportation estimates that:

- o 41 states will receive lower apportionments under the conference report than under the Senate-passed bill, S.387.
- o This difference in apportionments translates into a loss to states of \$391.7 million annually, or \$1.96 billion over the five year life of the legislation. Broken down by state, the losses over 5 years are as follows:

Alabama	\$122.5 million	Nevada	\$ 11 million
Alaska	13.5 million	New Hampshire	9.5 million
Arkansas	70.5 million	New Jersey	71 million
California	80.5 million	New Mexico	18.5 million
Colorado	59 million	North Carolina	161.5 million
Connecticut	8 million	North Dakota	16 million
Delaware	11 million	Ohio	241 million
Florida	25.5 million	Oregon	24.5 million
Georgia	107.5 million	Pennsylvania	149.5 million
Hawaii	106.5 million	South Dakota	17 million
Idaho	34.5 million	Tennessee	134 million
Indiana	149 million	Texas	489 million
Kansas	10.5 million	Utah	53.5 million
Kentucky	81.5 million	Vermont	10.5 million
Louisiana	120.5 million	Virginia	82 million
Maine	26.5 million	Washington	125.5 million
Maryland	63.5 million	West Virginia	1.7 million
Minnesota	73 million	Wisconsin	108.5 million
Mississippi	68.5 million	Wyoming	18 million
Missouri	69.5 million	Dist. of Columbia	32 million
Montana	16.5 million	Puerto Rico	3.1 million
Nebraska	12.5 million		

- o In addition to lower apportionment levels, states lose spending authority under the conference agreement. Because of the inclusion of costly demonstration projects, conferees were forced to lower the highway program obligation ceiling to compensate for the large amount of money outside the obligation ceiling. Consequently, states would be allowed to spend only 95 cents of every dollar apportioned to them because of the lower ceiling. Thus, the losses to states in formula funds noted above would increase.



LOCATION		DATE	
THE WHITE HOUSE WASHINGTON, D.C.		MARCH 19, 1987	
IN	OUT	PHONE	ACTIVITY
7:35			The President had breakfast.
9:00			The President went to the Oval Office. Enroute, he met in the hallway with his Physician, Dr. John E. Hutton, Jr.
9:05	9:37		The President met with: George H. Bush, Vice President Howard H. Baker, Jr., Chief of Staff
9:37	10:06		The President met for a national security briefing with: Vice President Bush Frank C. Carlucci, Assistant for National Security Affairs Colin L. Powell, Deputy Assistant for National Security Affairs Mr. Baker
10:06	10:08		The President met with: Vice President Bush Mr. Baker
10:42	10:43		The President met with Mr. Baker.
10:49	11:06		The President met with Dr. Hutton.
12:01	12:45		The President had lunch with Vice President Bush in the Oval Office study.
1:59			The President went to the White House Theatre. He was accompanied by Mr. Baker.
1:59	3:33		The President participated in a pre-news conference briefing with senior White House staff. For a list of attendees, see <u>APPENDIX "A."</u>
2:08		R	The President was telephoned by his son, Michael E. Reagan. The call was not completed.
3:35			The President returned to the second floor Residence.
4:18		R	The President was telephoned by Michael Reagan. The First Lady took the call.
4:53		R	The President was telephoned by Paul Laxalt,

(continued)

## LOCATION

THE WHITE HOUSE  
WASHINGTON, D.C.

## DATE

MARCH 19, 1987

## TIME

4:53 p.m. THURSDAY

IN	OUT	PHONE	ACTIVITY
			former Senator (R-Nevada). The First Lady took the call.
6:45			The President and the First Lady had dinner.
7:42	7:48		The President met with: Nancy Reagan, The First Lady Mr. Baker Thomas Griscom, Member of the Chief of Staff's Transition Team Marlin Fitzwater, Assistant for Press Relations
7:48			The President went to the Old Family Dining Room.
7:48	8:00		The President met with senior White House staff.
8:00			The President went to the East Room.
8:00	8:36		The President participated in his 40th Press Conference. The President's remarks were broadcast live over nationwide radio and television. Members of the press.
8:23		R	The President was telephoned by Charles Z. Wick, Director of the U.S. Information Agency (USIA). The call was not completed.
8:36			The President returned to the Old Family Dining Room.
8:36	8:38		The President met briefly with senior White House staff.
8:37		R	The President was telephoned by Secretary of Agriculture Richard E. Lyng. The call was not completed.
8:38			The President returned to the second floor Residence.
8:43	8:44	R	The President talked with Secretary of State George P. Shultz.
8:58	8:59	R	The President talked with Vice President Bush.
9:03	9:05	R	The President talked with William French Smith, (continued)

## LOCATION

THE WHITE HOUSE  
WASHINGTON, D.C.

## DATE

MARCH 19, 1987

## TIME

9:03 p.m. THURSDAY

IN	OUT	PHONE	ACTIVITY
			attorney with Gibson, Dunn and Crutcher law firm, Los Angeles, California.
9:25	9:26	R	The President talked with Senator Robert J. Dole (R-Kansas).
9:26		R	The President was telephoned by Representative Bill Emerson (R-Missouri). The call was not completed.
10:28			The President retired.



Center for  
Transportation

THE WHITE HOUSE

WASHINGTON

March 19, 1987

Dear Jim:

I am writing to express my grave concerns with the conference agreement on the bill (H.R. 2) which reauthorizes highway and transit programs. While I strongly support the House and Senate efforts to allow States to raise the speed limit to 65 m.p.h. on rural Interstate highways, overall the measure is seriously flawed.

It is distressing that Congress would turn legislation needed to meet nationwide highway and transit needs into a vehicle for special interest projects such as the Boston Central Artery project. I strongly object to the unprecedented provisions in the bill that would provide extra Federal funds for 152 so-called "highway demonstration" projects. If special interest projects are authorized, they should, at most, be funded from within States' regular allocation of highway funds, as the Senate bill proposed. States, not Congress, should determine their highway needs and priorities.

I am equally concerned, that despite our mutual interest in controlling Federal spending, the bill provides excessive funding levels for mass transit programs. Over five years, the bill would exceed my request by \$9.1 billion. We simply cannot afford these expenditures at a time when we are struggling so valiantly to reduce the deficit. This excessive spending is further aggravated by provisions in the conference agreement that continue to distribute transit trust funds unfairly to fewer than 20 cities, such as the Los Angeles Metro System. Moreover, these funds are earmarked for "new starts", transit systems that are often not economically viable.

Eno

Center for  
Transportation

-2-

If this bill is presented to me in its current form, I will return it to the Congress without my signature.

Sincerely,

*Ronald Reagan*

The Honorable Jim Wright  
Speaker of the  
House of Representatives  
Washington, D.C. 20515



## SENATE RECORD VOTE ANALYSIS

100th Congress  
1st Session  
March 19, 1987, 5:28 p.m.  
Page S-3497 Temp. Record  
Vote No. 33

### HIGHWAY BILL/Conference Report

#### SUBJECT:

Federal-Aid Highway Act of 1987 . . . H.R. 2. Agreeing to the conference report.

### CONFERENCE REPORT AGREED TO, 79 - 17

#### SYNOPSIS:

Pertinent votes on this legislation include Nos. 13-18, 20-21, 35, 42, and 50-60. As reported by the conferees and agreed to by the Senate, H.R. 2 authorizes approximately \$70 billion for construction of highways, for highway safety programs and for mass transportation programs, and improves the Relocation Assistance Programs through FY 1991 (except for interstate construction and emergency relief, which are extended through FY 1992). Of the total, the major allocations include: --\$55 billion for FY's 1987-92 to complete and repair the 42,500-mile interstate highway system, for interstate substitute projects, and for other federal highway programs; and --\$17.7 billion for mass transit, including \$6.2 billion for Urban Mass Transit Administration grants from the mass transit account of the Highway Trust Fund and \$11.5 billion for mass transit formula grants from general appropriations. Specifically, the conference report includes provisions to: -- Set a \$12.6 billion annual obligation ceiling for highway construction and repair programs, and extend current highway excise taxes through 1993; --Retain the current formula for allocation of interstate repair money and the current separate interstate and primary programs; --Authorize 100 Senate and House demonstration projects, estimated to cost \$1.8 billion over five years. The projects will be funded as follows: 50% by federal funds (\$176 million annually) outside the \$12.6 billion overall obligational cap, 30% by DOT discretionary funds, and 20% by State funds. -- Drop "Buy America" provisions from the Senate and House bills; and --Delete the House provision that capped the number of billboards permitted along federal highways.

#### DEBATE:

Those favoring the conference report contended: The nation has now gone 170 days, nearly one-half of a year, without a highway program. We need to act quickly,

otherwise there will be severe and prolonged disruptions in the construction and repair of our highway system and in our economy overall. According to a recent study by the Road Improvement Program (TRIP), the loss of each \$1 billion in highway spending results in the loss of 41,600 jobs throughout the economy. The American Association of State Highway and Transportation Officials (AASHTO) found in a January survey that 767 highway projects valued at \$1.1 billion have already been lost to the 1987 construction season. This legislation will provide sufficient money to complete the interstate system by 1992. Until that time, all States will participate in the interstate construction program by receiving a one-half percent minimum. If a State has completed its portion of the interstate system, it can use these funds first for interstate 4R projects and then for other projects on the federal-aid system. The report offers States an opportunity for additional flexibility in construction program funding. The agreement permits a limited pilot program with 7 States participating in a toll financing procedure. This conference report also contains a mechanism to guarantee that interstate funds will be released to the State on October 1 of each year. If Congress has not acted by October 1 to approve these cost estimates, the Secretary is directed to make certain administrative adjustments and release the money on October 1, thus ensuring a timely release of essential funds. The conference agreement also encourages the preservation of historic bridges. These bridges are an important part of our country's transportation history. In many cases they can still make an important contribution whether it is related to education, transportation, or economic development. An important new research initiative for more efficient road construction plans and methods is also included in this conference report. The Strategic Highway Research Program will be funded out of the States' apportionments at a level of approximately \$30 million per year for 5 years. This is not a perfect piece of legislation, but it is probably the best piece of legislation that we can put together at this time. Many Members, though voting for the conference report, expressed the following reservations: This conference report, though containing many praiseworthy provisions, includes certain policies that will send the highway program in the wrong direction. The highway program has been one of the most successful federal-aid programs because it has been a true State partnership. The federal government has provided funds in broad categories, and it has been the State and local governments which have determined which projects would receive them. This report, however provides for a large number of demonstration projects, which will simply stifle States' opportunities to determine where and when their money and federal money may be spent. These demonstration projects are often represented as additional funding above the regular programs. That is not the case, however. We have a limited amount of money available for the highway program. It is constrained by the amount of user fee revenues coming into the trust fund and by the spending limits of the budget resolution. We can either spend this money on demonstration projects or apportion it to the States through the regular program. Lastly, this bill is disappointing since it does not contain any measures to reform the Highway Beautification Act. In 1986 the Senate passed highway legislation by a vote of 99-0 that contained meaningful reforms to a program which now does nothing but protect the industry it is supposed to regulate. Those opposing the conference report contended: We need a



reasonable bill that allocates highway and transit funds among States. And while no bill addressing such a complex situation can please everyone, the Senate earlier produced such a reasonable bill. This conference report, though, is unacceptable. This bill creates excessive costs with its mass transit provision. It provides more than \$9.1 billion in excess of what the administration requested. We cannot and should not force feed these mass transit programs that very often should be undertaken by the local communities. Furthermore, in this mass transit program provision, States contribute to a general revenue fund for mass transit programs. Some States, however, are receiving less than 20 cents on the mass transit dollar. Not only is this unequal distribution unfair, but it is not fiscally responsible. This bill also contains 171 special interest, demonstration projects which most assuredly are not in the national interest. The projects will cost more than \$1.3 billion in federal funds over the next 5 years. They represent an outright assault on the highway trust fund by a greedy few. This conference report, furthermore, destroys the relationship that has been the cornerstone of the State/federal highway partnership for decades. Traditionally, Congress has developed funding formulas and approved appropriations. The States have always decided how, when, and where to use the money. That is proper; States are in the best position to do that function. In this report, though, Congress is setting road-building priorities with demonstration projects. The term "highway robbery" was never so appropriate as in describing this bill. Unfortunately, the victim is the taxpayer. For that reason, we should not support this conference report.

#### **VOTING YEA:**

##### **Republicans:**

(28 or 64%) Bond Boschwitz Chafee Cochran Cohen D'Amato Danforth Domenici Durenberger Grassley Hecht Karnes Kassebaum Kasten Lugar McCain McConnell Murkowski Packwood Pressler Quayle Specter Stafford Stevens Symms Thurmond Weicker Wilson

##### **Democrats:**

(51 or 98%) Adams Baucus Bentsen Bingaman Boren Bradley Breaux Bumpers Burdick Byrd Chiles Conrad Cranston Daschle DeConcini Dixon Dodd Exxon Ford Fowler Glenn Gore Graham Harkin Heflin Hollings Inouye Johnston Kennedy Kerry Lautenberg Leahy Levin Matsunaga Melcher Metzenbaum Mikulski Mitchell Moynihan Nunn Pell Proxmire Pryor Reid Riegle Rockefeller Sarbanes Sasser Shelby Stennis Wirth

#### **VOTING NAY:**

##### **Republicans:**

(16 or 36%) Dole Evans Garn Gramm Hatch Hatfield Helms Humphrey McClure Nickles Roth Rudman Simpson Tribble Wallop Warner

##### **Democrats:**

(1 or 2%) Sanford

**NOT VOTING:**

**Republicans:**

(2) Armstrong-2 Heinz-2AY

**Democrats:**

(2) Biden-2 Simon-2AY

ABSENCE CODE: 1-Official Business 2-Nec. absent 3-Illness 4-Other

Symbols: AY-Announced Yea AN-Announced Nay PY-Paired Yea PN-Paired Nay

**Compiled and written by the staff of the Republican Policy Committee**

**William L. Armstrong, Chairman**





EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

20 MAR 1981

MEMORANDUM FOR HOWARD BAKER  
CHIEF OF STAFF

THROUGH: James C. Miller III  
Director

FROM: Joseph R. Wright, Jr.  
Deputy Director

SUBJECT: Presidential Briefing on the Highway Conference Bill

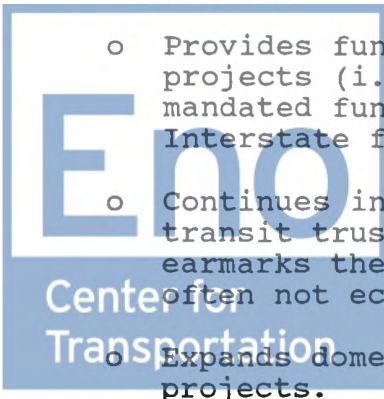
This memorandum describes the status of the conference bill and seeks the President's approval of a proposed alternative to be included in the concurrent resolution now pending in the Senate. (The concurrent resolution would correct the enrolled conference bill to reflect the contents of the concurrent resolution.)

Status of Conference Bill

- o The House passed the bill by a vote of 407 to 17 on Wednesday, March 18th. A provision to allow States to raise the speed limit to 65 m.p.h. on rural Interstate highways was passed separately as a concurrent resolution.
- o The Senate began consideration of the bill today, March 19th, and is expected to complete consideration on Friday, March 20th.

Description of Conference Bill

- o Authorizes \$87.5 billion over five years for highway, transit and safety programs, which is \$10.1 billion more than the Administration's budget proposal of \$77.4 billion.
- o Provides funding for special interest highway and transit projects (i.e., 170 highway "demonstration" projects, mandated funding for the Los Angeles Metrorail, and Interstate funding for two Boston projects).
- o Continues inequitable and inappropriate allocation of transit trust funds to relatively few cities, and earmarks them for "new starts," transit systems that are often not economically viable.
- o Expands domestic content requirements for transit projects.



Proposed Alternative

- o Eliminates special funding treatment for earmarked highway and transit projects and promotes a more equitable distribution of funds, especially for transit programs.
- o Provides more fiscally responsible spending levels by authorizing \$83 billion over five years compared to \$87.5 billion in the conference bill.
- o Avoids unnecessary expansion of domestic content requirements that could invite foreign retaliation against United States exports.

Decision

\_\_\_\_\_ Agree      \_\_\_\_\_ Disagree with alternative.

cc: Will Ball

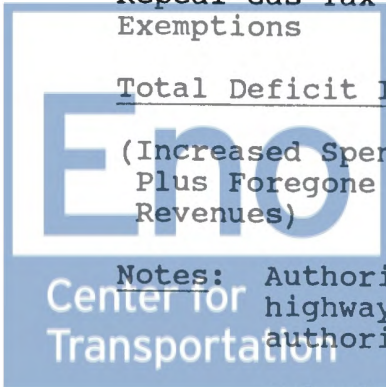


Highway/Transit Legislation  
 Comparison of Conference Bill and the Proposed Alternative  
 With the President's Budget  
 (\$ in billions)

<u>Authorizations</u>	<u>1987 - 1991</u>		<u>Pres. Budget</u>	<u>Delta from Pres. Budget</u>	
	<u>Conference</u>	<u>Alternative</u>		<u>Conference</u>	<u>Alternative</u>
Highways	68.8	66.0	68.0	+0.8	-2.0
Transit	17.8	16.1	8.7	+9.1	+7.4
Safety	<u>0.9</u>	<u>.9</u>	<u>0.7</u>	<u>+0.2</u>	<u>+.2</u>
Total	87.5	83.0	77.4	+10.1	+5.6
<u>Outlays</u>					
Highways	68.4	67.1	66.1	+2.3	+1.0
Transit	19.7	18.7	15.1	+4.6	+3.6
Safety	<u>0.9</u>	<u>.9</u>	<u>0.8</u>	<u>+0.1</u>	<u>+.1</u>
Total	89.0	86.7	82.0	+7.0	+4.7
<u>Receipts</u>					
Repeal Gas Tax Exemptions	--	--	-3.5	+3.5	+3.5
<u>Total Deficit Impact</u>					
(Increased Spending Plus Foregone Revenues)	--	--	--	+10.5	+8.2

Notes: Authorization legislation largely determines the level of annual spending because the highway program and a good portion of the transit program operate on contract authority which does not require appropriations to be obligated.

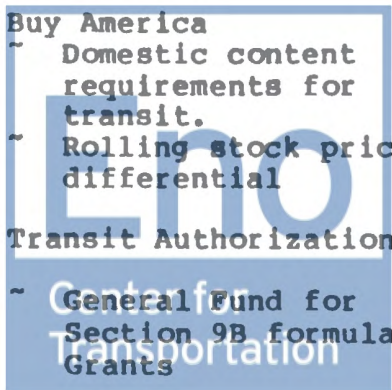
Calculations were made with preliminary conference information.



3/19/87 p.

Highway/Transit Legislation

Item	Conference Bill	Alternative
1. Authorizations (1987-91) ~ Highways ~ Transit	\$68.8B \$17.8B	\$66B (Senate-passed level) \$16.1B
2. Highway Demonstration	Over five years, provide \$1.42B in Federal funding, in addition to the States' allocation of highway funds and partially exempt from spending controls, for 152 projects. 18 projects are funded from within the States' allocation.	Fund all projects from the States' Federal-aid allocation, subject to the obligation limitation (i.e., treat all projects as "priority projects" as proposed in the Senate bill).
3. Boston Interstate Projects ~ Central Artery ~ Third Harbor Tunnel	Expands project scope beyond that currently eligible for Interstate highway funds. Adds \$1.1B to the Federal cost to complete the Interstate System.	Delete provision.
4. Los Angeles Metrorail ~ Multiyear contract for second phase.	Mandates \$870M contract.	Delete provision.
5. Buy America ~ Domestic content requirements for transit. ~ Rolling stock price differential	Increases from 50% to 60% over time.  Foreign rolling stock must be 25% cheaper than U.S. products.	Delete provision. Maintain current law.  Delete provision. Maintain 10% differential.
6. Transit Authorizations ~ General Fund for Section 9B formula Grants	1987 \$2.0B 1988 \$2.1B 1989 \$2.1B 1990 \$2.1B 1991 \$2.1B	\$2.0B \$1.9B \$1.8B \$1.4B \$1.2B



Item	Conference Bill	Alternative
~ Mass Transit Accounts Trust Funds	1987 \$1.096B 1988 \$1.200B 1989 \$1.250B 1990 \$1.300B 1991 \$1.400B	\$1.096B \$1.200B \$1.250B \$1.500B \$1.500B
7. Allocation of Mass Transit Account	Authorizations above \$1B would be available half to Section 3 discretionary and half to Section 9B Formula program.	Authorizations above \$.9B in 1988; \$.75B in 1989; \$.6B in 1990; and \$.4B in 1991 would be used for Section 9B Formula program.
8. Transit Matching Ratio	Maintains 25% local share for Discretionary Grants and 20% for Formula Grants.	Increase local share to 50%.

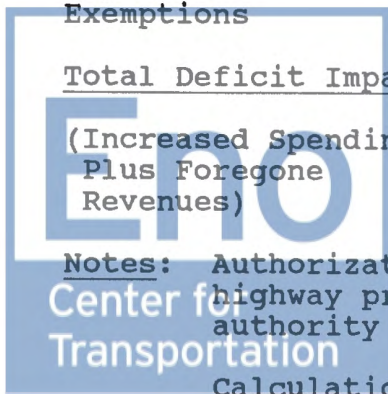


Highway/Transit Legislation  
 Comparison of Conference Bill and the Proposed Alternative  
 With the President's Budget  
 (\$ in billions)

<u>Authorizations</u>	<u>1987 - 1991</u>		<u>Pres. Budget</u>	<u>Delta from Pres. Budget</u>	
	<u>Conference</u>	<u>Alternative</u>		<u>Conference</u>	<u>Alternative</u>
Highways	68.8	66.0	68.0	+0.8	-2.0
Transit	17.8	16.1	8.7	+9.1	+7.4
Safety	<u>0.9</u>	<u>.9</u>	<u>0.7</u>	<u>+0.2</u>	<u>+2.2</u>
Total	87.5	83.0	77.4	+10.1	+5.6
<u>Outlays</u>					
Highways	68.4	67.1	66.1	+2.3	+1.0
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Safety	<u>0.9</u>	<u>.9</u>	<u>0.8</u>	<u>+0.1</u>	<u>+1.1</u>
Total	89.0	86.7	82.0	+7.0	+4.7
<u>Receipts</u>					
Repeal Gas Tax Exemptions	--	--	-3.5	+3.5	+3.5
<u>Total Deficit Impact</u>					
(Increased Spending Plus Foregone Revenues)	--	--	--	+10.5	+8.2

Notes: Authorization legislation largely determines the level of annual spending because the highway program and a good portion of the transit program operate on contract authority which does not require appropriations to be obligated.

Calculations were made with preliminary conference information.

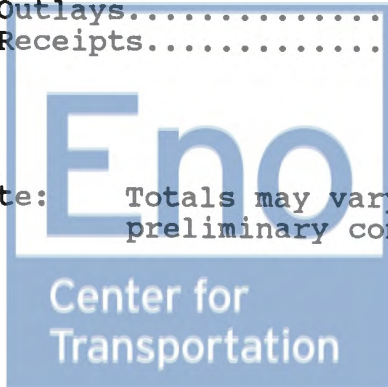




Total Highway/Transit and Safety Programs  
(in millions of dollars)

	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1987-91</u>
<b>President's Budget</b>						
Budget Authority.....	16,792	14,915	14,915	14,915	15,920	77,457
Outlays.....	16,423	16,076	17,156	16,451	15,861	81,967
Gas Tax Exemption Repeal.....	--	-822	-876	-884	-913	-3,495
<b>Conference Bill (H.R. 2)</b>						
Budget Authority.....	17,149	17,401	17,501	17,700	17,800	87,551
Outlays.....	16,724	17,799	18,306	18,220	17,879	88,928
Gas Tax Exemption Repeal.....	--	--	--	--	--	--
<b>Alternative</b>						
Budget Authority.....	16,835	16,691	16,641	16,491	16,291	82,949
Outlays.....	16,806	17,513	17,849	17,623	16,967	86,758
Gas Tax Exemption Repeal.....	--	--	--	--	--	--
<b><u>Delta from President's Budget</u></b>						
<b>Conference Bill (H.R. 2)</b>						
Budget Authority.....	+357	+2,482	+2,582	+2,781	+1,876	+10,078
Outlays.....	+302	+1,723	+1,150	+1,769	+2,018	+6,962
Receipts.....	--	+822	+876	+884	+913	+3,495
<b>Alternative</b>						
Budget Authority.....	+43	+1,776	+1,726	+1,576	+371	+5,492
Outlays.....	+383	+1,437	+693	+1,172	+1,106	+4,791
Receipts.....	--	+822	+876	+884	+913	+3,495

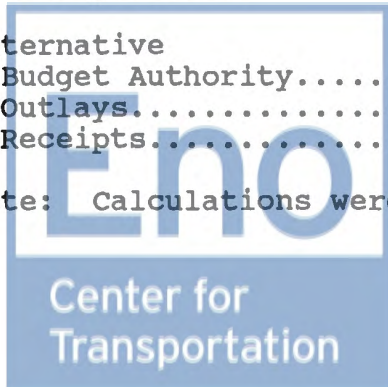
Note: Totals may vary slightly from comparison chart due to rounding. Calculations were made with preliminary conference information.



Highway Programs  
(in millions of dollars)

	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1987-91</u>
<b>President's Budget</b>						
Budget Authority.....	13,397	13,397	13,397	13,397	14,419	68,007
Outlays.....	12,508	12,744	13,776	13,501	13,591	66,120
Gas Tax Exemption Repeal.....	--	-779	-830	-838	-866	-3,313
<b>Conference Bill (H.R. 2)</b>						
Budget Authority.....	13,577	13,742	13,742	13,891	13,891	68,843
Outlays.....	12,794	14,065	13,977	13,779	13,774	68,389
Gas Tax Exemption Repeal.....	--	--	--	--	--	--
<b>Alternative</b>						
Budget Authority.....	13,263	13,182	13,182	13,182	13,182	65,991
Outlays.....	12,876	13,809	13,622	13,454	13,374	67,135
Gas Tax Exemption Repeal.....	--	--	--	--	--	--
<b><u>Delta from President's Budget</u></b>						
<b>Conference Bill</b>						
Budget Authority.....	+180	+345	+345	+494	-528	+836
Outlays.....	+286	+1,321	+201	+278	+183	+2,269
Receipts.....	--	+779	+830	+838	+866	+3,313
<b>Alternative</b>						
Budget Authority.....	-134	-215	-215	-215	-1,237	-2,016
Outlays.....	+368	+1,065	-154	-47	-217	+1,015
Receipts.....	--	+779	+830	+838	+866	+3,313

Note: Calculations were made with preliminary conference information.

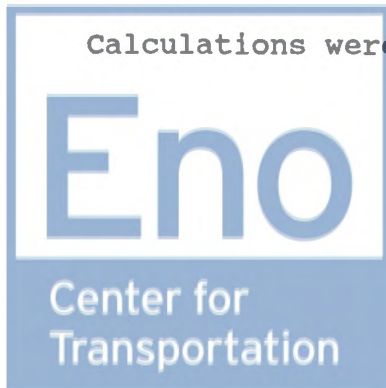


Highway Safety Programs  
(in millions of dollars)

	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1987-91</u>
<b>President's Budget</b>						
Budget Authority.....	144	144	144	144	144	720
Outlays.....	159	162	155	150	146	772
<b>Conference Bill (H.R. 2)</b>						
Budget Authority.....	225	159	159	159	159	861
Outlays.....	165	177	178	179	177	876
<b>Alternative</b>						
Budget Authority.....	225	159	159	159	159	861
Outlays.....	165	177	178	179	177	876
<b><u>Delta From President's Budget</u></b>						
<b>Conference Bill</b>						
Budget Authority.....	+81	+15	+15	+15	+15	+141
Outlays.....	+6	+15	+23	+29	+31	+104
<b>Alternative</b>						
Budget Authority.....	+81	+15	+15	+15	+15	+141
Outlays.....	+6	+15	+23	+29	+31	+104

Note: Repeal of the gas tax exemptions largely affects the highway and transit programs. Hence no receipts are shown on this table.

Calculations were made with preliminary conference information.



Mass Transit Programs  
(in millions of dollars)

	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1987-91</u>
<b>President's Budget</b>						
Budget Authority.....	3,251	1,374	1,374	1,374	1,357	8,730
Outlays.....	3,756	3,170	3,225	2,800	2,124	15,075
Gas Tax Exemption Repeal.....	--	-43	-46	-46	-47	-182
<b>Conference Bill (H.R. 2)</b>						
Budget Authority.....	3,347	3,500	3,600	3,650	3,750	17,847
Outlays.....	3,765	3,557	4,151	4,262	3,928	19,663
Gas Tax Exemption Repeal.....	--	--	--	--	--	--
<b>Alternative</b>						
Budget Authority.....	3,347	3,350	3,300	3,150	2,950	16,097
Outlays.....	3,765	3,527	4,049	3,990	3,416	18,747
Gas Tax Exemption Repeal.....	--	--	--	--	--	--
<b><u>Delta from President's Budget</u></b>						
<b>Conference Bill (H.R. 2)</b>						
Budget Authority.....	+96	+2,126	+2,226	+2,276	+2,393	+9,117
Outlays.....	+10	+387	+926	+1,462	+1,804	+4,589
Receipts .....	--	+43	+46	+46	+47	+182
<b>Alternative</b>						
Budget Authority.....	+96	+1976	+1926	+1776	+1593	+7367
Outlays.....	+9	+357	+824	+1190	+1292	+3672
Receipts .....	--	+43	+46	+46	+47	+182

Note: Calculations were made with preliminary conference information.

**Eno**

Center for  
Transportation

J. DENNIS HASTERT  
14TH DISTRICT, ILLINOIS

COMMITTEE ON PUBLIC WORKS  
AND TRANSPORTATION

COMMITTEE ON GOVERNMENT  
OPERATIONS



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**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515**

March 20, 1987

President Ronald Reagan  
1600 Pennsylvania Avenue  
Washington, D.C. 20500

Dear Mr. President:

As a new member of the Illinois Congressional delegation serving on the House Committee on Public Works, I urge you not to veto the Surface Transportation Act (H.R. 2).

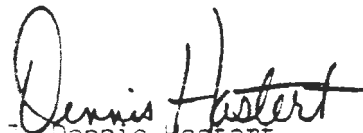
As you know, the 99th Congress adjourned without passing legislation to extend the federal highway-transit programs which expired on October 1. I am extremely concerned about the precarious situation this has created for the State of Illinois.

Illinois is hit especially hard because its past efficient use of federal funds has resulted in a very low carry-over balance, the lowest among all states in relation to its annual funding levels. Our state has already virtually exhausted federal funds for the vital interstate construction, interstate transfer and bridge repair programs.

If no new bill is enacted by the end of March, Illinois' situation will become critical. 80 percent of federal-aid highway projects in the state's 1987 program are at risk and a substantial number of the nearly 20,000 construction jobs generated by the Illinois highway program will not be realized without quick approval of the legislation. Your efforts on behalf of this critical objective will be greatly appreciated.

Thank you for your assistance.

Sincerely,

  
J. Dennis Hastert  
Member of Congress





U.S. Department of  
Transportation  
Office of the Secretary  
of Transportation

Assistant Secretary  
for Governmental Affairs

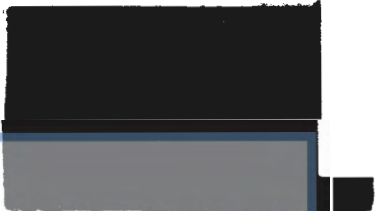
*file  
for  
Highway*

Harry —

Here's a draft. It does not mention specific laws — because we don't know them for sure and I think it would be tougher to get signatures if we push the \$ aspect.

*collar -* Thanks.

Rebecca



Dear Mr. President:

Almost half of this fiscal year has already expired, and the one consistent message we hear from throughout the country is, "We need a highway bill. Now!"

The Senate has recognized that an efficient highway system is essential to us all. Last fall the Senate passed the highway reauthorization bill without a single dissenting vote; last month it again endorsed that legislation by a vote of 96 to 2. The Senate has continued its tradition of supporting what is undoubtedly the most successful Federal/State program ever conceived, one that has been supported by all segments of the public and your Administration. That support, coupled with the overwhelming Senate votes, gave us confidence that a satisfactory compromise could be reached with the House.

Unfortunately, our conferees have not been able to resolve parochial interests to the benefit of our national well-being. Instead, they have produced a patchwork of misguided initiatives, special interest projects, and program requirements that would further diminish the abilities of State governments to manage their highway programs prudently, subjecting them instead to the whims of the Federal Government.

Perhaps the worst feature of this legislation is that, instead of serving the Nation as a whole, it has been designed to support special projects in selected political jurisdictions. Funding of those special projects would require diversions from other vital programs and require States to spend their own funds on projects not necessarily of their own choosing.

Similarly, in the transit area, this legislation would provide an inequitable distribution of funds from the Mass Transit Account, favoring less than 20 cities, with a considerable portion going to just one specific city. We believe more emphasis should be placed on utilizing revenue generated by users for transit requirements in all states.

Despite constant cautions that the evolving compromise was seriously flawed and unacceptable to the Administration, House conferees refused to yield, believing that the dozens of specially funded projects would generate sufficient political strength to force acceptance of the total package; rationalizing, also, that never before in history has a President had the courage to veto important highway legislation. Never before, of course, has so bad a highway bill been proposed.

This proposed legislation seriously disrupts the cooperative Federal/State relationship which has been the backbone of the Federal highway program. If Congressional intrusion into the administration of highway programs is permitted to continue,

rational planning, establishment of priorities, and even engineering details will be taken from the hands of State transportation professionals and left to the vagaries of expedient political decisions. Such is not in the interest of our Nation.

Many individuals have long sought sensible changes to the national 55 MPH speed limit. We know you support those changes. As you know, this will be resolved separately and this may be an important feature of the legislation that reaches your desk. However, regardless of the outcome of the House vote on the speed limit, this Conference Report remains fatally flawed.

Our Nation is great because of State governments working in concert with the President and the Congress. This legislation, as it stands, works to the detriment of our common concerns and thus should be vetoed.

We in the Senate stand ready to sustain your veto. And we stand ready to work with other Members of Congress to immediately resume negotiations with the other body to develop highway and transit legislation which truly serves our national well-being.

Respectfully yours,





Office of the Republican Leader  
United States House of Representatives  
Washington, DC 20515

March 20, 1987

The Honorable Ronald Reagan  
The White House  
Washington, D.C. 20500

Dear Mr. President:

I have received your letter of March 19 in which you indicated you would not sign the Highway Bill in the form agreed to by the House-Senate Conference Committee.

I would hope that you can reconsider your position in this regard. I do not make such a request lightly, but early enactment of this bill is essential to this year's highway construction season. The states must go through the process of getting bids before construction can begin, which takes time, and the longer we delay providing the necessary spending authority, the more we cut into the construction season. The result will be more unemployment and a weakening of the economy.

I should point out that the current year budget authority for the highway portion of the bill is actually a billion dollars below last year's level. Furthermore this is trust fund monies for which a majority of us voted to raise the gasoline tax by five cents a gallon for the expressed purpose of improving our highway transportation system.

As far as the mass transit section is concerned, I share your concern over the funding level in this regard, but this is an item we can deal with through the appropriations process.

A veto of this bill will surely put me personally between a "rock and a hard place", and I just have to tell you that, Mr. President, in the hope you will reconsider the points outlined in your letter.

With expressions of highest personal esteem,

Eno

Center for  
Transportation

RHM:khk

Sincerely,



Bob Michel  
Republican Leader

this morning. He said, "It is inaccurate." I said to him, "It raises the question, sir, whether someone within the administration has deliberately misled the Senate and led Senators to vote in ways they might not otherwise have voted because of inaccurate information passed out without the authority of the Federal Administrator." I said to Mr. Barnhart, "I regard that as a grave matter. I would wish you to inquire into it with the utmost urgency, and it is not at an end." However, Mr. President, the time to vote is at hand. I yield the floor.

Mr. BYRD. Mr. President, upon the disposition of this matter today, there will be no further rollcall votes. In other words, this will be the last rollcall vote.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the resolution. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. STAFFORD (when his name was called). Mr. President, on this vote I have a live pair with the junior Senator from Vermont [Mr. LEAHY]. If he were present, he would vote "aye." If I were allowed to vote, I would vote "nay." Therefore, I withhold my vote.

Mr. LEVIN (after voting in the negative). Mr. President, on this vote I have a pair with the distinguished junior Senator from New Mexico [Mr. BINGAMAN]. If he were present and voting, he would vote "aye." If I were at liberty to vote, I would vote "nay." I withdraw my vote.

Mr. CRANSTON. I announce that the Senator from Delaware [Mr. BIDEN], the Senator from New Mexico [Mr. BINGAMAN], the Senator from Florida [Mr. CHILES], the Senator from Illinois [Mr. DIXON], the Senator from Kentucky [Mr. FORD], the Senator from Hawaii [Mr. INOUE], the Senator from Vermont [Mr. LEAHY], the Senator from Ohio [Mr. METZENBAUM], the Senator from Arkansas [Mr. PRYOR], and the Senator from North Carolina [Mr. SANFORD] are necessarily absent.

I further announce that, if present and voting, the Senator from Arkansas [Mr. PRYOR] would vote "yea."

I further announce that, if present and voting, the Senator from Illinois [Mr. DIXON] would vote "nay."

Mr. SIMPSON. I announce that the Senator from Colorado [Mr. ARMSTRONG], the Senator from Missouri [Mr. DANFORTH], the Senator from Utah [Mr. GARN], the Senator from Iowa [Mr. GRASSLEY], the Senator from Pennsylvania [Mr. HEINZ], the Senator from Indiana [Mr. QUAYLE], and the Senator from Wyoming [Mr. WALLOP] are necessarily absent.

On this vote, the Senator from Pennsylvania [Mr. HEINZ] is paired with the Senator from Wyoming [Mr. WALLOP].

If present and voting, the Senator from Pennsylvania would vote "nay" and the Senator from Wyoming would vote "yea."

I further announce that, if present and voting, the Senator from Utah [Mr. GARN] would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 60, nays 21, as follows:

[Rollcall Vote No. 35 Leg.]

YEAS—60

Baucus	Fowler	McConnell
Bentsen	Gore	Melcher
Bond	Graham	Moynihan
Boren	Gramm	Murkowski
Bradley	Harkin	Nickles
Breaux	Hatch	Nunn
Bumpers	Hecht	Pressler
Burdick	Heflin	Reid
Byrd	Helms	Riegle
Cochran	Humphrey	Rockefeller
Conrad	Johnston	Rudman
Cranston	Karnes	Sasser
D'Amato	Kassebaum	Shelby
Daschle	Kasten	Simpson
DeConcini	Kennedy	Stennis
Dodd	Kerry	Stevens
Dole	Lugar	Symms
Domenici	Matsunaga	Thurmond
Durenberger	McCain	Wilson
Exon	McClure	Wirth

NAYS—21

Adams	Hollings	Roth
Boschwitz	Lautenberg	Sarbanes
Chafee	Mikulski	Simon
Cohen	Mitchell	Specter
Evans	Packwood	Tribble
Glenn	Pell	Warner
Hatfield	Proxmire	Welcker

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—2

Stafford, against  
Levin, against

NOT VOTING—17

Armstrong	Ford	Metzenbaum
Biden	Garn	Pryor
Bingaman	Grassley	Quayle
Chiles	Heinz	Sanford
Danforth	Inouye	Wallop
Dixon	Leahy	

So the concurrent resolution (H. Con. Res. 77) was agreed to.

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

HIGHWAY ALLOCATION AND APPORTIONMENT

Mr. MITCHELL. Mr. President, yesterday the administration circulated a package of material regarding highway funding to each Senate office, each State Department of Transportation, and each Governor's office. That material was highly misleading and, in many respects, inaccurate.

Mr. MOYNIHAN. Mr. President, with great respect, I make the point of order that the Senate is not in order and an important statement is being made.

The PRESIDING OFFICER. The point is well taken. The Senate is not in order. The Senate will be in order.

The Senator from Maine.

Mr. MITCHELL. Mr. President, I repeat that: The material circulated regarding the highway funding bill by the administration yesterday in the Senate was highly misleading and, in many respects, inaccurate.

During the debate on the bill, in obvious reliance on the misleading information supplied by the administration, some Senators made inaccurate statements and even may have been induced to vote against the bill. The Senate has been misled. The RECORD must be set straight.

The first chart circulated by the administration, entitled "State-by-State Comparison," says that the States would lose \$391 million in apportionments from the Senate bill in fiscal year 1987. That is a highly misleading half truth.

There are two ways in which highway funds are dispersed to the States. The first method is by apportionment—that is by formula. The second method is by allocation—that is, by application which must meet certain standards. While it is true that the States would receive somewhat less in apportionments, they would receive much more in allocations. In fact, the conference report provides \$752.2 million more in allocations than does the Senate bill.

Overall, there is some \$337.1 million more in budget authority in the conference report compared to the Senate bill. So while apportionments may be a slight percentage less, allocations are a much larger percentage higher. And the net effect is the exact opposite of the document that was circulated by the administration yesterday. There are good policy reasons why the conference committee redistributed some of the funds between apportionments and allocations. One difference is that the conference committee made a policy decision to spend more money in interstate 4R allocations rather than interstate 4R apportionments, because the consensus was that this would be more practical. For those not on the committee, and not familiar with the details of highway programs, interstate 4R provides funds for resurfacing, restoring, rehabilitating, and reconstructing the Interstate System. Because a number of States have completed their Interstate Systems and because other States have expensive interstate sections yet to complete, a policy decision was made that a top priority of the conference report should be to complete the interstate; by formula alone, an adequate amount of money per State is not always available for that purpose. Therefore, the conference committee took \$185 million from apportionments which are

dispersed by formula, and increased that amount by \$15 million so that in total \$200 million would be available in interstate 4R allocations, which States would apply for based on need. So, to say States are losing funds in that program simply is inaccurate.

That same chart says that over 5 years the States would lose \$1.96 billion in apportionments. The Federal Highway Administration itself has refuted this statement. It is simply not possible to accurately determine the amount of funds the States will receive in apportionments over a 5-year period, into the future. This is true because apportionments are formulas and while a formula may remain the same, the manner in which it is distributed will not. For instance, in the Interstate Construction Program, funds are apportioned to States to finish their interstate. Nearly 25 States have finished and those States receive the minimum assurance of one-half of 1 percent of the interstate funds. It is accurate to say that those States will receive a constant amount over the next 5 years. However, as each State works to complete its Interstate System, it is impossible to predict the amount of money they will need or receive from 1 year to the next. The formula is based on what a particular State needs, what other States completing the interstate need, and how much money is available for all States. These factors are constantly changing. I repeat, the Federal Highway Administration itself has said that calculating what a State would either gain or lose over the next 5 years, as this chart circulated by the administration purports to do, is not possible.

I ask unanimous consent that both the administration's table entitled "State-by-State" losses and the Federal Highway Administration table entitled, "Increases and Decreases in Fiscal Year 1987 Apportionments and Allocations" be printed in the RECORD.

Mr. MOYNIHAN. Will the Senator yield for a question?

Mr. MITCHELL. Yes.

Mr. MOYNIHAN. Did he not mean the table "State-by-State Comparison"?

Mr. MITCHELL. Yes, that is correct, the State-by-State comparison. I thank the Senator.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATE-BY-STATE COMPARISON: CONFERENCE REPORT VS. SENATE-PASSED BILL (S. 387)

House and Senate conferees have completed negotiations on a \$87 billion highway safety and transit reauthorization bill. Under the highway title of the bill, the Department of Transportation estimates that: 41 states will receive lower apportionments under the conference report than under the Senate-passed bill, S. 387.

This difference in apportionments translates into a loss to states of \$391.7 million annually, or \$1.96 billion over the five year life of the legislation. Broken down by state, the losses over 5 years are as follows:

	Millions
Alabama	\$122.5
Alaska	13.5
Arkansas	70.5
California	80.5
Colorado	59.0
Connecticut	8.0
Delaware	11.0
Florida	25.5
Georgia	107.5
Hawaii	106.5
Idaho	34.5
Indiana	149.0
Kansas	10.5
Kentucky	81.5
Louisiana	120.5
Maine	26.5
Maryland	63.5
Minnesota	73.0
Mississippi	68.5
Missouri	69.5
Montana	16.5
Nebraska	12.5
Nevada	11.0
New Hampshire	9.5
New Jersey	71.0
New Mexico	18.5
North Carolina	161.5
North Dakota	16.0
Ohio	241.0
Oregon	24.5
Pennsylvania	149.5
South Dakota	17.0
Tennessee	134.0
Texas	489.0
Utah	53.5
Vermont	10.5
Virginia	82.0
Washington	125.5
West Virginia	1.7
Wisconsin	108.5
Wyoming	18.0
District of Columbia	32.0
Puerto Rico	3.1

In addition to lower apportionment levels, states lose spending authority under the conference agreement. Because of the inclusion of costly demonstration projects, conferees were forced to lower the highway program obligation ceiling to compensate

for the large amount of money outside the obligation ceiling. Consequently, states would be allowed to spend only 95 cents of every dollar apportioned to them because of the lower ceiling. Thus, the losses to states in formula funds noted above would increase.

U.S. Department of Transportation, Federal Highway Administration, comparison of increases and decreases in fiscal year 1987 apportionments and allocations in conference bill over Senate passed bill

A. Decreases in apportioned funds:

Interstate construction	300,000,000
Interstate 4R	185,000,000
Hazard elimination	5,000,000
Rail-highway	15,000,000
Minimum allocation	70,539,342
<b>Subtotal</b>	<b>575,539,342</b>

B. Increases in apportioned funds:

Bridge replacement and rehabilitation	105,000,000
Interstate substitution	67,500,000
Primary	25,000,000
<b>Subtotal</b>	<b>197,500,000</b>

C. Increases in allocated funds:

Interstate discretionary	300,000,000
Interstate 4R	200,000,000
Interstate substitution	22,500,000
Forest highways	5,000,000
Indian reservation roads	5,000,000
Demonstration projects	178,000,000
Railroad relocation demo	15,000,000
Studies	1,720,000
Bridge discretionary	25,000,000
<b>Subtotal</b>	<b>752,220,000</b>

D. Decreases in allocated funds:

Public lands	10,000,000
Parkways and park roads	15,000,000
Territorial program	12,000,000
<b>Subtotal</b>	<b>37,000,000</b>

Net increase in conference bill 337,180,658

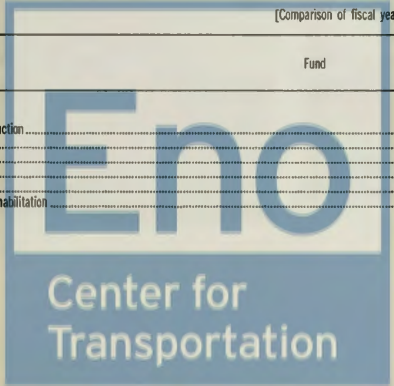
Mr. MITCHELL. Mr. President, in addition, I ask unanimous consent to have printed in the RECORD another table which I received this morning from the Federal Highway Administration which shows that there is actually \$337.1 million more in budget authority to be disbursed to the States in the conference bill compared to the Senate bill.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF TRANSPORTATION, FEDERAL HIGHWAY ADMINISTRATION

[Comparison of fiscal year 1987 authorizations in Senate-passed bill and conference bill]

Fund	Senate-passed bill	Conference bill	Conference bill provides more or less (-)
Interstate/primary:			
Interstate construction	3,000,000,000	3,000,000,000	0
Interstate 4R	2,800,000,000	2,815,000,000	15,000,000
Primary	2,350,000,000	2,375,000,000	25,000,000
Urban system	750,000,000	750,000,000	
Secondary	600,000,000	600,000,000	
Bridge replacement/rehabilitation	1,500,000,000	1,630,000,000	130,000,000



## U.S. DEPARTMENT OF TRANSPORTATION, FEDERAL HIGHWAY ADMINISTRATION—Continued

[Comparison of fiscal year 1987 authorizations in Senate-passed bill and conference bill]

Fund	Senate-passed bill	Conference bill	Conference bill provides more or less (—)
Rail-highway.....	175,000,000	160,000,000	(15,000,000)
Hazard elimination.....	175,000,000	170,000,000	(5,000,000)
Minimum apportionment.....	795,815,342	725,276,000	(70,539,342)
Interstate substitution.....	487,500,000	555,000,000	67,500,000
Interstate substitution—discussion.....	152,500,000	185,000,000	22,500,000
Section 402 safety—FHWA.....	10,000,000	10,000,000	—
Emergency relief.....	100,000,000	100,000,000	—
Federal lands:			
Forest highways.....	50,000,000	55,000,000	5,000,000
Public highways.....	50,000,000	40,000,000	(10,000,000)
Indian reservation roads.....	75,000,000	80,000,000	5,000,000
Park roads and parkways.....	75,000,000	60,000,000	(15,000,000)
Territorial highway program:			
American Samoa.....	1,000,000	—	(1,000,000)
Guam.....	5,000,000	—	(5,000,000)
Northern Mariana Islands.....	1,000,000	—	(1,000,000)
Virgin Islands.....	5,000,000	—	(5,000,000)
Research and development (Section 403/307).....	10,000,000	10,000,000	—
Subtotal.....	13,177,815,342	13,320,276,000	142,460,658
Allocations:			
Motor vehicle study.....	500,000	500,000	—
Rail-highway crossings study.....	600,000	600,000	—
Demonstration projects.....	—	178,000,000	178,000,000
Highway electric system—CA.....	—	970,000	970,000
Highway upgrade cost study.....	—	650,000	650,000
Feasibility study—CA.....	—	100,000	100,000
Waste transportation—NM (GF).....	58,000,000	58,000,000	—
Railroad relocation demonstration.....	—	15,000,000	15,000,000
Subtotal.....	59,100,000	253,820,000	194,720,000
Grand total.....	13,236,915,342	13,574,096,000	337,180,658

<sup>1</sup> Includes primary minimum.

Mr. MITCHELL. Mr. President, this chart shows that the conference report actually provides \$15 million more in funds for interstate 4R for a total of \$2.815 billion. The conference report maintains the Senate-approved level of \$3 billion for interstate construction. The conference report includes \$25 million more for primary funds for a total of \$2.375 billion. Urban and secondary funds remain the same at \$750 million and \$600 million respectively. There is an additional \$130 million in funds in the conference report for bridge replacement and rehabilitation for a total of \$1.63 billion. Sixty-seven million dollars more is in the conference report for interstate substitution programs, which is very important to the States because the program provides funds for substitute highway projects which result from decisions to withdraw interstate routes and replace them with other types of Federal aid projects. Forest highways and Indian reservation roads also gain under the conference report each by \$5 million so that \$55 million will be allocated to forest highways and \$80 million will be allocated to Indian reservation roads. These programs too, are very important to the States. There are many more differences, but the bottom line is that the conference report provides \$337.1 million more in budget authority.

Time and time again, the administration has threatened to veto this highway bill because of the amount allocated to demonstration projects. It should be noted that this amount is \$178 million a year, or less than 1 percent of the funding in the bill. Now,

the administration is trying to make the argument that the apportionments to the States are reduced because of the funds provided for the demonstration projects. And, based on the administration's statement, several Senators made that same statement here on the Senate floor. It is an untrue and inaccurate statement.

The money for the demonstration projects does not affect apportionments. I repeat: The money for demonstration projects does not affect apportionments. The demonstration projects are funded in part with \$178 million in new budget authority. This is money that would not be apportioned. Another 30 percent comes from the Secretary's discretionary fund. This also is money that would not be apportioned. This money is allocated based on application and by criteria. So in this instance, the Congress has earmarked a portion of those discretionary funds for allocation to the States. This is money on top of what they would ordinarily get by way of apportionment. So to say that the demonstration money reduces the amount of apportioned money is simply wrong. The discretionary money is in addition to the apportionments, it does not reduce them.

I hope that we have clarified here today some of the inaccuracies circulating from the administration. I continue to believe that the conference agreement is a sound compromise and I urge all my colleagues to defeat any proposed amendments to the concurrent resolution which could jeopardize the work achieved in the conference report approved yesterday.

Mr. President, I conclude by saying that there is legitimate reason for a difference of opinion on this bill. Senators, in good faith and for good reasons, can disagree with it. It is not necessary for the administration to present inaccurate and misleading information. The Senate is entitled to accuracy in the information it receives from the executive branch so that the judgments in the Senate can be based on facts, not on inaccuracies.

Mr. President, I yield the floor.

Mr. MOYNIHAN. Mr. President, I rise to agree most emphatically with the statements of Senator MITCHELL, former U.S. district judge, a man of unquestioned integrity and a meticulous concern for process.

As I said earlier today, the arrival of this anonymous, unsigned, undated document was presented to us yesterday by the minority leader, who was given it and accepted it in good faith, I am sure. I do not question his faith in any way. However, he was given misleading information. I had great difficulty believing that the administrator of the Federal Highway Administration, Mr. Ray Barnhart from Texas, would deliberately mislead the Senate. So I asked him to come. I think perhaps he was already here. But I asked to see him. I was told he was here. We met in the Vice President's office.

I said, "Sir, where did this piece of paper come from?" I met in the presence of some of our senior staff officers, so that they would understand what happened. He said to me, "The first time I saw this piece of paper was this morning." I remind the distinguished presiding officer that this was

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Center for  
Transportation

information that was passed about this Chamber yesterday afternoon. I said, "Is it so?" He said, "It is not accurate." He said, "This is an inaccurate statement of the facts." I said, "In other words, someone has deliberately set about or if not deliberately, has in any event caused the U.S. Senate to be given misleading information? And that may have led U.S. Senators to vote other than they would have done."

Mr. President, that is an unacceptable act by this administration. Do they not understand the integrity of this body depends on a relationship of trust with respect to elemental things such as apportionment of the Federal programs?

I told Mr. Barnhart that I must have the name of the person responsible within 48 hours or I would find it not possible to do other than hold him responsible. Given the fact I hope to be able to withdraw this statement, I have been given to understand the present indications are that this arose from the Congressional Liaison Office of the Department of Transportation. That may be quite wrong. I am just told that is presently the case. If it is true, then the persons responsible must be discharged, not simply from their present duties but from the Federal service.

You may not lie to the U.S. Senate. How many administrations will we have to see disabled in succession before this fact is clear? I do not propose to see immunity granted to this person. I propose to see this person disappear.

There is a Constitution in this country and there are jails in this country, and there is such a thing as honor and dishonor in this country. Anyone, who for the purpose of picking up a few votes on a bill of serious, plain demeanor, would mislead the Senate—cause the minority leader to come on to the floor with the information that the Federal Highway Administrator said today he has never seen and which is not accurate—should be censured and is worthy of contempt.

I ask you, Mr. President, what do they have to learn in order to be persuaded to tell the truth? Is this an administration beyond recall? Do they come here and mislead us on matters of such plain import and open purpose? Is there anything left?

I wish I were not speaking so strongly, but I feel yet more intensely.

I thank the Senator from Maine for bringing the matter to us in his judicious and careful presentation. It is not over. I shall return to the matter early next week and we will lead to the bottom of it. The Senate will know that the honor of the Senate is at issue here, and the integrity of our proceedings is at issue.

I would like here and now to express my deep regret to any Member of this

body who was misled and who may have voted other than he or she would have done in consequence of misleading information.

It may be that it was our responsibility to leap to that data and ask, "Where did it come from?" If that was my responsibility and I did not carry it out, I offer the Senate my apology.

But that is not the end of it. The question is who did it, under whose instructions, and what will be the consequence?

Mr. President, I thank you for your careful attention and I yield the floor.

#### MORATORIUM ON ASSISTANCE TO NICARAGUAN DEMOCRATIC RESISTANCE

The PRESIDING OFFICER (Mr. SHELBY). The Senate will now resume consideration of the motion to proceed to House Joint Resolution 175.

The Senate resumed consideration of the motion to proceed.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. HARKIN. Mr. President, I rise in support of House Joint Resolution 175, a resolution to suspend release of the remaining \$40 million in aid to the Contras until the President accounts for all the money that has been appropriated for and diverted to the Contras in the past 2 years.

To date, \$60 million of the approved \$100 million has been released. The proposed legislation will assure that the final \$40 million not be released pending a full accounting by the administration of the missing funds. The missing funds include profits from arms, less to Iran, money solicited by the administration from private sources and foreign governments, and \$17 million of the \$27 million in humanitarian aid appropriated by Congress in 1985.

This legislation does not deal with the question of U.S. policy in Central America. The Senate dealt with that matter the day before yesterday, when it voted down a resolution disapproving release of the remaining \$40 million in Contra aid.

House Joint Resolution 175, which was approved last week by the House of Representatives by a 230-to-196 vote margin, deals with two principles essential to our democratic system of government—the integrity of Congress and its constitutional authority; and the accountability of the executive to the American people and the Congress.

Mr. President, for the American experiment in constitutional democracy to succeed, these two—values and policies—must be intertwined.

Sadly, as disclosures of the last 5 months dramatically reveal, they are not—neither in our dealings at home or abroad.

This year, as we celebrate the 200th anniversary of our Constitution, we must not forget to understand the meaning and responsibility of our form of government, which is both "republican"—with a small R—and "democratic"—with a small D.

Our government is democratic in that its power comes from the people. However, as a republic, the people give up or delegate their power to their elected representatives. This power is transferred through a covenant, or understanding; in the case of the United States, the covenant is the Constitution and the body of laws that define the power of our government and its elected representatives.

In other words the power of government is based in the authority given it by the trust of the people.

But the basis of that covenant is trust and responsibility. The people trust their elected representatives to "represent" their interests. In turn, government has a responsibility to deal openly and honestly with the people of the United States.

What then is the significance of Iran arms scandal and the Contra diversion?

The Iran scandal is an example of a government that has broken that trust and violated the most basic covenant of our democratic system of government.

First of all, by secretly selling arms to terrorists while announcing publicly that the United States would never negotiate with terrorists, the administration was blatantly misinforming the American people.

Second, Congress, representing the people, enacted a set of laws limiting the power of the Executive. Congress required the Director of the Central Intelligence Agency, Mr. Casey, to consult with the Intelligence Committees and inform them of covert operations. Congress also prohibited the U.S. Government from providing or helping to provide the Contras with military support.

The administration violated both of these requirements. It sold arms to so-called "moderates" in Iran for a period stretching more than a year without even informing Congress.

It coordinated the diversion of profits from those sales to the Contras, without ensuring that the money would be used for only humanitarian, or nonmilitary purposes. And, the administration apparently aided a secret military supply operations for the Contras.

All of this should come as no real surprise. For the past 6 years, this administration's Nicaragua policy has been a cancer on the most basic institutions of the United States.

This administration has mined harbors, written assassination manuals, and created and funded a group of ter-

THE WHITE HOUSE  
Office of the Press Secretary

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For Immediate Release

March 20, 1987

STATEMENT BY THE PRESIDENT

As I said last evening at my press conference, our Administration will keep its commitment to the American people. We will not raise taxes; we will hold down spending; and we will adhere to the deficit reduction goals imposed by the Gramm-Rudman-Hollings legislation.

And, it is with this commitment in mind that I have informed Congressional leaders of my intention to veto the highway and transit bill that is on its way to my desk. Let me be very clear, I am in full support of reasonable funding levels for these programs similar to the legislation passed by the Senate. But, I am adamantly opposed to the excessive spending that is in the bill as it emerged from the Conference Committee. I've said before and repeat today: Congress can't have it both ways. They cannot talk about cutting unnecessary deficit spending and then vote in favor of bills that bust the budget. The American people clearly expect their elected leaders to vote the same way they talk. So my vote will be to veto bills that spend unnecessary billions on projects the American people cannot afford.

\* \* \*



MAR 22 1987

LOS ANGELES METRO RAIL PROJECT -- SECTION 338 OF H.R. 2, THE  
FEDERAL MASS TRANSPORTATION ACT OF 1987

Background

Section 338 of the recently enacted Federal Mass Transportation Act of 1987 (FMTA of 1987) relates to the construction of the Minimum Operable Segment-1 (MOS-1) and the Minimum Operable Segment-2 (MOS-2) portions of the Downtown Los Angeles to San Fernando Valley Metro Rail Project. UMTA entered into a full funding contract (FFC) with SCRTD for the construction of MOS-1 on August 26, 1986.

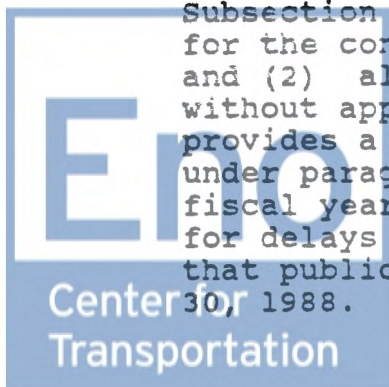
Specifically, the provisions of section 338 are as follows:

Subsection (a) states the requirements for issuance of a Supplemental Environmental Impact Statement (SEIS) for MOS-2.

Subsection (b) requires the Secretary to amend her existing contract with the Southern California Rapid Transit District (SCRTD) to include MOS-2.

Subsection (c)(1) specifies the Federal share for MOS-1 (\$605,300,000) and MOS-2 (\$667,000,000). Subsection (c)(2) sets forth the payment schedule under the amended contract, to be paid out of funds available for new starts under section 3 of the Urban Mass Transportation Act of 1964, as amended (UMT Act): not to exceed \$107.9 million in fiscal year 1987; not to exceed \$300 million for fiscal years 1987 and 1988; not to exceed \$490 million for fiscal years 1987-1989; not to exceed \$680 million for fiscal years 1987-1990; and not to exceed \$870 million for fiscal years 1987-1991.

Subsection (d) provides advance construction authority for the construction of MOS-1 and MOS-2. Paragraphs (1) and (2) allow the SCRTD to proceed with construction without approval of the Secretary. Paragraph (3) provides a reimbursement schedule for any costs incurred under paragraphs (1) and (2) of the subsection for fiscal year 1988-1991. Finally, paragraph (4) provides for delays in the reimbursement schedule in the event that publication of the SEIS is delayed beyond September 30, 1988.



TALKING POINTS FOR OPPOSITION TO SECTION 338:

1) The Administration opposes legislative earmarking for capital projects. The earmarking of funding for MOS-2 will set a precedent and open the door for special treatment for other projects.

2) A route alignment for MOS-2 has not yet been determined. Therefore, it is impossible to ascertain the total cost of the project. So uncertain are cost estimates for Metro Rail that local officials are predicting that the estimated total cost to complete the 18 mile project has jumped from approximately \$3.5 billion to \$4.7 billion. With only 40 percent of the section 3 fund available for new start projects (approximately \$400 million per year), accurate cost estimates, not to mention an agreed upon alignment, for MOS-2 should be available before any FFC is signed.

3. Section 338 that the Secretary enter into a FFC for MOS-2 without due regard for current environmental requirements. While subsection (a) requires the preparation of a supplemental EIS in accordance with NEPA, subsection (b) requires the Secretary to issue a record of decision which approves MOS-2 and requires her to enter into a FFC for the construction of MOS-2. This directive prejudices the NEPA process which is designed, in part, to allow for a consideration of a variety of transportation alternatives before any is chosen.

4. While it appears that obligations for L.A. Metro Rail from the Mass Transit Account of the Highway Trust Fund may be able to be controlled (see section (c)(2) relative to payments "not to exceed"), section 338 is written in such a way as to ensure that this project receives the amount of funding specified, absent some further amendment to the UMT Act. The provisions of section 338 allow the SCRTD to begin construction of MOS-1 at any time without approval of the Secretary and to begin construction of MOS-2 once the FFC is amended, again without approval of the Secretary. Furthermore, section 338 requires the Secretary to fund construction of MOS-1 and MOS-2 and to reimburse for such construction at prescribed funding levels. These funds are made available from the Mass Transit Account under the FMTA of 1987. No additional appropriation of funds is necessary.

Therefore, if the Appropriations Committee wanted to alter the funding schedule outlined in section 338, it could only do so in one of two ways. First, it could amend section 338 to set new funding priorities, but such an approach would present difficulties in terms of jurisdictional battles in the House and Senate.



Second, the Appropriations Committees could lower the obligation ceiling on section 3 new start funds sufficiently to ensure that funds would not be available for the Metro Rail project. However, because the Metro Rail project is the only new starts project for which funding is specifically authorized under the FMTA of 1987, the project would have to be funded before any other new start project, absent a further amendment to the UMT Act. Accordingly, the only way to prevent funding of the Metro Rail Project would be to not fund new starts projects at all. Since section 3(k) of the UMT Act now requires that 40 percent of the section 3 funds be made available for new starts, the only way to have no funds available for new starts would be to have no funds available for section 3 (assuming no other amendments to the UMT Act).

5. Los Angeles can afford to complete Metro Rail with no additional assistance from the Federal government. An analysis of the cash flow of the Los Angeles County Transportation Commission, the local funding source for the project, shows that the entire system can be completed without further Federal assistance. This can even be accomplished without the Commission having to exercise its considerable bonding authority.





U.S. Department of  
Transportation

# News:

Office of the Assistant Secretary for Public Affairs  
Washington, D.C. 20590

*file*

Contact: Dale Petroskey  
Tel.: (202) 366-4570  
Bob Marx  
Tel.: (202) 366-5580

*Highways*

STATEMENT BY  
SECRETARY OF TRANSPORTATION ELIZABETH HANFORD DOLE  
SUPPORTING A PRESIDENTIAL VETO OF THE  
HIGHWAY/TRANSIT REAUTHORIZATION LEGISLATION  
March 23, 1987

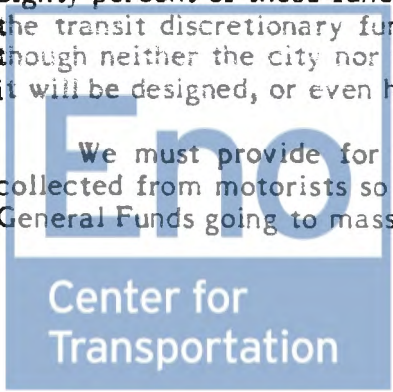
I have strongly recommended to the President that he veto the highway and transit legislation.

By directing the States to give priority to the construction of 152 "demonstration" projects, the Congress would not only establish policy to govern the Nation's highway program for five years, it also would establish Congress as the Nation's chief highway engineer, subverting the 60-year Federal/State partnership under which the states have determined the priority of highway projects.

To finance these 152 demonstration projects, which are estimated to cost \$5.5 billion over the life of the projects, the Congress would offer \$890 million in new funds outside of budget controls, and take \$540 million from other categories of funds, such as that which has been used to repair deficient bridges. The total of \$1.4 billion would only partially finance many of these projects, leaving to the States -- or more likely, future Congresses -- the problem of providing the additional necessary funding.

Since 1984, over \$3.5 billion collected from motorists in fuel taxes has been allocated to transit programs. This revenue has not, however, been distributed equitably to each of the States. For example, in 1986, eleven cities received over eighty percent of these funds. One city in the nation is singled out to get 14 percent of the transit discretionary funding. Los Angeles is destined to receive \$870 million even though neither the city nor the Congress knows where the project will be located, how it will be designed, or even how much it will ultimately cost.

We must provide for a more equitable distribution of the fuel taxes that are collected from motorists so that all states receive transit funds and reduce the level of General Funds going to mass transit.



-more-

This legislation does not represent sound public policy. Transportation is too essential to us all to permit the Congress to so cavalierly set in law for the next five years a transportation policy which sacrifices national goals. Never before in our history has a President been compelled to veto a highway reauthorization bill. But never before has a Congress as blatantly diminished the prerogatives of State governments, to make them subservient to the whims of individual Members of Congress.

There is no reason that Congress cannot, in a matter of only days, enact legislation acceptable to this Administration, which eliminates both the inequities and the end-run around the states and saves billions of dollars outside the budget. Because the Congress failed to act on these issues last fall, six months of this fiscal year have already elapsed, 40 States have exhausted their Federal highway funds, more than a billion dollars worth of necessary road projects may have already been lost for this construction season, and literally tens of thousands of jobs which should have been created have not been. And only now, midway through this fiscal year, has the Congress enacted legislation which is unacceptable to this Administration, which subverts the historic authority of State governments, and which unfairly benefits selected political jurisdictions to the detriment of the Nation as a whole.

I pledge that I will do everything reasonably within my power to work with the Congress so that we can act expeditiously on a new bill.

# # # #



## LOCATION

THE WHITE HOUSE  
WASHINGTON, D.C.

## DATE

MARCH 23, 1987

## TIME

7:45 a.m. MONDAY

IN	OUT	PHONE	ACTIVITY
7:45			The President had breakfast.
8:57			The President went to the Oval Office.
9:02	9:29		The President met with: Howard H. Baker, Jr., Chief of Staff Kenneth M. Duberstein, Deputy Chief of Staff
9:29	9:45		The President met for a national security briefing with: Colin L. Powell, Deputy Assistant for National Security Affairs Mr. Baker Mr. Duberstein
10:40	10:42	P	The President talked with James G. Stearns, Chairman of the Securities Investor Protection Corporation.
11:31	11:42		The President met with: Edwin Meese III, Attorney General William H. Webster, Director-designate of the Central Intelligence Agency (CIA) Mr. Baker Mr. Powell
11:46	11:49	P	The President talked with William Randolph Hearst, Jr., Vice President and Director, The Hearst Corporation.
12:00			The President went to the Cabinet Room.
12:00	1:02		The President participated in a Issues Briefing luncheon. For a list of attendees, see <u>APPENDIX "A."</u>
1:02			The President returned to the Oval Office.
1:02	1:06		The President met with: Mr. Baker Mr. Duberstein
1:07	1:09	P	The President talked with Gloria D. Mabe, Secretary to the Physician to the President.
1:33	1:46		The President met to discuss the highway/mass transit bill with: Elizabeth H. Dole, Secretary of Transportation

(continued)

## LOCATION

THE WHITE HOUSE  
WASHINGTON, D.C.

## DATE

MARCH 23, 1987

## TIME

1:33 p.m. MONDAY

IN	OUT	PHONE	ACTIVITY
			<p>Senator Robert J. Dole, (R-Kansas) James C. Miller, Director of the Office of Management and Budget (OMB) Mr. Baker Mr. Duberstein William L. Ball III, Assistant for Legislative Affairs</p>
1:34		R	The President was telephoned by Ms. Mabe. The President's Special Assistant, James P. Kuhn took the call.
1:56	2:01		<p>The President participated in a photo opportunity for the cover of the May issue of <u>Conservative Digest</u> Magazine with:</p> <p>William R. Kennedy, Jr., Publisher, The <u>Conservative Digest</u> Magazine Patrick McGuigan, Washington Editor, The <u>Conservative Digest</u> Magazine Scott Stanley, Jr., Editor-in-Chief, The <u>Conservative Digest</u> Magazine John Rees, Washington Editor, The <u>Conservative Digest</u> Magazine Frank J. Donatelli, Assistant for Political Affairs Mari Maseng, Deputy Assistant and Director of Public Liaison Thomas P. Gibson III, Special Assistant and Director, Office of Public Affairs</p>
2:04			The President went to the Situation Room.
2:04	3:01		The President participated in a National Security Planning Group meeting. For a list of attendees, see <u>APPENDIX "B."</u>
3:01			The President returned to the Oval Office.
3:59	4:20		<p>The President met with:</p> <p>Caspar W. Weinberger, Secretary of Defense Mr. Baker Mr. Powell</p>
4:20			The President went to the barber shop.
4:20	4:59		The President had a haircut.
5:02			The President returned to the second floor

(continued)

## LOCATION

THE WHITE HOUSE  
WASHINGTON, D.C.

## DATE

MARCH 23, 1987

## TIME

5:02 p.m. MONDAY

IN	OUT	PHONE	ACTIVITY
			Residence.
5:29	5:35	P	The President talked with entertainer Dean Martin. The purpose of the call was to express his condolences on the recent death of Mr. Martin's son.
7:00			The President and the First Lady had dinner.
10:15			The President retired.

Eno

Center for  
Transportation



**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515**

March 23, 1987

The Honorable Ronald Reagan  
The White House  
Washington, D.C. 20500

Dear Mr. President:

As one of your most loyal supporters whose CQ "Reagan Support Record" is substantially above the Republican average, permit me to urge you to sign The Surface Transportation Act, which overwhelmingly passed the House (407-17) and the Senate (79-17), for at least four reasons:

- (1) A veto could destroy the coming construction season, eliminating 813,000 highway construction jobs and creating a crisis across America in both highways and transit programs.
- (2) The bill funds highways out of the Highway Trust Fund, which has an ample surplus, rather than the General Fund. It is one of the few Government programs which is deficit proof.
- (3) The House significantly compromised on the controversial demonstration projects, reducing the funding by 50 percent. The demonstration projects represent only 1.3 percent of the cost of the bill (while the Secretary of Transportation's Discretionary Funds represent over 6 percent of the bill).
- (4) The bill is within the Senate Budget Committee's limitations.

Thank you for your consideration.

**Eno**

Center for  
Transportation

Sincerely,

A handwritten signature in black ink that reads "Bud Shuster".

BUD SHUSTER  
MEMBER OF CONGRESS

THE WHITE HOUSE  
WASHINGTON

March 24, 1987

*File  
highway*

MEMORANDUM TO WILLIAM L. BALL, III

THROUGH: PAM TURNER

FROM: LARRY HARLOW *LH*

SUBJECT: Senator Boschwitz' agriculture amendment and  
the highway vote

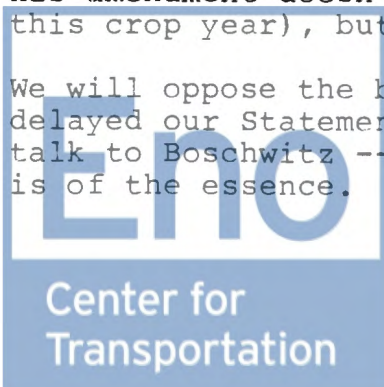
Fortuitous timing has given us an angle on Senator Boschwitz which might be used to persuade him to vote to sustain the President's highway veto.

Senate action could occur today on H.R. 1157, which is a disaster relief bill that incorporates elements of our agriculture reform package known as "0-92". Under the Administration's proposal, farmers who did not plant a crop would be eligible for 92% of their deficiency payments they otherwise could receive. H.R. 1157 applies this program, in essence, to the 1987 crop of winter wheat and corn that couldn't be planted because of weather conditions. It is supported by Senator Dole.

Senator Boschwitz plans to offer an amendment on the Senate floor which would provide for an all-crop, nationwide 0-92 program for 1987 crops only. If adopted, Senator Boschwitz' amendment would turn a bill which now costs money (because it permits other forms of disaster payments as well) into a money saver. USDA estimates the Boschwitz amendment would save about \$400 million in FY '88.

When you talk to Boschwitz about the highway vote, dangle possible Administration support of his amendment in front of him. His amendment doesn't go far enough (we'd want it beyond just this crop year), but it is still an improvement.

We will oppose the bill unless his amendment is adopted. I've delayed our Statement of Administration Policy until after you talk to Boschwitz -- but Senate action could occur soon, so time is of the essence.





THE WHITE HOUSE

WASHINGTON

SCHEDULE PROPOSAL

March 24, 1987

TO: FREDERICK J. RYAN, JR., Director of  
Presidential Appointments and Scheduling

FROM: William L. Ball, III

REQUEST: Cocktails with a group of twenty Senators.

PURPOSE: To persuade these Senators to support the  
President's veto of the highway/mass transit  
funding bill.

BACKGROUND: The vote to sustain the President's veto of  
the highway/mass transit funding bill will be  
very close in the Senate. This group of  
Senators has been selected to represent a mix  
of supporters of the President's veto and  
Senators who have not yet decided how to  
vote.

Hopefully, the President and his supporters  
can use this occasion to persuade the  
undecided Senators to vote to sustain the  
veto.

PREVIOUS  
PARTICIPATION: These Senators frequently attend White House  
meetings on a variety of issues.

DATE AND TIME: Monday, March 30, 1987  
5:00 p.m.

LOCATION: Lincoln Library.

PARTICIPANTS: See attached.

OUTLINE OF EVENTS: Senators to arrive via Southeast Gate,  
enter the Diplomatic Reception Room and are  
escorted to the Library for a cocktail  
reception.

REMARKS REQUIRED: To be provided.

MEDIA COVERAGE: White House photographer only.

RECOMMENDED BY: William L. Ball, III

OPPOSED BY: No opposition.

PROJECT OFFICER: Pamela J. Turner

Eno

Center for  
Transportation

PARTICIPANTS

The President

Senator Howard Baker

Senator Robert Dole (R-Kansas)  
Senator Bob Stafford (R-Vermont)  
Senator John Chafee (R-Rhode Island)  
Senator Alan Simpson (R-Wyoming)  
Senator Ted Stevens (R-Alaska)  
Senator Dan Quayle (R-Indiana)  
Senator Larry Pressler (R-North Dakota)  
Senator Frank Murkowski (R-Alaska)  
Senator Nancy Kassebaum (R-Kansas)  
Senator Jake Garn (R-Utah)  
Senator Terry Sanford (D-North Carolina)  
Senator Mark Hatfield (R-Oregon)  
Senator William V. Roth (R-Delaware)  
Senator James McClure (R-Idaho)  
Senator Strom Thurmond (R-South Carolina)  
Senator Steve Symms (R-Idaho)  
Senator Robert Kasten (R-Wisconsin)  
Senator Richard Lugar (R-Indiana)  
Senator James Exon (D-Nebraska)  
Senator Mitch McConnell (R-Kentucky)  
Senator Max Baucus (D-Montana)

White House Staff

Kenneth Duberstein  
William L. Ball, III



Shopping List

- Quayle - Jim Horn to be appointed Director of D.C.D. Independent Schools (vacant position)
- Karnes - Judgeship
- McCain - ~~Federal Home Loan Bank Board~~
- Pressler - Mt. Rushmore narration
- Thurmond - Myrtle Beach Connection
- Danforth - St. Louis Light Rail project and FCC nomination
- McConnell - USDA -- tobacco





**U.S. Department of  
Transportation**  
Office of the Secretary  
of Transportation

Assistant Secretary  
for Governmental Affairs

Will;

The attached are examples of unneeded demo  
projects.

Rebecca



**Section 149(a)(10) Miami, Florida** - The Secretary is authorized to carry out a highway project which will demonstrate the most cost effective method of improving Interstate motor vehicle access for passengers and cargo moving to and from the Port of Miami, Florida.

The 1982 STAA set up approximately \$23 million to fund the construction of a "new" bridge to replace the Dodge Island Bridge (access to the Port of Miami). Final design of the "new" bridge is almost complete. The first construction project is scheduled to be let in May 1987. Its estimated total cost is \$31.9 million.

This demonstration project proposes the construction of a tunnel to replace the "new" Dodge Island Bridge that is about to be constructed using Federal funds. The 1987 Highway Act would commit a total of \$10.3 million in Federal and State funds to study/design this project. The estimated ultimate cost of this project is \$500 million.

**Section 149(a)(25) Cleveland, Ohio** - The Secretary shall carry out a highway project to replace a ramp which provides access to an industrial area of Cleveland, Ohio, for the purpose of demonstrating the relationship between infrastructure improvement and economic vitality.

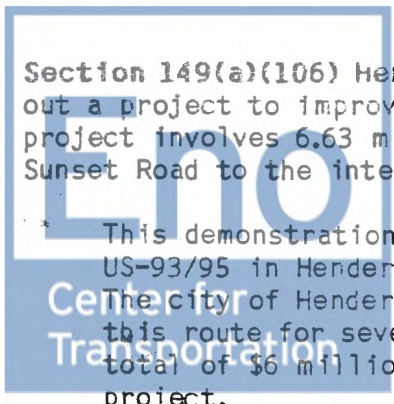
This demonstration project involves the reconstruction of an existing Interstate ramp in Cleveland. The ramp is already in place and is functioning in an acceptable manner. Consequently, the State DOT did not plan to replace this facility anytime in the next 10 years. The 1987 Highway Act would commit a total of \$8 million in Federal and State funds to reconstruct this facility.

**Section 149(a)(105) Las Vegas, Nevada** - The Secretary is authorized to carry out a project to construct an interchange at Sahara Avenue and Interstate Route I-15, in the city of Las Vegas, Nevada.

This demonstration project involves the total reconstruction of the existing I-15/Sahara Avenue interchange. The State DOT had planned to make minor (\$200,000) ramp improvements to the interchange which would have been eligible for Federal-aid highway funding under existing legislation. This demonstration project, as suggested by the city of Las Vegas, would commit a total of \$9 million in Federal and State funds.

**Section 149(a)(106) Henderson, Nevada** - The Secretary is authorized to carry out a project to improve the Boulder Highway in Henderson, Nevada. The project involves 6.63 miles along US Route 93/95 from the intersection of Sunset Road to the intersection of Horizon Drive.

This demonstration project involves landscaping a 6.63-mile section of US-93/95 in Henderson. This project has a very low State priority. The city of Henderson has been trying to get the State DOT to landscape this route for several years. The 1987 Highway Act would commit a total of \$6 million in Federal and State funds to landscape this project.





EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

John -  
I'm not sure he  
been sent over yet -  
to this morning. In  
Shankles  
Jordan

MEMORANDUM FOR HOWARD J. BAKER, JR.  
CHIEF OF STAFF

THROUGH: James C. Miller III

FROM: Carol T. Crawford

SUBJECT: Major Special Interest Projects in the  
Highway/Transit Bill

This memorandum describes the costs associated with major special interest projects in the highway/transit reauthorization conference bill. (See Attachment A for details.)

Highway "Demonstration" Projects

The conference agreement authorizes Federal spending of \$285 million annually or \$1,425 million over the five-year authorization period, for the highway "demonstration" (i.e., pork barrel) projects in the House and Senate bills as well as for new projects in 13 States that were not in either bill. The \$1,425 million provides funds to all States in addition to their Federal highway formula funds. Of the \$1,425 million, add-on spending (amount above the obligations limitation) would be \$890 million. The remaining \$535 million represents earmarking of discretionary highway funds that would otherwise be spent on Interstate or bridge projects.

The bill partially exempts the demonstration projects from Federal highway spending controls (i.e., the annual obligation limitation). The \$890 million in add-on spending would be exempt from the annual obligation limitation. The earmarked discretionary funds would not be exempt.

Spending necessary to complete these highway demonstration projects will continue beyond the five-year time frame. The conference bill allows States to use either State or Federal highway funds to cover remaining outyear costs. If State funds are not used, the total Federal costs to complete these projects is estimated to be \$6.5 billion. (Attachment B summarizes the costs of the highway demonstration projects.)

Boston Interstate Projects

In addition to highway "demonstration" projects, the conference bill adds \$1.1 billion to the Federal cost of completing the Interstate System by expanding the scope of the two Boston Interstate projects (i.e., the Central Artery and the Third Harbor Tunnel) that are eligible for Interstate highway funds. In addition, the conference agreement requires the State

to pay for the \$800 million estimated cost of tunnelling the Central Artery but allows the State to draw from its Federal highway formula funds (at up to 90 percent Federal match, or \$720 million) to cover this cost.

### Los Angeles Metrorail

The transit title of the bill mandates that the Secretary of Transportation enter into a funding agreement for the 4.4-mile second phase of the Los Angeles Metrorail. The system's route alignment has not been determined, its costs are unknown, and the required environmental impact statement is incomplete. The conference bill allows up to \$870 million for this project.

Attachments



Pork In Highway/Transit Conference Bill  
(\$ in millions)

	Specifically Authorized or Earmarked Costs (1987-91)	Additional Potential Federal Cost of Completing Projects	Comments
1. Highway "Demos" (\$8.3B est. total cost)	1,780	6,520	Federal funds to be split evenly between the 156 projects in both bills (99 from House, 98 from Senate, 41 common to both). All States assured 0.5% of Federal funds, including 13 States with no projects. New contract authority not subject to ob. limit.
o <u>Federal Share</u>	1,425	6,250	
- New Contract Authority.....	890	3,260*	
- Earmark of Federal-aid Highway Discretionary Funds.	535	3,260	
o <u>State Share</u>	355	--	
2. Boston Interstate Projects:		1,080	Expands scope of projects eligible for Interstate highway funds (90% Federal match).
o Central Artery.....	--	746	
o Third Harbor Tunnel.....	--	334	
o Depressing Central Artery.....	--	(720)**	
3. Other Special Interest Highway....	Unknown	Unknown	Still being conferenced.
4. Transit:			
o Los Angeles Metrorail.....	870	Unknown	Mandates funding.
<b>Total</b>	2,295	7,600	Total authorized and potential additional Federal costs estimated at \$9,895 M.

\* Assumes continuation in the outyears of 50% of costs financed from new, separately authorized Federal funds. Conference agreement allows use of State or Federal funds to finance remaining outyear costs not covered in the conference agreement.

\*\* Assumes use of Federal-aid highway formula funds in lieu of State funds. The \$720 million would not constitute additional Federal spending because the funds would otherwise be spent as part of the State's formula allocation.



Demos in Highway Conference Bill  
(\$ in millions)

	<u>Authorized in Bill</u> (1987-91)	<u>Potential Additional Federal Costs to Complete*</u> (Outyears)	<u>Total Costs</u>
<u>Federal Costs</u>			
o Earmarks of highway discretionary funds (above States' formula amounts but within obligation limitation).....	535	3,260	3,795
o New contract authority (above obligation limitation).....	890	3,260	4,150
Total Federal Cost.....	1,425	6,520	7,945
State Cost Sharing.....	355	--	355
TOTAL COSTS.....	1,780	6,520	8,300

\* Conference agreement allows use of State or Federal-aid highway funds to finance remaining costs not covered in the bill. Table assumes: (1) States will finance projects from Federal funds; (2) continuation in the outyears of 50 percent of costs financed from new, separately authorized Federal funds; and (3) remaining costs would be financed from discretionary funds. Estimates are subject to change based on final list of projects contained in Conference bill.

Frank D. Kansas Gov (Kaneham)  
Sec DOH Baucus  
Jung  
Pawlenty  
Leahy (Stafford)  
EXON CMO 500

Shelby  
Hefli

Ball Quayle  
Pendergast

Stennis  
Thurmond

HHB Boren  
Pawlenty  
Thurmond  
Bischoff

~~Lynn~~ Leahy

VP ~~Lynn~~ McConnell

Pres SYMMS





**National Governors' Association**

**Bill Clinton**  
Governor of Arkansas  
Chairman

**Raymond C. Scheppach**  
Executive Director

March 24, 1987

The President  
The White House  
Washington, D.C. 20500

Dear Mr. President:

The highway bill passed by the House and Senate last week contains funding that is vitally important to the states. When the bill is presented to you for signature in the next few days, we strongly urge you to consider the practical effect of your decision.

Enactment of the transportation bill will immediately free-up funds that have been withheld since the authorizations expired last September 30. It will put to work on needed highway improvements the \$40 million collected each day from highway users across the nation. It will allow Governors of all the states to salvage what we can of this year's construction season. And we believe that your leadership in setting aside your differences with the Congress for the larger national good will be understood and appreciated by the people we are all elected to serve.

We understand and share your concerns over many features of the package. The trend toward congressional directives in earmarking funds for specific projects bypasses the normal planning and priority-setting processes in the states. It, therefore, diverts money from priority projects and misallocates capital investment resources. Given the reduction in total federal highway aid, special project funding that pits state against state is particularly troublesome. There is a better way to accomplish the objectives of the national highway program: that is to develop a clear understanding between the states and the federal government of our fundamental goals and our respective roles in the process. Your leadership in framing this federalism debate is very much appreciated.

In the short run, however, the highway construction season is upon us. The delay in reauthorizing this program has already cost this nation greatly. If you veto this bill, the consequences will be costly. Starting over with the same issues, the same players in the same roles, can only result in more deferred contracts, more lost jobs, and continued stalemate at the federal level. Mr. President, we cannot wait. We respectfully urge you to sign the bill.

Sincerely,

Governor Norman H. Bangert  
Member, Executive Committee

Governor Bill Clinton  
NGA Chairman

Governor James R. Thompson  
Chairman, Subcommittee on  
Transportation Finance  
Member, Executive Committee

Governor William A. O'Neill  
Chairman, Committee on  
Transportation, Commerce  
and Communications



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET

ASSOCIATE DIRECTOR  
FOR ECONOMICS AND GOVERNMENT

3-24-87

John -

I've tried without  
success to get this  
down to the one FF

you requested \_\_\_\_\_

The issue may never  
arise, so you may  
want to file this away  
until/unless needed.

Carol





EXECUTIVE OFFICE OF THE PRESIDENT  
 OFFICE OF MANAGEMENT AND BUDGET  
 WASHINGTON, D.C. 20503

*file  
Highways*

MEMORANDUM FOR: JOHN TUCK  
 FROM: CAROL CRAWFORD *CC*  
 SUBJECT: Federal-Aid Highway Obligations

The conferees reduced the Federal-aid highway obligation limitation of \$12.6 billion in the House bill to the Senate bill level of \$12.350 billion. We understand that Senator Chiles urged Congressman Howard to make this change in order to reduce the outlay impact of the Conference bill. Senator Moynihan claims that the reduction of the obligation limitation "pays for" the highway demonstration projects.

Explanation

Highway spending can be measured in three ways: authorizations, obligations and outlays.

1. Authorizations. Authorizations provide authority that requires no appropriations action. The conference bill provides five year authorizations for highways that are \$250 million below the House bill but \$2.8 billion over the Senate-passed bill.

House	\$68.9 billion
Senate	65.8 billion
Conference	68.6 billion

2. Obligations. The obligations level sets the total amount of authorized spending that may be obligated each year and is the operative level that determines highway outlays. There are two categories of obligations. One category of obligations, consisting primarily of States' formula based allocations, is the obligation limitation. The second category includes highway demonstrations and other spending that is exempt from the obligation limitation. Total obligations equal the sum of these categories.



The conference bill reduced the annual obligation limitation in the House bill by \$250 million, from \$12.600 billion to the Senate level of \$12.350 billion. However, the conference bill increases the second category of obligations (i.e., exemptions) by an average of \$350 million annually over the Senate level, primarily for demonstrations and "bonus" obligations. Therefore, total obligations in the conference bill still exceeds the Senate bill level by \$350 million per year.

Average annual obligations

House	\$13.819 billion
Senate	13.284 billion
Conference	13.634 billion

3. Outlays. Outlays are a function of total obligations. The conference level of obligations would produce outlays approximately \$1.1 billion higher than the Senate level over five years.



THE WHITE HOUSE

WASHINGTON

March 24, 1987

MEMORANDUM FOR A. B. CULVAHOUSE

FROM: WILLIAM L. BALL, III *WB*  
SUBJECT: Mt. Rushmore Videotape

Last week when Senator Pressler came in to visit with the President, he asked if the President would be willing to narrate a 20 minute documentary on Mount Rushmore.

I have attached the letter and tape for your review.

The President has told both Senator Baker and myself that he would very much like to do this.

If you advise that this may not be feasible, may I suggest that the President agree to do an introduction to the tape.

I apologize that this is short notice, however, I need to respond to Senator Pressler by tomorrow morning.

Would you please have one of your staff contact Sally Ironfield (x2230) of my staff regarding this request.

Thanks much. *J. S. G.*



THE WHITE HOUSE

WASHINGTON

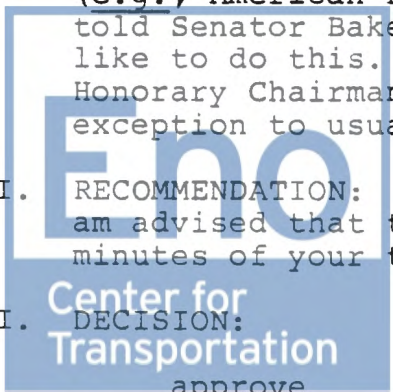
March 25, 1987

MEMORANDUM FOR THE PRESIDENT

FROM: ARTHUR B. CULVAHOUSE, JR.  
COUNSEL TO THE PRESIDENT

*original signed by ABC*

- I. SUBJECT: Mount Rushmore Documentary Film.
- II. ORIGINATOR: Senator Larry Pressler (R-South Dakota).  
DATE: February 12, 1987.
- III. ACTION FORCING EVENT: Request from Senator Pressler that you narrate a 17-minute film depicting the creation, ideals and history behind Mount Rushmore.
- IV. ANALYSIS: Senator Pressler has requested that you narrate a 17-minute film produced by the Mount Rushmore National Memorial Society of Black Hills, a private non-profit group dedicated to the betterment of Mount Rushmore. The film will be shown daily at Mount Rushmore. It will also be sold nationally to school education programs, organizations and individuals to raise funds for the Mount Rushmore Society. Funds to produce the film were contributed by several corporations and private organizations, including, for example, the Adolph Coors Brewing Company and the Joan Kroc Foundation, all of which are listed in the credits preceding the film. Normally this request would have been routinely denied pursuant to usual White House policy that restricts involvement in fund raising and association with particular charitable donors to those cases in which you have been personally involved with a particular non-profit organization (e.g., the Ronald Reagan Scholars Program) or with which the Presidency has been traditionally associated (e.g., American Red Cross). I am advised, however, that you told Senator Baker and Will Ball that you would very much like to do this. It clearly is legal for you to accept this Honorary Chairmanship, but doing so would be making an exception to usual White House policy.
- VI. RECOMMENDATION: Accept this if you would like to do it. I am advised that the narration would require approximately 30 minutes of your time.
- VI. DECISION: \_\_\_\_\_ approve \_\_\_\_\_ approve as amended \_\_\_\_\_ reject





THE WHITE HOUSE

WASHINGTON

MEETING WITH SENATOR LARRY PRESSLER (R-SOUTH DAKOTA)

DATE: Monday, March 30, 1987  
LOCATION: Oval Office  
TIME:  
FROM: William L. Ball, III

I. PURPOSE

To urge Senator Pressler to vote to sustain your veto of the highway/mass transit funding bill.

II. BACKGROUND

Senator Pressler is currently undecided on how to vote on your highway bill veto. He is very concerned about how South Dakota will fare under your alternative bill (South Dakota will gain \$1.5 billion). Also, Senator Pressler strongly supported an effort on the Senate floor to guarantee that states will receive at least a minimum mass transit payment. Under your proposal, all states are guaranteed such a payment.

Senator Pressler also is eager for you to narrate a video tape promoting Mr. President. We suggest you confirm your willingness to do this for him during your meeting. Finally, Senator Pressler is interested in an appointment as a member of the Board of Visitors of the United States Military Academy. If he raises the issue, you should say that we are looking at the situation.

III. PARTICIPANTS

The President

Senator Howard Baker

Senator Larry Pressler (R-South Dakota)

William L. Ball, III

Eno

Center for  
Transportation

-- Larry, if my veto is sustained, I'm prepared to do what I must to get a new bill through Congress.

-- But, first, I need your vote to sustain my veto.

-- Larry, on another matter which you raised the last time you were here: despite the advice to the contrary of my counsel, I want you to know that I'm prepared to do what you've asked and narrate the video tape for Mount Rushmore.

-- Now, can I count on you to help sustain my veto?



03/24/87

~~The President has seen~~

THE WHITE HOUSE  
WASHINGTON

87 MAR 24 P2:48

RECOMMENDED TELEPHONE CALL FOR THE PRESIDENT

TO: Senator Kit Bond (R-Missouri)  
DATE: March 24, 1987  
RECOMMENDED BY: William L. Ball, III *WB*  
PURPOSE: To remind Senator Bond of the need to fight unnecessary spending, and to persuade him to oppose the expensive highway and transit funding legislation.

BACKGROUND: Earlier this year, Senator Bond gave you a button reading "108 in '88", which refers to the Gramm-Rudman-Hollings deficit target for Fiscal Year 1988. The button is being worn by members of Congress who profess concern about excessive spending and the need to reduce the deficit.

Ironically, Senator Bond also is a vocal advocate of the expensive highway and transit funding legislation coming to the Senate floor from the House. Missouri has nearly exhausted its Federal highway aid and needs new financing.

You communicated your intent to veto the bill last Thursday, and have reiterated that fact several times in the last few days. Senator Bond has co-signed a letter, with Senator Danforth and other Republican members of the Missouri Congressional delegation, to Senator Baker which states their intent to vote to override your veto. If you veto the legislation, the vote on sustaining your veto will be close.

You will be traveling to Missouri on Thursday with Senator Bond and Senator Danforth and will have an opportunity at that time to again urge Senator Bond to vote to sustain the veto.



TOPICS FOR DISCUSSION: See attached.  
DATE OF SUBMISSION: March 24, 1987

ACTION: Call made - I don't think I moved him.  
Attachment: Talking Points

## LOCATION

THE WHITE HOUSE  
WASHINGTON, D.C.

## DATE

MARCH 24, 1987

## TIME

7:10 a.m. TUESDAY

IN	OUT	PHONE	ACTIVITY
7:10			The President had breakfast.
8:55			The President went to the Oval Office.
9:01	9:25		The President met with: George H. Bush, Vice President Howard H. Baker, Jr., Chief of Staff Kenneth M. Duberstein, Deputy Chief of Staff
9:25	9:33		The President met with: Vice President Bush Senator Robert J. Dole, (R-Kansas) Senator Robert T. Stafford, (R-Vermont) Mr. Baker Mr. Duberstein William L. Ball III, Assistant for Legislative Affairs
9:35			The President went to the Cabinet Room.
9:35	10:25		The President participated in a meeting with the Republican Congressional leadership. For a list of attendees, see <u>APPENDIX "A."</u> Members of the press (in/out).
10:25			The President returned to the Oval Office.
10:31	10:43		The President met for a national security briefing with: Frank C. Carlucci, Assistant for National Security Affairs Colin L. Powell, Deputy Assistant for National Security Affairs William A. Cockell, Jr., Deputy Assistant for National Security Affairs (Defense Policy) Mr. Baker Mr. Duberstein
10:43	11:01		The President met with: Mr. Baker Mr. Duberstein Mr. Carlucci Mr. Powell
11:01	11:02		The President met with Mr. Baker.
12:02	12:08	P	The President talked with the Rev. Donn D. Moomaw, (continued)

LOCATION		DATE	
THE WHITE HOUSE WASHINGTON, D.C.		MARCH 24, 1987	
		TIME	DAY
		12:02 p.m.	TUESDAY
IN	OUT	PHONE	ACTIVITY
			Pastor of the Bel Air Presbyterian Church, Los Angeles, California.
12:04	12:48		The President had lunch in the Oval Office study.
12:48	12:52		The President was filmed while working at his for Store Broadcasting. Members of the press (in/out).
1:25	1:27		The President met with Mr. Baker.
1:27			The President went to Room 450 in the Old Executive Office Building.
1:35	1:47		The President addressed approximately 100 Chief Executive Officer's of the American Business Conference companies. Members of the press.
1:57			The President returned to the Oval Office.
2:03	2:05		The President met with: Mr. Baker Mr. Duberstein
2:05			The President returned to the Cabinet Room.
2:05	3:07		The President participated in a Cabinet Meeting. For a list of attendees, see <u>APPENDIX "B."</u>
3:07			The President returned to the Oval Office.
3:07	3:13		The President met with Attorney General Edwin Meese.
3:29		R	The President was telephoned by Senator Christopher S. Bond (R-Missouri). The call was not completed.
3:43	3:53	F	The President talked with Senator Bond.
3:55	3:57		The President met with Mr. Duberstein.
3:57			The President returned to the Cabinet Room.
3:57	4:08		The President participated in a meeting with his senior Advisory Group. For a list of attendees, see <u>APPENDIX "C."</u>

## LOCATION

THE WHITE HOUSE  
WASHINGTON, D.C.

DATE MARCH 24, 1987

TIME 4:28 p.m. DAY TUESDAY

IN	OUT	PHONE	ACTIVITY
4:28			The President returned to the Oval Office.
4:30	5:16		The President participated in an interview with: Edmund Morris, the President's biographer Frederick J. Ryan, Jr., Deputy Assistant and Director of Scheduling and Private Sector Initiatives
5:17			The President went to the doctor's office.
5:20			The President returned to the second floor Residence.
5:35	5:36	R	The President talked with Mr. Baker.
7:00			The President and the First Lady had dinner.
9:55			The President retired.

Eno

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BAILEY GUARD, MINORITY STAFF DIRECTOR

# United States Senate

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

WASHINGTON, DC 20510-8175

March 25, 1987

The President  
The White House  
Washington, D.C. 20500

Dear Mr. President:

The Federal-aid highway program is one of the most successful, cost-effective Federal programs in our nation's history. Last week after a rigorous conference involving seven separate committees, the Congress passed long-overdue, urgently needed legislation to provide a total of \$69 billion in highway authorizations for fiscal years 1987-91.

We would like to emphasize that the highway title has been scored by the House and Senate Budget Committees as meeting the Gramm-Rudman-Hollings spending requirements. We are extremely mindful of the critical budget deficit and the need for new legislation to conform to existing budget requirements.

It is the highway users who pay the costs of the program through a variety of user taxes collected in the Highway Trust Fund; these are dedicated revenues meant specifically for highway and bridge improvements and safety. The program is one of the best examples of user-fee financing which your Administration has so strongly supported.

For 175 days or nearly half of fiscal year 1987, however, these funds have been frozen, road projects shelved, jobs lost, and essential highway needs unmet. If the conference report on H.R. 2 is rejected, it is our very real fear that there will not be a 1987 highway construction season and that as many as 813,000 jobs will be lost. Reauthorization of the Federal-aid highway program is too important to the economy, business productivity, and personal mobility to let that happen.

A sound, well-maintained highway network is a national concern, and it is a vital defense concern, as President Eisenhower recognized thirty years ago with the establishment of the Highway Trust Fund and the National System of Interstate and Defense Highways.

Center for  
Transportation

Mr. President, last week the Congress overwhelmingly approved the Surface Transportation and Uniform Relocation Assistance Act of 1987 by a vote first of 407-17 in the House of Representatives and then 79-17 in the Senate. We urge you to act quickly and to accept the conference report on H.R. 2 so that our highway program can move ahead without further delay.

Sincerely,

James J. Howard

Anton Bonici

John Paul Hammerschmidt

Steve Symms

Allen M. Anderson

Paul J. [unclear]

[unclear]

Gregg Mitchell

Red [unclear]

W. D. [unclear]

John Breaux



✓



LM 9 742

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MICHAEL J. TOOHEY, MINORITY STAFF  
DIRECTOR

Committee on Public Works and Transportation

One Hundredth Congress

U.S. House of Representatives

Room 2165, Rayburn House Office Building

Washington, DC 20515

TELEPHONE: AREA CODE 202, 225-4472

March 25, 1987

The Honorable Bill Clinton  
Chairman, National Governors' Association  
444 North Capitol Street, N.W.  
Washington, D.C. 20001

Dear Governor Clinton:

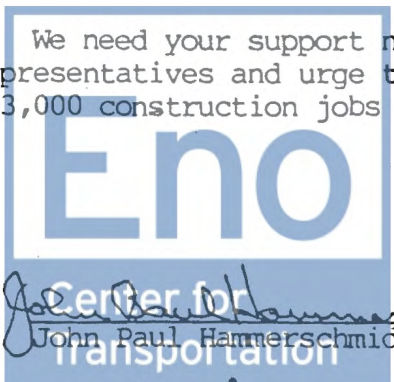
On December 5, 1986, you wrote us on behalf of the National Governors' Association urging speedy action on the Surface Transportation and Uniform Relocation Assistance Act of 1987. As you are probably aware, we did our part, and H.R. 2 is on the President's desk.

It is our understanding that the President has decided to veto H.R. 2. IT IS IMPERATIVE, THEREFORE, FOR ALL OF THE GOVERNORS TO URGE THEIR HOUSE AND SENATE DELEGATIONS TO OVERRIDE THE ANTICIPATED PRESIDENTIAL VETO. We recommend the Governors' effort focus primarily on the Senate, where the override is expected to be the closest.

H.R. 2 is not a "budget buster". The funding levels are within the Senate budgetary limitations, and further, funding for these programs comes primarily from the Highway Trust Fund, not the general fund.

Without an override of the President's veto, the House and Senate will be forced to re-examine many of the policy decisions reflected in the Conference Report on H.R. 2, and thereby upset the delicate balance reached by the House and Senate Conferees. This may well delay enactment of this vital program until after this year's construction season.

We need your support now. Governors should contact their elected representatives and urge them not to turn their backs on the States, or the 813,000 construction jobs at risk.



Sincerely,

*John Paul Hammerschmidt*  
John Paul Hammerschmidt

*James J. Howard*  
James J. Howard

*Bud Shuster*  
Bud Shuster

*Glenn M. Anderson*  
Glenn Anderson

LOCATION			DATE
THE WHITE HOUSE WASHINGTON, D.C.			MARCH 25, 1987
			TIME DAY
			7:50 a.m. WEDNESDAY
IN	OUT	PHONE	ACTIVITY
7:50			The President and the First Lady had breakfast.
9:01			The President went to the Oval Office.
9:02	9:22		The President met with: George H. Bush, Vice President Howard H. Baker, Jr., Chief of Staff Kenneth M. Duberstein, Deputy Chief of Staff
9:22	9:45		The President met for a national security briefing with: Vice President Bush Colin L. Powell, Deputy Assistant for National Security Affairs Fritz W. Ermarth, Special Assistant for National Security Affairs and Senior Director of Soviet and European Affairs, National Security Council (NSC) Mr. Baker Mr. Duberstein
10:08			The President went to his motorcade on the South Grounds. He was accompanied by Mr. Baker.
10:09	10:14		The President motored from the South Grounds to the Cannon House Office Building, New Jersey entrance. He was accompanied by Mr. Baker.
10:15			The President was greeted by Jack Russe, House Sergeant at Arms.  The President went to the second floor and was greeted by: Representative Robert H. Michel, (R-Illinois) Representative Trent Lott, (R-Mississippi)
10:16?	?		The President participated in a brief question and answer session with members of the press. Members of the press.
10:20?			The President went to the Cannon Rotunda. He was escorted by: Representative Michel Representative Lott
10:20?	10:25?		The President participated in a photo opportunity (continued)

Eno

Center for  
Transportation

## LOCATION

CANNON HOUSE OFFICE BUILDING  
WASHINGTON, D.C.

## DATE

MARCH 25, 1987

## TIME

10:20 a.m. WEDNESDAY

IN	OUT	PHONE	ACTIVITY
			with: Representative Michel Representative Lott Representative Jack F. Kemp, (R-New York) Representative Richard B. Cheney, (R-Wyoming) Representative Jerry Lewis, (R-California) Representative Lynn Martin, (R-Illinois) Representative Robert J. Lagomarsino, (R-California) Representative Guy Vander Jagt, (R-Michigan)
10:25?			The President went to the third floor holding room.
10:30?			The President went to his seat inside the Cannon Caucus Room.
10:30?	11:20?		The President participated in a meeting with members of the House Republican Conference.
10:35?			The President was introduced by Representative Kemp.
10:35?	10:50?		The President addressed members of the Republican House Conference.
10:50?	11:15?		The President participated in a question and answer session.
			The President returned to the holding room.
			The President returned to his motorcade.
11:26	11:31		The President motored from the Cannon House Office Building to the South Grounds of the White House. He was accompanied by Mr. Baker.
11:33			The President returned to the Oval Office.
11:42	11:45		The President met with: Mr. Baker Mr. Duberstein
12:01	12:45		The President had lunch in the Oval Office study
1:19	1:28		The President participated in a photo opportunity with Archbishop Iakovos of the Greek Orthodox
			(continued)

## LOCATION

THE WHITE HOUSE  
WASHINGTON, D.C.

## DATE

MARCH 25, 1987

## TIME

DAY

1:19 p.m. WEDNESDAY

IN	OUT	PHONE	ACTIVITY
			Archdiocese of North and South America and several other Greek-Americans to commemorate Greek Independence Day. For a list of attendees, see <u>APPENDIX "A."</u>
1:28	1:29		The President met with Mr. Baker.
1:29	2:06		The President met with: George P. Shultz, Secretary of State Frank C. Carlucci, Assistant for National Security Affairs Mr. Baker Mr. Duberstein
2:06	2:09		The President met with: Mr. Baker Mr. Duberstein Marlin Fitzwater, Assistant for Press Relations
2:09			The President went to the Cabinet Room.
2:09	2:58		The President participated in a meeting with key conservative opinion leaders. For a list of attendees, see <u>APPENDIX "B."</u>
2:58			The President returned to the Oval Office.
4:22			The President returned to the second floor Residence.
5:04	5:05	R	The President talked with his Special Assistant, James F. Kuhn.
7:00			The President and the First Lady had dinner.
10:00			The President retired.

Eno

Center for  
Transportation

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THE WHITE HOUSE  
WASHINGTON

3/26 3:40

WB:

Pam called. The W.P. talked to  
McConnell. McConnell said " I have  
several problems with the  
Agricultural Department that I  
have to talk to the President about.

There is nothing you can do to  
change my vote until the problems  
are ironed out."

*J*

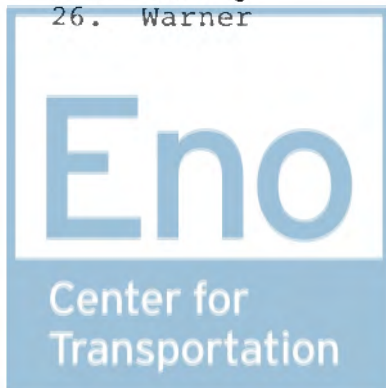


3/26/87  
5:00 p.m.

*file  
to  
Highway*

VOTE TO SUSTAIN THE VETO

<u>FOR</u>	<u>LEANING FOR</u>	<u>UNDECIDED</u>	<u>LEANING AGAINST</u>
1. Armstrong	1. Boschwitz	1. Grassley	1. Bond
2. Chafee	2. Kasten	2. Hecht	2. Cochran
3. Domenici		3. McConnell	3. Cohen
4. Dole		4. Packwood	4. Danforth
5. Evans		5. Pressler	5. Durenberger
6. Garn		6. Quayle	6. Kassebaum
7. Gramm		7. Thurmond	7. Symms
8. Hatch			
9. Hatfield		8. Baucus	8. Bentsen
10. Helms		9. Boren	9. Exon
11. Humphrey		10. Leahy	10. Heflin
12. Karnes		11. Proxmire	11. Shelby
13. Lugar			12. Stennis
14. McCain			
15. McClure			
16. Murkowski			
17. Nickles			
18. Roth			
19. Rudman			
20. Sanford			
21. Simpson			
22. Stafford			
23. Stevens			
24. Tribble			
25. Wallop			
26. Warner			





**U.S. Department of  
Transportation**

Office of the Secretary  
of Transportation

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

March 27, 1987

In a Dear Colleague letter and memorandum dated March 25, 1987, Senators Moynihan, Burdick, Symms, Mitchell and Breaux outlined their concerns about a U.S. Department of Transportation analysis of highway apportionments which was distributed on the Senate Floor on Thursday, March 19.

The document in question, entitled, "State-by-State Comparison: Conference Report vs. Senate-Passed Bill (S.387)," outlined losses in apportionments to 41 states over five years. In response to the Dear Colleague letter and attached memorandum, the following clarifications are in order:

1. Budget Impact

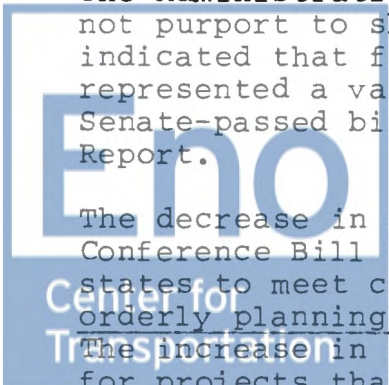
When compared to the Administration's budget request, H.R. 2 is legitimately a "budget buster." The bill contains authorizations exceeding the President's budget by \$10.1 billion over five years, \$9.1 billion of which is contained in the mass transit portion of the bill. Furthermore, since the bill fails to repeal major exemptions from the Federal motor fuels tax as proposed by the Administration, the Federal government would collect \$3.5 billion less in tax receipts over five years than was assumed in the President's budget.

While the conference bill authorizes \$68.8 billion for highways over the five years of the bill, tax receipts into the Highway Account of the Trust Fund over that period will total about \$66 billion. The \$2.8 billion difference will have to come from interest transferred into the Trust Fund from the General Fund which directly increases to the Federal deficit.

2. Structure of the Highway Program

The Administration document referred to by the Senate memo did not purport to show all money going to the states. The table indicated that figures reflected apportioned funds only and represented a valid comparison of apportionments under the Senate-passed bill to apportionments under the Conference Report.

The decrease in apportionments from the Senate Bill to the Conference Bill reflects a decrease in the funds available to states to meet critical highway needs as identified through an orderly planning and programming process at the state level. The increase in allocations represents an increase in funding for projects that may not have substantive merit.



As the Senate memo states, it is true that more money is available under the Conference Report than under the Senate-passed bill, but individual states have no assurance that they will receive any of the allocated funds. Except for the special interest project monies, apportionments are the only funds that all states would consistently receive year after year. In addition, the increase in funds made available under the Conference Agreement would increase the Federal deficit.

### 3. Highway Funding Projections

It is true that a precise five year projection is not possible to determine because of fluctuating apportionment factors. The apportionments in the out years could be either somewhat lower or even higher. It is important to note that because over the five year life of the bill, the majority of states will be half-percent states (states which have completed their Interstate system and receive one-half of one percent of the total Interstate construction apportionment), the increase of \$150 million per year in Interstate construction funds will impact each of these states by less than \$750,000 per year.

The Administration's state-by-state comparison table did include some over-simplifying assumptions, however, the basic point of the table was correct: states will receive fewer guaranteed Federal highway dollars to support those projects which state Departments of Transportation have identified as high priorities through normal highway planning processes.

### 4. Economic Effects of Demonstration Projects

Given a determination of the acceptable level of overall spending, any uncontrolled spending for demonstration projects must be offset by a reduction in the obligation limitation that applies to formula programs. All states must pay the price for demonstration projects outside the ceiling by a reduction in the amount of formula funds they'll actually be able to use in the next five years.





LOCATION			DATE
THE WHITE HOUSE WASHINGTON, D.C.			MARCH 27, 1987
			TIME DAY
			7:45 a.m. FRIDAY
IN	OUT	PHONE	ACTIVITY
7:45			The President and the First Lady had breakfast.
8:56			The President went to the Oval Office.
8:58	9:30		The President met with: George H. Bush, Vice President Howard H. Baker, Jr., Chief of Staff Kenneth M. Duberstein, Deputy Chief of Staff
9:30	9:36		The President met for a national security briefing with: Vice President Bush Frank C. Carlucci, Assistant for National Security Affairs Colin L. Powell, Deputy Assistant for National Security Affairs Jose S. Sorzano, Senior Director of Latin American Affairs, National Security Council (NSC) Mr. Baker Mr. Duberstein
9:36	10:01		The President met with: Vice President Bush
9:36	10:01		Mr. Baker
9:36	9:53		Mr. Duberstein
9:36	10:01		Mr. Carlucci
9:36	9:53		Mr. Powell
9:55	10:01		Jack F. Matlock, Jr., Special Assistant and Senior Director, European and Soviet Affairs, National Security Council (NSC)
9:55	10:01		Fritz W. Ermarth, Special Assistant for National Security Affairs and Senior Director of Soviet and European Affairs, National Security Council (NSC)
10:01	10:05		The President participated in a farewell photo opportunity Mr. Matlock and members of his family. For a list of attendees, see <u>APPENDIX "A."</u>
10:05	10:08		The President met with: Vice President Bush Caspar W. Weinberger, Secretary of Defense Mr. Baker Mr. Carlucci

Eno

Center for  
Transportation

LOCATION	DATE
THE WHITE HOUSE	MARCH 27, 1987
WASHINGTON, D.C.	TIME DAY
	10:08 a.m. FRIDAY

IN	OUT	PHONE	ACTIVITY
10:08	10:17		The President met to discuss British unilateral nuclear disarmament and the build-up of its conventional forces with Neil Kinnock, leader of the British Labor Party. For a list of other attendees, see <u>APPENDIX "B."</u> Members of the press (in/out).
10:59	11:02		The President met in the study with: Vice President Bush Elizabeth H. Dole, Secretary of Transportation Senator Robert J. Dole, (R-Kansas) James C. Miller, Director of the Office of Management and Budget (OMB) Mr. Baker Mr. Duberstein
11:02	11:06		The President participated in a Signing Ceremony returning H.R. 2 without approval the Surface Transportation and Uniform Relocation Assistance Act of 1987. He was accompanied by: Vice President Bush Secretary Dole Senator Dole Mr. Miller Rebecca G. Range, Assistant Secretary of Transportation for Governmental Affairs Mr. Baker Mr. Duberstein William L. Ball III, Assistant for Legislative Affairs Members of the press (in/out).
11:06	11:12		The President met in the study with: Vice President Bush Secretary Dole Senator Dole Mr. Miller Mr. Baker Mr. Duberstein William L. Ball III, Assistant for Legislative Affairs
11:12	11:27		The President met in the study with: Senator Steven D. Symms, (R-Idaho) Senator Dole Mr. Baker

(continued)

LOCATION	DATE
THE WHITE HOUSE WASHINGTON, D.C.	MARCH 27, 1987
	TIME DAY
	11:12 a.m. FRIDAY

IN	OUT	PHONE	ACTIVITY
			Mr. Duberstein Mr. Ball
11:27	11:30		The President met in the study with: Senator Dole Mr. Baker Mr. Duberstein
11:30	11:50		The President met in the study with: Senator Dole Senator Chic Hecht, (R-Nevada) Senator John McCain, (R-Arizona) Mr. Baker Mr. Duberstein Mr. Ball
11:57	12:03		The President participated in a photo opportunity with winners of the White House News Photographers Association photography contest. For a list of attendees, see <u>APPENDIX "C."</u>
12:05	12:42		The President had lunch with Vice President Bush in the Oval Office study.
1:03	1:37		The President met with: George P. Shultz, Secretary of State Mr. Baker Mr. Carlucci
1:37	1:39		The President met with: Mr. Baker Mr. Carlucci
1:40			The President went to the Situation Room.
1:40	3:02		The President participated in a National Security Council meeting. For a list of attendees, see <u>APPENDIX "D."</u>
2:53	2:54	P	The President talked with Nicholas Platt, Executive Secretariat, Department of State.
2:56		P	The President telephoned Representative Trent Lott (R-Mississippi). The call was not completed.
3:02			The President returned to the Oval Office.

Eno

Center for  
Transportation

## LOCATION

THE WHITE HOUSE  
WASHINGTON, D.C.

## DATE

MARCH 27, 1987

## TIME

3:09 p.m. FRIDAY

IN	OUT	PHONE	ACTIVITY
3:09	3:13	R	The President talked with Representative Lott.
3:53	3:40	P	The President talked with Nancy C. Reynolds, President of Wexler, Reynolds, Harrison and Schule, Washington, D.C.
4:13			The President returned to the second floor Residence.
4:47	4:52		The President met with his Special Assistant, James F. Kuhn.
6:30			The President and the First Lady had dinner.
10:50			The President retired.



Center for  
Transportation

March 27, 1987

Received from the White House a sealed envelope said to contain H.R. 2, An Act to authorize funds for construction of highways, for highway safety programs, and for mass transportation programs, to expand and improve the relocation assistance program, and for other purposes, and a veto message thereon.

*Alicia Parker for Donald K. Anderson*  
CLERK OF THE HOUSE OF REPRESENTATIVES

12:23pm  
Time received



VETO OF H.R. 2

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MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

HIS VETO OF H.R. 2, A BILL TO AUTHORIZE FUNDS FOR CONSTRUCTION OF HIGHWAYS, FOR HIGHWAY SAFETY PROGRAMS, AND FOR MASS TRANSPORTATION PROGRAMS, TO EXPAND AND IMPROVE THE RELOCATION ASSISTANCE PROGRAM, AND FOR OTHER PURPOSES



U.S. GOVERNMENT PRINTING OFFICE



*To the House of Representatives:*

I am returning herewith without my approval H.R. 2, the "Surface Transportation and Uniform Relocation Assistance Act of 1987." I want to make clear that I strongly favor an adequate and fiscally responsible Federal-aid highway and transit program, and I support the provisions in H.R. 2 that would provide essential funds for legitimate transportation construction and safety projects. I also support allowing the States to raise their speed limits on rural interstate highways to 65 miles per hour. However, the bill authorizes excessive funding levels of \$87.5 billion over 5 years, \$10.1 billion more than my original request and more than is brought in by highway user taxes. It includes unjustifiable funding for narrow, individual special interest highway and transit construction projects, and it unfairly distributes transit funds. All of these reasons force me to veto H.R. 2.

H.R. 2 is an unsound bill. It represents a failure to exercise the discipline that is required to constrain Federal spending, especially pork barrel spending. I remain firm in my commitment to the American people to hold down Federal spending, and I ask the Congress to join me in that commitment by promptly enacting a bill that is consistent with the need for fiscal discipline.

In vetoing H.R. 2, I recognize that the States are rapidly running out of highway funds and that legislation is necessary to make funds available for the 1987 construction season. I am committed to that goal. Therefore, I was deeply disappointed when the Congress failed to pass an acceptable bill before it adjourned last year. The Administration transmitted its own bills to the Congress in January so that funds could be made available promptly to the States for legitimate projects. I am ready with an improved and acceptable proposal that I urge the Congress to enact without further delay. This proposal does not include special "pork barrel" projects, and provides a fair and equitable distribution to States of both highway and transit funds.

Some of the unaffordable provisions in H.R. 2 include add-on funding for 152 highway special interest projects. The 5-year Federal cost of the 152 highway projects is estimated to be \$1.4 billion, and nearly \$900 million of this amount is not subject to any spending controls. The total cost to complete these highway projects is estimated to be \$5.5 billion, and they have not even been selected through the established Federal-aid highway program mechanism that relies on the expertise of State and local officials. In fact, there is virtually no hearing record and related analyses regarding the merits of these projects. The States, not the Congress, should determine their highway program needs.

The expansion of the scope of the Boston Interstate projects eligible for interstate highway funds would increase the Federal cost to complete the Interstate System by \$1.1 billion. This provision is

unfair because, for all other States, the Interstate System was closed to add-ons in 1981.

The direction in Title III to fund the Los Angeles Metrorail project also grossly distorts funding priorities. The provision would require that up to \$870 million, or 14 percent, of the fuel taxes paid by motorists for the national transit program be spent in one city. Moreover, Los Angeles has not decided where to build the project, and the environmental review process is incomplete. The Department of Transportation should not be statutorily required to execute a new contract or make available additional money to Los Angeles or any other specific city, beyond amounts already agreed to by the parties.

Since 1983, over \$4 billion collected from motorists in fuel taxes has been authorized for transit programs. Because these funds are not distributed by formula, this revenue has not been distributed equitably to each of the States. For example, in 1986, eleven cities received over 80 percent of the funds made available that year.

We must provide for a more equitable distribution of the fuel taxes that are collected from motorists and reduce the level of General Funds going to mass transit. An increase in the required local share for major mass transit projects is also needed to encourage the planning of more economically viable projects. In addition, I am opposed to the sharp increase in certain excise taxes contained in this bill.

Finally, H.R. 2 contains "Buy America" provisions that would be harmful to our trading interests. The increase in the domestic content requirements related to transit projects and the requirement that foreign rolling stock must be 25 percent cheaper than U.S. products are unwarranted. The changes invite retaliation against U.S. exports that are produced and marketed by U.S. businesses.

I am committed to the expeditious enactment of authorization legislation so that funds will be available for use during the impending construction season. To make that point I have made an alternative proposal. Let me briefly describe what my proposal would do. With regard to highway programs, we would authorize \$66 billion over 5 years; the same levels provided in the Senate-passed bill. Compared to H.R. 2, our bill would provide a more fair distribution, with more money going to States through regular program formula distributions. States would be able to fund the projects identified in H.R. 2 from their allocation of highway funds, if they so choose, but not with add-on funding. There would be no special treatment for large projects.

We would apply the equity principle to transit programs as well. We would authorize \$16.1 billion over 5 years, increase the local match for major projects, and would promote a fairer distribution of the gas tax receipts that are collected in all States but that now only benefit a few cities. We would not spend the taxpayers' dollars on high cost projects of dubious merit like the expansion of Los Angeles Metrorail.

In short, this is the way a reasonable and fair highway and transit bill should be constructed. Now, there is no reason why the Con-

gress cannot send me a bill that I can sign quickly before the spring construction season is any further along.

RONALD REAGAN.

THE WHITE HOUSE, March 27, 1987.



THE WHITE HOUSE  
WASHINGTON

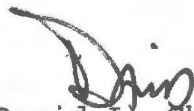
March 27, 1987

MR. PRESIDENT:

Attached for your decision are H.R.2, the Surface Transportation and Uniform Relocation Assistance Act of 1987, and a proposed veto message.

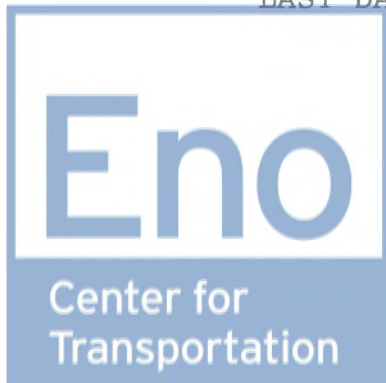
Disapproval of the bill is recommended by OMB, SBA, HUD, the Treasury and Transportation Departments, Counsel's Office, and the Offices of Legislative Affairs, Policy Development, Public Liaison, and Cabinet Affairs. The State, Defense, and Agriculture Departments, FEMA, GSA, and USTR all have no objection.

If you concur in the above recommendation, please sign the attached veto message.



David L. Chew

LAST DAY FOR ACTION: April 4th



Delivered to the Clerk of the House 3/27/87, 12:23 PM.

The President has seen 3/27

VETOED  
MAR 27  
Statement Issued  
Government Bonds  
Caval Office  
11:00 AM



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

25 MAR 1987

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 2 - Surface Transportation and  
Uniform Relocation Assistance Act of 1987  
Sponsors - Anderson (D) California and 65 others

Last Day for Action

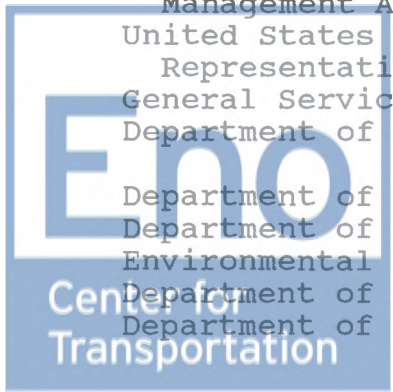
April 4, 1987 - Saturday

Purpose

Authorizes appropriations totaling \$69.7 billion for highways construction and highway safety and \$17.8 billion for mass transit for fiscal years 1987-1991; authorizes special interest highway and mass transit projects; extends highway excise taxes for five years, through September 30, 1993; and amends the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.

Agency Recommendations

Office of Management and Budget	Disapproval (Veto Message attached)
Department of Transportation	Disapproval
Department of the Treasury	Disapproval
Small Business Administration	Disapproval
Department of Housing and Urban Development	Disapproval
Department of State	No objection
Department of Defense	No objection
Department of Agriculture	No objection
Federal Emergency Management Agency	No objection
United States Trade Representative	No objection
General Services Administration	No objection
Department of Justice	Defers to agencies recommending disapproval
Department of the Interior	Defers to Transportation
Department of Commerce	Defers to others
Environmental Protection Agency	No comment
Department of Energy	No comment
Department of Labor	No response



Discussion

H.R. 2 is a comprehensive multi-billion dollar authorization bill, covering fiscal years 1987-1991, consisting of five titles: Title I - Federal-Aid Highway Act of 1987; Title II - Highway Safety Act of 1987; Title III - Federal Mass Transportation Act of 1987; Title IV - Uniform Relocation Act Amendments of 1987; and Title V - Highway Revenue Act of 1987.

The enrolled bill's titles covering Title I (highways) and Title III (mass transit) are the most important because of their budget impact and their expiration on September 30, 1986. As a result of the expiration, the States are running out of money (derived from unobligated balances of prior year appropriations) for highway construction just as the 1987 construction season is about to begin.

The conference report on H.R. 2 passed the House by a vote of 407-17 and the Senate by 79-17.

The following is a summary of the budget impact of H.R. 2:

<u>H.R. 2/1987-1991</u> ( <u>\$ in billions</u> )			
	<u>President's</u> <u>Budget</u>	<u>H.R. 2</u>	<u>Difference</u>
<u>Authorizations</u>			
Highway	\$ 68.0	\$ 68.8	\$ +.8
Transit	8.7	17.8	+9.1
Safety	.7	.9	+.2
Total	<u>77.4</u>	<u>87.5</u>	<u>+10.1</u>
<u>Outlays</u>			
Highway	66.1	68.4	+2.3
Transit	15.1	19.7	+4.6
Safety	.8	.9	+.1
Total	<u>82.0</u>	<u>89.0</u>	<u>+7.0</u>
<u>Receipts</u>			
Repeal Gas Tax Exemptions	-3.5	0	+3.5
<u>Total Deficit Impact</u> (Increased outlays plus foregone receipts)			<u>+10.5</u>
	*	*	*

We join the Departments of Transportation (DOT) and the Treasury in recommending that you veto H.R. 2 because it is a fiscally irresponsible bill that represents Congress' failure to exercise the discipline necessary to restrain Federal spending. Specifically, the bill contains numerous special interest highway and transit projects and would provide excessive funding levels, particularly for transit programs.

A summary of the administration's position to date on this legislation and the enrolled bill's objectionable provisions follows. A brief description of each of the enrolled bill's titles is included in Attachment A.

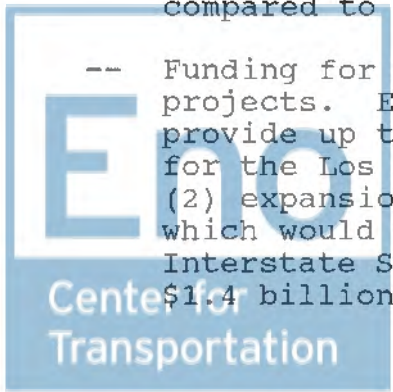
#### Administration Position

In a Statement of Administration Policy on H.R. 2, dated January 16, 1987, the administration advised the House that the President's senior advisers would "recommend that the President veto the bill." On February 2nd, a Statement of Administration Policy sent to the Senate on the Senate highway companion bill, S. 387, advised that the President's senior advisers would "recommend a veto of the bill" if objectionable mass transit provisions were added to it; in passing the bill, the Senate added the objectionable provisions. Subsequently, on February 13th and February 20th, this Office and the Department of Transportation sent letters to the conferees on H.R. 2 again stating that, if the administration's concerns were not addressed, the "President's senior advisers would strongly recommend that the President veto the bill." On March 19th you sent a letter to Senate Republican Leader Dole stating that you would disapprove the bill as now enrolled.

#### Objectionable Provisions of Enrolled Bill

As enrolled, H.R. 2 contains the following objectionable features:

- Excessive authorizations for highways and transit projects which exceed the administration's proposal by \$10.1 billion over five years. In particular, authorizations for mass transit total \$17.8 billion over five years, compared to \$8.7 billion requested by the administration.
- Funding for numerous special interest transit and highway projects. Examples include: (1) a requirement for DOT to provide up to \$870 million in additional transit funding for the Los Angeles, California, Metrorail project; (2) expansion of the Boston Interstate highway projects which would increase the Federal costs of completing the Interstate System by at least \$1.1 billion; (3) funding of \$1.4 billion over five years (on top of States' allocation



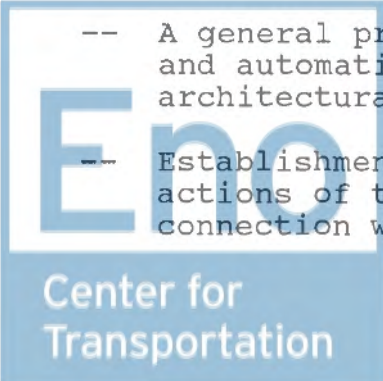
of Federal highway funds) for 152 so-called "demonstration" projects, of which \$890 million would not be subject to an otherwise applicable spending control. The total costs of these projects is estimated at \$5.5 billion.

- Continuation of inequitable and inappropriate procedures for allocating transit trust funds which target disproportionate amounts of transit funds to relatively few cities. The enrolled bill would also continue:  
(1) discretionary grants (used to fund the start of new projects which are often overly-expensive and cost ineffective) and operating subsidies, both of which the administration had proposed to curtail sharply because they encourage projects which are not economically sound, and (2) existing matching requirements (e.g., only a 20 to 25 percent local share for certain grants).
- Expansion of existing domestic content requirements for mass transit projects from 50 percent to 60 percent by the end of the enrolled bill's authorization period, and the application of new restrictions to the purchase of foreign-made buses and railcars.

The above provisions are the core objectionable features of H.R. 2 and warrant your disapproval of the enrolled bill.

Other objectionable features of the bill include:

- Failure to repeal current exemptions from fuel taxes and other highway user fees for gasohol, bus operators, and State and local governments, resulting in a loss of revenues to the Highway Trust Fund of \$3.5 billion over five years.
- An estimated \$150 million increase in authority to obligate funds for highway projects not subject to an otherwise applicable spending control.
- An increase in the Federal matching share and the waiver of non-Federal matching requirements for highway projects in certain cases.
- A general prohibition on the use by States of sealed bids and automatic acceptance of the lowest bidder on architectural and engineering contracts.
- Establishment of liability of the Federal Government for actions of the National Academy of Sciences taken in connection with the Strategic Highway Research Program.

The logo for the Eno Center for Transportation. It features the word "Eno" in a large, blue, sans-serif font. Below "Eno" is the text "Center for Transportation" in a smaller, blue, sans-serif font. The entire logo is contained within a blue rectangular box.

- The addition of new definitions and requirements under the Uniform Relocation Act, which governs Federal payments for relocations required by federally funded projects, that would increase Federal costs and restrict State and local flexibility in administering their responsibilities under the Act.

### Agency Views

In its enrolled bill views letter, the Department of Housing and Urban Development (HUD) recommends that H.R. 2 be vetoed because of its Uniform Relocation Act (URA) provisions, which are described in general above. HUD states that these provisions "might result in additional unnecessary costs and administrative burdens" to public housing authorities and the Federal Government and that existing law governing relocations is adequate. Accordingly, HUD has provided language for inclusion in a veto message objecting to the URA provisions.

We do not believe that the URA provisions should be a basis for the disapproval of H.R. 2. The URA provisions -- although objectionable in the respects already noted -- do reflect the efforts of this Office, DOT, and HUD over recent years to have the URA amended. The provisions in H.R. 2 are the result of that effort and reflect the best compromise with Congress that was achievable. Vetoing the bill because of its URA provisions would not, in our opinion, be appropriate. We also note that HUD's enrolled bill views letter is the first time that the Department has objected to these provisions.

The Small Business Administration (SBA) also recommends the disapproval of H.R. 2 because of its provisions related to DOT's Disadvantaged Business Enterprise (DBE) program. This program, which H.R. 2 would continue, concerns the set aside of highway construction funds for socially and economically disadvantaged persons. H.R. 2 would make women eligible for this program and limit participation to firms with annual average receipts of \$14 million or less. SBA advises that these provisions do not affect SBA directly, but believes that they could have implications when changes to its own DBE regulations are considered in the future. Accordingly, SBA recommends disapproval. We do not believe that the SBA concern should be a basis for disapproving H.R. 2.

The Department of Justice, in its enrolled bill views letter, also comments on the bill's DBE provisions. The Department reiterates its position that preferences accorded individuals based on race, gender, or ethnicity are constitutionally suspect. The Department points out, however, that the Secretary of Transportation has the discretionary authority under the bill's DBE provisions to ensure that no funds are expended on the basis of these constitutionally impermissible criteria. Justice also objects to the "Buy America" provisions in H.R. 2 and has provided language for inclusion in a veto

message addressing these provisions. Although Justice's proposed language has not been used, the veto message that we have prepared for your consideration does address this matter.

### Conclusion

The administration has consistently supported legislation to authorize funds for legitimate highway and transit projects and transmitted its own bills to Congress during January to accomplish this purpose. H.R. 2, however, is a fiscally irresponsible bill with excessive authorizations that is riddled with special interest provisions. During fiscal years 1987-1991, the enrolled bill would increase the deficit by \$10.5 billion when compared to your 1988 budget proposal. Moreover, the bill establishes future liabilities by authorizing special projects that may have an ultimate Federal cost of many additional billions of dollars. Furthermore, in designating these special projects for funding, the Congress has chosen to ignore, and in many cases to override, the existing project selection mechanism that relies on the expertise of State and local officials in making such decisions.

The Congress has chosen to present you with H.R. 2 notwithstanding all of our previously expressed objections to the bill's troublesome features. In light of those features and Congress' clear failure to accommodate the administration's concerns, we believe the enrolled bill should be vetoed.

We have prepared a veto message (Attachment B), in consultation with the Department of Transportation, for your consideration. The message emphasizes your eagerness to sign a bill that would permit the States to undertake important and legitimate projects as the 1987 construction season commences. The message also highlights the fiscally irresponsible nature of the enrolled bill and urges the Congress to enact legislation that you can sign. The message generally delineates the type of bill that would be acceptable and states that you have directed the Secretary of Transportation to work closely with Congress to address satisfactorily the objectionable provisions of H.R. 2.

Compared to H.R. 2, which exceeds your 1988 Budget by \$10.1 billion in authorizations during the period 1987-1991, we estimate that a possible compromise with the Congress would exceed the administration's original proposal by about \$5.6 billion in authorizations.

I join the Departments of Transportation and the Treasury in recommending that you veto H.R. 2.



James C. [Signature] III  
Director

Description of Enrolled Bill's Titles

Title I -- "Federal-Aid Highway Act of 1987"

Title I would authorize appropriations from the Highway Trust Fund totaling \$68.8 billion during fiscal years 1987-1991 for highway programs. Specific authorization levels are specified for thirteen programs making up the Federal-Aid Highways program. The five largest programs are the Interstate 4R Program (resurfacing, restoration, rehabilitation, and reconstruction), the Federal-Aid Primary System, the Federal-Aid Secondary System, the Federal-aid Urban System, and the Bridge Replacement and Rehabilitation Program. The remaining eight include programs for the elimination of hazards, Indian reservation roads, forest highways, public lands highways, parkways and park highways, Federal Highway Administration highway safety programs, Federal Highway Administration highway safety research and development programs, and the elimination of railroad crossings program.

In addition to detailing procedures to be followed in apportioning these funds and prescribing miscellaneous requirements for grantees, the title makes the Boston projects eligible for Interstate highway funds and specifically authorizes 170 "demonstration projects." Eighteen of these projects would be funded from States' formula based allocations of Federal highway funds. For the remaining 152 demonstration projects, fifty percent of their costs would be funded with "new" Federal-aid funds (specifically authorized at \$178 million annually and not subject to annual spending controls); thirty percent (\$107 million annually) would be earmarked from highway discretionary funds; and twenty percent would be derived from State and local funds.

Title II -- The "Highway Safety Act of 1987"

Title II authorizes appropriations totaling \$861 million from the Highway Trust Fund for the activities of the National Highway Traffic Safety Administration during fiscal years 1987-1991. This is \$141 million more than requested in your 1988 budget. The title also sets forth various requirements for safety-related studies and reports, many of which the administration has opposed as unnecessary.



### Title III -- "Federal Mass Transportation Act of 1987"

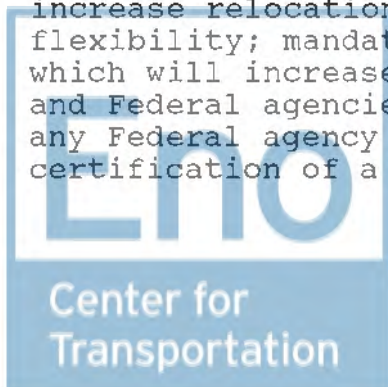
Title III authorizes appropriations totaling \$17.8 billion for mass transit activities during fiscal years 1987-1991, and details procedures to be followed in apportioning these funds. The title also prescribes various programs, studies, and requirements (including an expansion of existing "Buy America" requirements), and includes provisions benefiting specific localities (including the costly Los Angeles Metrorail project, as previously described).

This title does not include major reforms proposed in the 1988 Budget. The use of Highway Trust Fund fuel tax revenues to finance transit discretionary grants is continued (over 80 percent of these funds, collected from all fifty States, currently benefit fewer than 20 cities). Although the administration proposed to increase the local matching share on capital grants to 50 percent (from the current 20 to 25 percent), the title includes no increase in the local matching share. The title also continues operating subsidies for urban areas with populations of 200,000 or more, rather than eliminating them as proposed by the administration.

### Title IV -- "Uniform Relocation Act Amendments of 1987"

Title IV revises current standards and procedures for providing relocation assistance to persons and entities displaced by federally financed activities. The title specifies that the Department of Transportation is to serve as the "lead agency" for activities conducted pursuant to the Uniform Relocation Act and requires the Department to issue government-wide regulations for the implementation of the title's provisions. It includes several new definitions affecting eligibility and benefits under the act; adjusts certain assistance levels, including residential and business moving assistance payments; and prescribes new procedural requirements related to relocation planning and assistance.

Problematic provisions in this title include those eliminating the President's current authority to designate the lead agency; defining "comparable replacement dwelling" in a manner which will increase relocation costs and decrease State and local flexibility; mandating new requirements for "relocation planning" which will increase costs and paperwork for States, localities, and Federal agencies and result in project delays; and permitting any Federal agency providing covered assistance to withdraw certification of a State's procedures for implementing the Act.



THE WHITE HOUSE

WASHINGTON

March 26, 1987 <sup>7</sup>MAR 26 25:30

MEMORANDUM FOR DAVID I. CHEW  
DEPUTY ASSISTANT TO THE PRESIDENT AND  
STAFF SECRETARY

FROM: JAY B. STEPHENS  
DEPUTY COUNSEL TO THE PRESIDENT

SUBJECT: Highway Bill Veto Message

As requested, this office has reviewed the Memorandum for the President from the Director of the Office of Management and Budget concerning H.R. 2, the so-called "Highway Bill." We have also reviewed the draft veto message prepared by OMB/DOT.

We have no legal objection to the OMB Director's memorandum, and concur in his recommendation that the President veto H.R. 2.

Our preliminary review of H.R. 2 indicates that its 129 pages contain many more objectionable provisions than those pointed out in the OMB/DOT veto message. Because any such message cannot hope to list comprehensively all of the objectionable provisions of the bill, its purpose must be to persuade those Members of Congress leaning our way, and the general public, of the need to sustain the President's veto. This is best accomplished at a fairly general level. The OMB/DOT veto message, however, alludes to several technical provisions of the bill -- such as a presumed distinction between "special" projects and "priority" projects -- which can have little persuasive effect on one who is not a technical expert. We recommend the veto message be revised to reduce the technical language and to bolster the more generally applicable persuasive language outlining objections to the bill.

Thank you for submitting the enrolled bill and accompanying documents for our review.

Eno

Center for  
Transportation



United States Department of State

Washington, D.C. 20520

MAR 24 1987

Dear Mr. Miller:

I am responding to a March 18 memo from Mr. James M. Frey requesting the Department of State's view on Enrolled Bill H.R. 2, "Surface Transportation and Uniform Relocation Assistance Act of 1987".

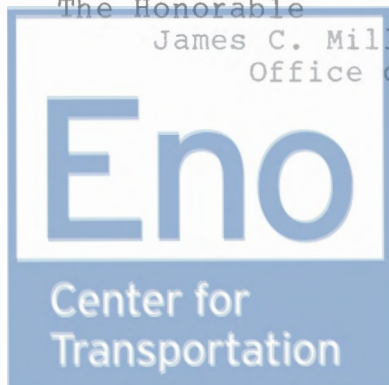
The Department of State has followed closely the development of Section 507 of the bill that would apply a currently existing Heavy Vehicle Use Tax to Canadian trucks that enter and operate in the United States. We received several expressions of concern from the Government of Canada regarding this proposal which was included in a Senate amendment to the bill. We understand, however, that the language contained in the final bill applying this tax at a rate of 75% of that applicable to American trucks has, for the most part, resolved Canada's concerns on this issue. The Department of State therefore has no objection on foreign policy grounds to Presidential assent to this bill.

With best wishes,

Sincerely,

J. Edward Fox  
Assistant Secretary  
Legislative and Governmental Affairs

The Honorable  
James C. Miller, III, Director,  
Office of Management and Budget.



THE WHITE HOUSE

WASHINGTON

April 3, 1987

MEMORANDUM FOR RHETT DAWSON

FROM: PAMELA TURNER

SUBJECT: Attendees at Presidential Meeting

The following participants attended a Veto Ceremony for the Highway/Mass Transit bill on Friday, March 27, 1987 in the Oval Office at 11:00 a.m.:

The Vice President

Senator Howard Baker

Secretary of Transportation Dole  
OMB Director James Miller

Senator Robert Dole (R-Kansas)

White House Staff

Kenneth Duberstein  
William L. Ball, III

Transportation Staff


Federal Highway Administrator Ray Barnhart



THE WHITE HOUSE

WASHINGTON

SIGNING OF THE VETO MESSAGE FOR THE HIGHWAY BILL

DATE: Friday, March 27, 1987  
LOCATION: Oval Office  
TIME: 11:00 a.m. (5 minutes)  
FROM: William L. Ball, III 

I. PURPOSE

To emphasize the strength of your opposition to the highway/mass transit funding bill by signing your veto message for the bill with press pool coverage.

II. BACKGROUND

Your veto of the highway/mass transit funding bill is drawing increasing press and public attention. Your veto message and your statement are designed to call attention to the extravagant, special interest spending authorized by the bill.

Signing the veto message in the Oval Office with press coverage, in the presence of your key advisors on the bill and key Senators, will continue to publicize the objectionable features of the bill. By doing so, increased pressure will be felt by the several remaining undecided Republican Senators to vote to sustain your veto.

III. PARTICIPANTS

The President

The Vice President

Senator Howard Baker  
Secretary of Transportation Dole  
OMB Director Miller

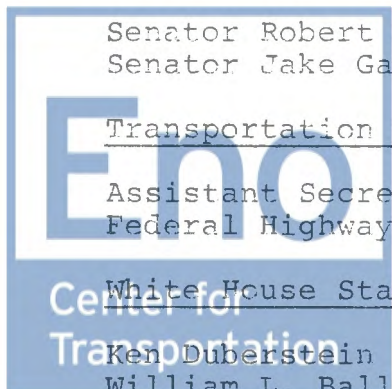
Senator Robert Dole (R-Kansas)  
Senator Jake Garn (R-Utah)

Transportation Staff

Assistant Secretary Rebecca Range  
Federal Highway Administrator Ray Barnhart

White House Staff

Ken Duberstein  
William L. Ball, III



IV. PRESS PLAN

Press pool coverage.

V. SEQUENCE OF EVENTS

Participants to arrive via the Northwest gate to the West Lobby and are escorted to the Oval Office where the President makes a statement and signs veto message.

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Attachment - Remarks to be provided



The President has seen  
(Dolan)  
March 27, 1987  
11:30 a.m.

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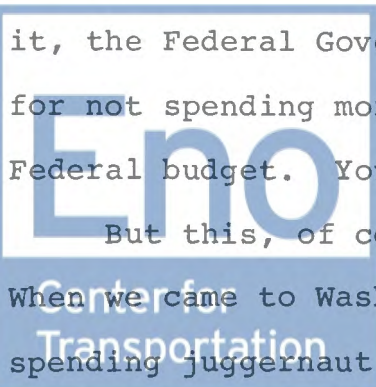
PRESIDENTIAL RADIO TALK: BUDGET AND HIGHWAY BILL  
SATURDAY, MARCH 28, 1987

I went up to Capitol Hill this week where many Congressmen were wearing a button with the number "108 in '88" on it. And therein lies a story. Today, I'd like to tell you about it.

The group was the House Republican Conference and the number stood for the 1988 fiscal year's deficit target -- \$108 billion. Now before you anticipate lots of Washington talk about budgets and deficits, don't -- as we used to say in the old days of radio -- touch that dial. Believe me, this issue concerns your job and America's prosperity; it's about keeping inflation low and making sure Government doesn't take any more of your take-home pay.

You see, in 1985 the Congress made a solemn pledge to you, the American people, when it decided on \$108 billion. After years of wild spending and the accumulation of a trillion-dollar debt, Congress finally agreed to a long-term plan to shrink the Federal budget and, over the course of 5 years, to actually stop deficit spending. Yes, that's right, under this legislation, called Gramm-Rudman-Hollings for the three Senators who proposed it, the Federal Government had actually adopted a feasible plan for not spending more than it takes in -- for balancing the Federal budget. You could feel the planet shaking.

But this, of course, came only after a long, hard struggle. When I came to Washington in 1981, the momentum of the Federal spending juggernaut seemed unstoppable, and year after year

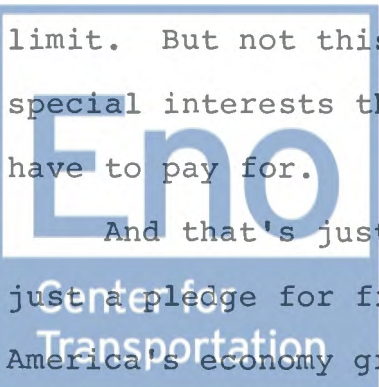


Congress -- through the higher inflation caused by Federal borrowing or through higher taxes -- saddled the American people with the bill. But over the last 6 years, we changed the terms of the entire debate. For the first time, even the big spenders in the Congress were talking about the deficit like the problem that it is. What a breakthrough that was to those of us who remember Congressmen and economists who actually thought we could spend ourselves rich -- just like the fella who thought he could drink himself sober.

So -- when Gramm-Rudman-Hollings was adopted -- it broke decades of bad tradition; and many were hopeful Congress would keep its promise and hold to the deficit targets. But, you know Congress and spending. Only this week the Congress sent me a highway construction bill that was loaded with pork-barrel projects; I hadn't seen so much lard since I handed out blue ribbons at the Iowa State Fair. It was \$10 billion overboard.

I got out my veto pen and used it fast. I told the Congress to pare away the waste; to clean this bill up, get it back down to me within the week, and I will sign it within hours -- because America does need a highway bill in time for spring construction and one that restores authority for the 65-miles-per-hour speed limit. But not this one, not a budget-busting handout to the special interests that ultimately you, the American worker, will have to pay for.

And that's just the point, Gramm-Rudman-Hollings was not just a pledge for fiscal responsibility but a pledge to keep America's economy growing and creating new jobs.





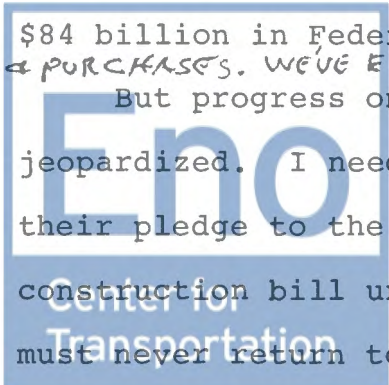
We need to remember that one of the reasons the economy is prospering<sup>3</sup> and the financial markets are responding is the message the Gramm-Rudman-Hollings plan sends to potential investors and entrepreneurs. A message that says it's safe and smart to invest in our economy -- to create new jobs because Government is going to hold down spending and prevent inflation and tax increases from returning.

So, you do have a tremendous personal stake in this budget battle and Congress' pledge to hold down the deficit. I've said so often that the reason things changed in America is because those of you at home made those in Congress who didn't see the light on economic issues at least feel the heat. Well, I'm going to be needing your help again.

It would be a shame to lose our momentum now -- on inflation and taxes and economic growth, we've accomplished so much.<sup>4</sup> In fact, in the future, I will be talking about another development in saving tax dollars and making the Government more efficient. Budget Director Jim Miller and his deputy Joe Wright have been briefing me on the results of our Government-wide management project -- a project that's saved our citizens over 600, ~~000~~ million man hours in filling out forms, and redirected

*\$84 billion in Federal money AWAY FROM WASTEFUL OVER HEAD & INTO USEFUL SERVICE & PURCHASES. WE'VE ELIMINATED 30,000 PAGES OF FED. REGULATIONS.*

But progress on this front or any other is gravely jeopardized. I need your help now to tell Congress to honor their pledge to the American people and get the highway construction bill under the Gramm-Rudman-Hollings limits. We must never return to the bad old days of higher spending and



runaway inflation. So, let's keep the number on the button,  
remember "108."

Until next week, thanks for listening and God bless you.



THE WHITE HOUSE

WASHINGTON

March 30, 1987

MEMORANDUM FOR SENATOR HOWARD BAKER

FROM: WILLIAM L. BALL, III

SUBJECT: Phone Call to Senator Nancy Kassebaum regarding  
the highway bill veto

Senator Kassebaum is leaning against the President on the highway vote. She is primarily concerned that a new bill cannot be passed in a timely fashion. She agrees with the Democrat portrayal of this vote as "all or nothing".

Kansas gains \$1.6 million from the President's latest proposal over the bill he vetoed.

Call to Senator Nancy Kassebaum (R-Kansas)

Points:

- Nancy, I'm calling about the highway bill.
- The President has vetoed it and he'll need your help to sustain the veto.
- I sympathize with you for the pressure you're under from back home.
- But if we can sustain this veto, then we can push for the President's alternative which he proposed Friday, one which is reasonable.
- I don't think the Democrats can walk away from the bill if the veto is sustained. Then, the pressure will be on them, and the President is prepared to keep the pressure on.
- Of course, I don't need to explain how important it is for all Republicans running in 1988 that the President be strong. You know that already, so you know how important it is to sustain this veto.
- It is going to be a close vote on the veto, but we can win. The President needs your support.
- Can we count on you?

Eno

Center for  
Transportation



THE SECRETARY OF TRANSPORTATION  
WASHINGTON, D.C. 20590

March 30, 1987

Dear Member:

You will shortly be voting on whether or not to sustain President Reagan's veto of the Highway/Transit Reauthorization Legislation. I strongly urge you to sustain his veto.

The President viewed H.R. 2 as bad policy for a number of reasons. It subverts the historic authority of State governments and undermines the 60-year Federal/State partnership under which states have determined the priority of highway projects. Since 1973, there have been only 30 demonstration projects. In this single bill, however, Congress designated 152 such projects. Only three of the 152 earmarked in H.R. 2 were deemed "worthy of study" or evidenced potential national significance.

By earmarking funds to the states for construction of 152 "demonstration" projects, the legislation would not only establish policy to govern the nation's highway program for five years, it would establish Congress as the nation's chief highway engineer. Congress would offer \$890 million in new funds outside of budget controls and take \$540 million from other categories of funds, such as that which has been used to repair deficient bridges. The total of \$1.4 billion would only partially finance many of these projects, leaving to the states---or more likely future Congresses---the problem of providing additional necessary funds. In fact, the total cost to complete these projects is estimated to be \$5.5 billion.

It is important to realize that the Administration's compromise designates these as "priority projects" for which the states may select from among a number of Federal highway funding categories. This added flexibility, coupled with the direction given by Congress designating these as priority projects, provides an impetus for states to complete these projects. The Administration alternative preserves the traditional Federal-State partnership, the foundation of the Federal-aid program.

Further, the Conference Agreement would create a new billion dollar highway rehabilitation discretionary fund intended to benefit only a few states, but financed by drawing down funds which historically have been distributed to all states.

The distribution of mass transit funds under the Conference Agreement continues to be grossly unfair to the vast majority of states. In 1986, only 11 cities received 80% of the funds collected from all motorists through the penny of gasoline taxes that is dedicated by law to transit programs. Since 1984, over \$3.4 billion collected from motorists in fuel

Center for  
Transportation

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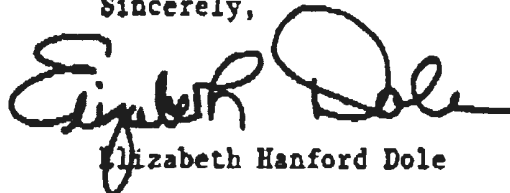
taxes has been authorized for transit programs. Because these funds have not been distributed to all states by formula, this revenue has not been distributed equitably. Under this legislation, Los Angeles alone would receive 14% of the fuel taxes paid by all motorists for a project which is not completely designed and for which the environmental review process is incomplete. The initial cost of this project is approximately \$300 million per mile.

I am committed to expeditious enactment of authorization legislation and will do everything reasonably within my power to ensure that funds will be available for use during the impending construction season. Legislation can be enacted quickly that would provide a fairer distribution of gas tax receipts, with more highway money going to states through regular program formula distribution. Similarly in the transit program, we can address our transit needs, while distributing gas tax receipts on a more equitable basis and reducing the burden on the General Fund.

Never before in our history has a President been compelled to veto a highway reauthorization bill. But never before has such legislation so diminished the prerogatives of the states and so jeopardized the program. Transportation is too essential to us all to permit such a cavalier attitude in setting a 5-year transportation policy which sacrifices national goals.

With warmest regards,

Sincerely,



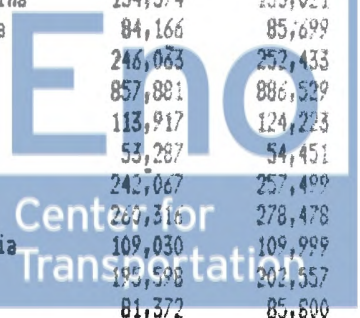
Elizabeth Hanford Dole



COMPARISON OF FY 1987 ESTIMATED APPORTIONMENTS AND DEMO PROJECTS  
 UNDER H. R. 2 CONFERENCE REPORT WITH APPORTIONMENTS UNDER  
 ADMINISTRATION PROPOSAL (MARCH 24, 1987)  
 (DOLLARS IN THOUSANDS)

STATE	H. R. 2 CONF.	ADMIN. PROPOSAL	DIFFERENCE
Alabama	261,344	274,336	12,992
Alaska	153,584	159,661	6,080
Arizona	148,008	153,204	5,196
Arkansas	134,464	129,087	-5,377
California	997,175	1,001,469	4,294
Colorado	186,726	199,179	12,453
Connecticut	273,157	283,435	10,278
Delaware	50,090	51,233	1,143
Dist. of Col.	83,800	87,906	4,106
Florida	430,786	443,492	12,707
Georgia	334,739	334,292	-447
Hawaii	134,917	144,521	9,604
Idaho	87,318	90,077	2,759
Illinois	379,462	387,031	7,569
Indiana	258,280	262,369	4,090
Iowa	172,078	171,429	-649
Kansas	147,882	149,492	1,610
Kentucky	169,368	172,175	2,807
Louisiana	263,378	276,391	13,013
Maine	61,229	59,080	-2,149
Maryland	279,513	285,345	5,832
Massachusetts	531,233	362,814	-168,419
Michigan	321,099	327,848	6,750
Minnesota	212,833	219,332	6,499
Mississippi	130,288	132,522	2,234
Missouri	263,976	261,295	-2,681
Montana	108,411	114,444	6,033
Nebraska	103,426	106,654	3,228
Nevada	74,866	74,901	35
New Hampshire	54,918	56,061	1,143
New Jersey	326,170	330,342	4,172
New Mexico	109,419	110,560	1,141
New York	640,468	651,836	11,368
North Carolina	292,084	301,553	9,469
North Dakota	78,469	76,970	-1,499
Ohio	421,925	435,874	13,949
Oklahoma	191,195	197,973	6,778
Oregon	127,947	135,172	7,225
Pennsylvania	526,249	530,016	3,767
Rhode Island	102,441	103,422	981
South Carolina	154,574	155,021	447
South Dakota	84,166	85,699	1,533
Tennessee	246,063	252,433	6,371
Texas	857,881	886,529	28,648
Utah	113,917	124,223	10,306
Vermont	53,287	54,451	1,164
Virginia	242,067	257,499	15,432
Washington	280,316	278,478	18,162
West Virginia	109,030	109,999	969
Wisconsin	193,598	202,557	6,959
Wyoming	81,372	85,800	4,428
Puerto Rico	61,923	65,483	3,560
	12,084,905	12,202,965	118,060

*1/2  
 1/2  
 1/2  
 Highway*



THE WHITE HOUSE

WASHINGTON

March 30, 1987

MEMO TO GWEN

FROM: JUDY

RE: Highway Veto Calls

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The following is a brief report on the Governors's position regarding the President's veto of the HR 2.

ALABAMA

We passed along the message from Sonny Campbell to Judy Pittman regarding the fact that he (Campbell) would sustain the President's veto if the Governor would call and ask him to do so.

ARIZONA

Governor Mecham is sending a letter to the President in support of the veto that will be jointly signed by Governors Sununu and Kay Orr.

CALIFORNIA

The Governor was in support of the bill. Steve Merksemer will call Judy Tuesday morning with the Governor's position on the veto.

DELAWARE

Mike Ratchford said Governor Castle supports the veto. Governor sent letter to the President declaring his "unqualified support."

FLORIDA

The Governor will not actively lobby to support the veto.

ILLINOIS

Governor Thompson sent letter urging the President to sign HR 2. Will not support the veto.

INDIANA

Governor Orr has actively supported the President in the veto and has called his Senators.

IOWA

Per Bob Baker (DOT), Governor Branstad is not being supportive, he needs the funds by April 1.

Kansas

No position taken on bill publicly.

Governors Positions (cont'd)

MAINE

Governor McKernan wanted the President to sign the bill.

MISSOURI

GK made direct contact with Governor Ashcroft while in Columbia last week.

NEBRASKA

Governor Orr supports veto, signed letter with Governors Sununu and Mecham.

NEW HAMPSHIRE

Governor Sununu supports veto, signed letter with Governors Kay Orr and Mecham.

NEW JERSEY

Governor Kean will not support or oppose us.

NEW MEXICO

Will call again, originally favored 65mph and seemed to be a likely supporter.

NORTH CAROLINA

Sent letter to delegation urging them to sustain President's veto.

OKLAHOMA

Governor Bellmon sent letter supporting veto.

RHODE ISLAND

Governor DiPrete will not actively lobby and hopes veto will be overridden-per phone conversation on 3/30/87.

SOUTH CAROLINA

Governor Campbell will not support veto.

SOUTH DAKOTA

Governor Mickelson urged the President not to veto, he likes the dollars in it for South Dakota.

TEXAS

Governor Clements sent a telegram urging the President not to veto the bill-does not want it overridden. Would not try to impact either Senator.

UTAH

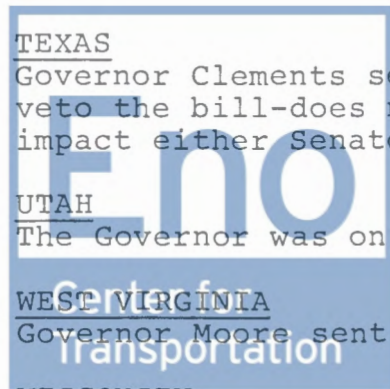
The Governor was on record early-on in favor of HR 2.

WEST VIRGINIA

Governor Moore sent letter urging the President to sign HR 2.

WISCONSIN

Governor supports HR 2, strong indication he does not support veto.





U  
C-K  
SL

March 30, 1987

The President  
The White House  
Washington, D.C. 20500

Dear Mr. President:

We are writing to express our strong support for your veto of the highway and mass transit bill. In this veto, we recognize and applaud your goal of enacting a sound highway program as opposed to the budget busting legislation enacted by Congress.

Like you, we believe this \$87.9 billion program is a poor bill and is laden with pork-barrel projects. We endorse your rationale in vetoing this bill in that it is time to take a stand for responsible administration of the highway trust fund.


While your veto will cause a delay in a much needed highway bill, it is important that a fair and less costly program be adopted. We understand that you will be sending a bill to Congress which will be a more equitable proposal, and we applaud your efforts to promote such a highway bill. Furthermore, we are pleased with your support of a 65-mile-per-hour provision which will allow governors more flexibility to set higher speeds on rural interstate highways.

We await further Congressional action on this legislation and hope members will vote to sustain your wise decision.

Sincerely,



JOHN H. SUNUNU  
Governor  
State of New Hampshire



KAY A. ORR  
Governor  
State of Nebraska



EVAN MECHAM  
Governor  
State of Arizona

## LOCATION

THE WHITE HOUSE  
WASHINGTON, D.C.

## DATE

MARCH 30, 1987

## TIME

7:45 a.m. MONDAY

IN	OUT	PHONE	ACTIVITY
7:45			The President and the First Lady had breakfast.
8:54			The President went to the Oval Office.
9:30	9:51		The President met for a national security briefing with: Vice President Bush Frank C. Carlucci, Assistant for National Security Affairs Colin L. Powell, Deputy Assistant for National Security Affairs Mr. Baker Mr. Duberstein
9:59	9:30		The President met with: Vice President Bush
9:00	9:30		Mr. Baker
9:00	9:30		Mr. Duberstein
11:24			The President went to his motorcade on the South Grounds.
11:25	11:27		The President motored from the South Grounds to the DAR Constitution Hall. He was accompanied by Mr. Duberstein.
11:27			The President went to the holding room.
11:30			The President went to the podium on the stage.
11:33	12:01		The President participated in the Annual Reagan Administration Executive Forum. Members of the press.
11:33?	?		The President addressed approximately 3,500 administration appointees attending the forum.
12:01			The President returned to his motorcade.
12:01	12:03		The President motored from DAR Constitution Hall to the South Grounds of the White House. He was accompanied by Mr. Baker.
12:04			The President returned to the Oval Office.
12:05	?		The President had lunch in the Oval Office study.

LOCATION	DATE
THE WHITE HOUSE WASHINGTON, D.C.	MARCH 30, 1987
	TIME DAY
	1:32 p.m. MONDAY

IN	OUT	PHONE	ACTIVITY
1:32	1:55		The President met to discuss press coverage of the Iranian Affair and the future of the conservative movement with: R. Emmett Tyrrell, Jr., Editor in Chief, <u>The American Spectator</u> , Bloomington, Indiana T. Kenneth Cribb, Jr., Assistant for Domestic Affairs
2:03			The President went to the Roosevelt Room.
2:03	2:10		The President participated in a ceremony to present the Boucher Memorial Award and to receive the reports of the President's Council on Integrity and Efficiency. For a list of attendees, see <u>APPENDIX "A."</u>
2:10			The President returned to the Oval Office.
2:16	2:18		The President met with: Vice President Bush Richard E. Lyng, Secretary of Agriculture Mr. Baker Mr. Duberstein William L. Ball III, Assistant for Legislative Affairs
2:18	2:35		The President met to encourage efforts to sustain the veto of the Surface Transportation and Uniform Relocation Assistance Act of 1987 with: Vice President Bush Secretary Lyng Senator Mitch McConnell, (R-Kentucky) Mr. Baker Mr. Duberstein Mr. Ball
2:35	2:38		The President met with: Vice President Bush Mr. Baker Mr. Ball
2:38	2:57		The President met to encourage efforts to sustain the veto of the Surface Transportation and Uniform Relocation Assistance Act of 1987 with: Vice President Bush Senator Thad Cochran, (R-Mississippi) Mr. Baker

(continued)

Eno

Center for  
Transportation

LOCATION	DATE
THE WHITE HOUSE	MARCH 30, 1987
WASHINGTON, D.C.	TIME DAY
	2:38 p.m. MONDAY

IN	OUT	PHONE	ACTIVITY
			Mr. Ball
3:58	4:02		The President met with:
4:00	4:02		Mr. Baker
			Mr. Duberstein
4:02	4:16		The President met to discuss personnel matters with:
			Robert H. Tuttle, Assistant for
			Presidential Personnel
			Mr. Baker
			Mr. Duberstein
4:20	4:24		The President met with:
			Daniel J. Boorstin, Librarian of Congress
			Mr. Baker
			Mr. Tuttle
4:24	4:40		The President met with:
			Mr. Baker
			Mr. Tuttle
4:42			The President went to the White House Library.
4:42	5:00		The President participated in a message taping session for:
			Armed Forces Day and Memorial Day
			U.S. Olympic Committee House of Delegates
			Annual Meeting
			Barry Goldwater Tribute Dinner by Pacific
			Research Institute for Public Policy
5:00			The President returned to the second floor Residence.
6:45			The President had dinner with:
			The First Lady
			Maureen Reagan Revell, the President's daughter
9:05			The President retired.



Center for  
Transportation

# United States Senate

WASHINGTON, DC 20510

*Steve Symms*  
10/1/87

March 30, 1987

Dear Colleague:

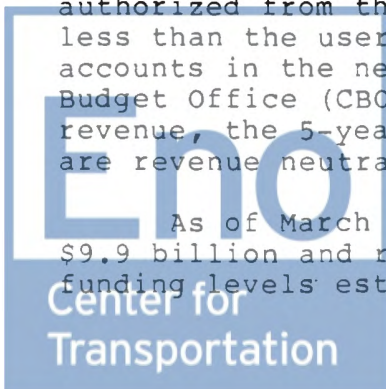
This week we will vote to sustain or override the President's veto of H.R. 2, the "Surface Transportation and Uniform Relocation Assistance Act of 1987." As the ranking minority member of the Environment and Public Works Subcommittee on Water Resources, Transportation, and Infrastructure, I have reviewed carefully the President's objections as presented in the veto message. In addition, as a great admirer of the President and a strong supporter of his efforts to reduce federal spending, I have considered his personal appeal with respect to the import of the upcoming vote. It is with firm conviction but a heavy heart that I urge you to join me in voting to override the President's veto.

Following is my analysis of the President's major objections to H.R. 2 and an overview of some important provisions that may be lost if we sustain the veto. I apologize for the length of this letter, but a detailed review of the issues seems necessary in order to correct the wealth of misinformation about this bill which has been circulated so widely.

## Budget Buster

The President and others have called the bill a budget buster, and his veto message says, "the bill authorizes excessive funding levels of \$87.5 billion over 5 years, \$10.1 billion more than my original request and more than is brought in by highway user taxes." In fact, approximately \$76 billion of the funds authorized in this bill will come from the Highway and Mass Transit Accounts of the Highway Trust Fund. These funds are collected from highway users across the nation and are dedicated for highway and transit construction projects. The \$68.6 billion authorized for the highway program and the \$6.25 billion authorized from the Mass Transit account for transit projects is less than the user fees plus interest that will accrue to those accounts in the next 5 years, according to the Congressional Budget Office (CBO). In other words, if one counts interest as revenue, the 5-year authorizations from the Highway Trust Fund are revenue neutral under the Conference agreement.

As of March 1, the Highway Account had a cash balance of \$9.9 billion and rising. CBO estimates that the highway program funding levels established in the Conference agreement will leave



a cash balance of \$10.73 billion in the Highway Account at the end of 5 years. In other words, the already too rich balance in the Highway Account will slowly increase over the life of this bill. CBO estimates we could spend an additional \$1.2 billion per year in the highway program without triggering the Byrd amendment and leaving a balance of \$5.85 billion at the end of 5 years. This is hardly evidence to support further reductions in the highway program.

The Mass Transit Account had a cash balance of \$3.29 billion at the beginning of FY 1987, and CBO estimates the authorizations in this bill will leave a cash balance of \$6.17 billion at the end of 5 years. The user fees and interest accruing to the Mass Transit Account will be almost \$2 billion more than the 5-year authorizations from the account.

Clearly, if the bill is a budget buster, the problem must lie in the General Fund financing for the mass transit program. H.R. 2 authorizes \$11.65 billion over 5 years to be appropriated from the General Fund for mass transit programs.

I agree with the President that Congress should eliminate General Fund financing of mass transit programs if the Mass Transit Account is to be continued. In fact, I offered the President's mass transit funding proposal as an amendment to the Budget Resolution in the 99th Congress, but the amendment was defeated overwhelmingly. The votes just aren't there to eliminate or significantly reduce General Fund financing of the mass transit program.

In addition, the General Fund portion of the mass transit program for FY 1987 (\$2.44 billion) already has been appropriated as part of last year's Continuing Resolution. The FY 1987 appropriation was approved in the absence of any authorization. There is little reason to expect that the Appropriations Committees will refuse to fund the mass transit program in future years whether we pass this authorization bill or not. Since the General Fund appropriation accounts for two-thirds of the mass transit program, it will be the highway program almost exclusively that suffers if we fail to enact this important bill.

Finally, the President's proposed alternative bill makes some laudable policy changes in both the highway and transit titles, but it does not take a significant step toward reducing the deficit. The President's proposal would save approximately \$2 billion in the highway program and approximately \$1.8 billion in the mass transit program over 5 years. Again, reduced funding in the highway program will only add to the burgeoning cash balance sitting in the Highway Account now.

### Pork Barrel Spending

In his veto message, the president condemns the "add-on funding for 152 highway special interest projects." He notes that the 5-year cost of these demonstration projects is estimated to be \$1.4 billion, and the total cost to complete the projects is estimated to be \$5.5 billion. The projects, the President observes, "have not been selected through the established Federal-aid highway program mechanism that relies on the expertise of state and local officials."

I agree wholeheartedly with the President's analysis of the demonstration projects. They are not good public policy. In fact, the Senate's answer to demonstration projects (i.e., priority projects which a state may build using any of its regularly apportioned highway funds) is an idea I helped develop last year as chairman of the Transportation Subcommittee.

Unfortunately, the objections of the President and many senators notwithstanding, demonstration projects are a fact of life and a highly valued commodity in the House of Representatives. In my judgment, we would not be finished with a highway conference today if the Senate conferees had not been willing to provide some additional federal funding for demonstration projects.

Following is a review of the details of the conference agreement on demonstration projects:

The Senate conferees insisted that money added to the bill for demonstration projects would pay for not more than 50 percent of the authorized cost of the projects and state or local governments must provide 20 percent of the authorized cost using non-federal funds. The remaining 30 percent of the authorized cost will come from the Secretary's discretionary accounts.

The conferees agreed to provide \$178 million per year on top of funding for the regular program to finance 50 percent of the authorized cost of demonstration projects. That money also will provide a guaranteed minimum annual allocation of one-half percent (\$890,000) to every state. States with no demonstration projects may spend these funds on any federal-aid highway or bridge project.

The 30 percent matching funds (approximately \$107 million annually) will reduce the authorized discretionary funds available to the Secretary from \$925 billion to approximately \$818 million per year. States that receive the \$890,000 guaranteed minimum in new federal money also will receive matching funds of \$534,000 annually.

As noted by the President, approximately \$1.4 billion in federal funds may be obligated for demonstration projects over the 5-year life of the bill. Of that amount, \$535 million would have been spent on other projects at the Secretary's discretion if there were no demonstration projects. Those funds would not have been apportioned to the states under the regular program.

That leaves \$890 million in new federal funds for demonstration projects which, if there were no demonstration projects, either wouldn't have been spent or would have been apportioned to the states under the regular program. \$890 million out of a \$69 billion highway program -- approximately 1.3 percent of the total program -- is the price that Senate conferees agreed to pay for an agreement on this desperately needed highway bill.

I repeat that in my judgment we will not reach agreement with the House on a multi-year highway bill that fails to include additional federal funding for demonstration projects. The conference agreement on demonstration projects was hammered out over a number of days in conference and with a full year of private deliberations prior to the conference about the stark differences between the Senate and House bills with respect to those projects. I do not believe a new agreement on demonstration projects would be easy to achieve or readily forthcoming.

#### Boston Central Artery

The President also objects to "the expansion of the scope of the Boston Interstate projects eligible for interstate highway funds. . ." I would like to discuss the conferees' action on this provision as it is contained in the Conference agreement.

The Boston I-93/I-90 project will complete two Interstate highways. I-93, the Central Artery, is a north-south highway which converges with I-90, the Third Harbor Tunnel, an east-west highway. Traffic from both I-93 and I-90 must now funnel through an outdated, substandard 3-mile Interstate segment.

I-90 and I-93 have been a recognized part of the Interstate System; I-93 was included in 1956 (an open-to-traffic segment built with state funds) and I-90 in 1974. There has been a disagreement between the Department of Transportation and the State of Massachusetts as to what kind of improvements on these two segments are eligible for Interstate construction funds. The state has demonstrated a need for expanding the proposed Third Harbor Tunnel from a special purpose 2-lane tunnel to a multi-purpose 4-lane tunnel. They also have demonstrated a need for



major improvements to the existing Central Artery. I-93 is the most congested Interstate highway in the country.

The conferees agreed that the multi-purpose 4-lane Third Harbor Crossing would be eligible for Interstate construction funds, along with three major interchanges on the Central Artery. In exchange for this, the state is responsible to pay for the depression of the Central Artery which is currently estimated to cost over \$800 million. While this compromise is not what everyone wanted, it is a resolution to a longstanding problem which will permit Boston to proceed with solving its major transportation problems.

### Speed Limit

By now, you are very familiar with the provisions of the speed limit amendment which the Senate recently approved for the third time in six months. It was a tortuous road which carried the "65" speed limit amendment back to the Senate for a third and final vote, and I feel certain that if the speed limit amendment falls with this highway bill, we will not see it in any future highway authorization to be approved by this Congress.

The facts are simple. While the Senate supports the "65" amendment overwhelmingly, the House does not. The margin of victory in the House was a slim 11 votes, and Chairman Howard remains adamantly opposed to the amendment. I believe it is fair to say that we have seen the last vote of the House in this Congress on a Senate-passed speed limit amendment unfettered by compliance requirements or the threat of penalties sufficient to make speed limit reform unworkable in most states.

The word is out now: Congress has passed a new speed limit law. Most people believe their states soon will have the option to raise the speed limit to 65 on rural Interstates. Senators who vote to sustain the president's veto, will vote to eliminate the most well-known and popular provision in this bill. And if the veto is sustained, we will disappoint, once again, the millions of Americans who thought that maybe -- just maybe -- Congress has swallowed a healthy dose of reality and voted for something that makes sense. I urge you to cast a vote to save this important modification of the national maximum speed limit law.

### Risk/Benefit Ratio

In his veto message, the President reviews some of the benefits to be attained if we sustain his veto and subsequently adopt his proposed alternative. For instance, we would reduce total authorizations in the bill by about \$4 billion over 5 years

(approximately one-half of the savings would accrue to the Highway Account of the Highway Trust Fund, so the cash balance would increase even more dramatically under the President's proposal than it does under the Conference agreement). In addition, we would eliminate special funding for demonstration projects, eliminate the compromise on eligibility for the Boston projects and thereby reduce the federal cost to complete the Interstate System, eliminate the transit provision requiring a new contract and additional funding for the Los Angeles Metrorail project, eliminate the "Buy-America" provisions affecting foreign rolling stock, and provide a more equitable distribution of Mass Transit Account funds.

Except for the overall reduction in authorizations for the highway program, I believe the President's proposals are a marked improvement to the provisions they would replace in the Conference agreement. The problem with the President's proposal is that it will not be acceptable to the House, and if the Senate adopts this proposal, a new and very difficult conference will have to be convened.

Following are some of the important provisions of the Conference agreement that will be placed at risk if we must reconvene a highway conference:

1. Administrative approval of the Interstate Cost Estimate (ICE)- In the past, the Interstate program has been delayed because House members have demanded demonstration projects in return for approval of the ICE. The Conference agreement provides for administrative release of the Interstate funds if Congress fails to approve the ICE prior to October 1. This agreement provides an important assurance that there will be continuity in the Interstate program for the next five years.
2. One-half percent minimum for Interstate construction -- The Conference agreement continues the one-half percent minimum guarantee for Interstate construction funds, notwithstanding strong opposition to this provision from the House conferees. In FY 1987, every state is guaranteed a minimum of \$13.1 million in Interstate construction funds. Over the life of the bill, 32 states will benefit from this provision.
3. Interstate 4-R distribution formula -- The Conference agreement continues the current formula for distribution of Interstate 4-R funds. The House bill would have changed the formula to reflect population factors only. 29 states benefit from the current formula as compared to the House formula which has strong support among the House conferees.

Finally, if a highway bill is not enacted very soon, we will lose the entire 1987 construction season in most northern states. According to a report of the American Association of State Highway and Transportation Officials (AASHTO), failure to enact a new authorization by May 1 will result in the postponement of 1,900 projects, valued at \$2.9 billion, beyond the 1987 construction season. In addition, the Associated General Contractors, using data supplied by the Federal Highway Administration, estimates that if no bill is enacted in time for the 1987 construction season, there will be a loss of approximately 800,000 jobs nationwide.

For all of these reasons, I believe the risks involved if we sustain the President's veto and pass a new bill far outweigh any potential benefits. I urge you to review this assessment of the issues involved and vote with me to override the veto.

For your information, I am enclosing tables prepared at my request by the Federal Highway Administration showing state-by-state apportionments and allocations for the Conference Report, the Senate-passed bill, and the House-passed bill. Please let me know if you need further information or have your staff contact Taylor Bowlden of my staff at 4-2077.

Sincerely,



Steve Symms  
Ranking Member  
Subcommittee on Water Resources,  
Transportation and  
Infrastructure



SUMMARY OF H.R. 2 FY 1987 ESTIMATED APPROPRIATIONS AND ALLOCATIONS

HOUSE BILL

(DOLLARS IN THOUSANDS)

STATE	INTERSTATE CONSTRUCTION	I-OR	PRIMARY	SECONDARY	URBAN	BRIDGE	HAZARD ELIM.	RR HWY XINGS	INT HWY TRANSF.	TOTAL APPORT.	OSZ MIN ALLOCATION	SUB- TOTAL	URBAN PLNG.	402 SAFETY	30% DEMO DISC.	INTERSTATE DISC.	INTERSTATE TRANSFER DISC.
Alabama	78,706	45,937	41,309	12,180	9,465	28,501	2,982	2,815	0	222,095	0	222,095	555	183	700	0	0
Alaska	0	0,269	74,661	82,262	3,657	3,675	833	2,142	0	125,499	0	125,499	232	51	0	0	0
Arizona	18,527	41,875	31,521	9,927	9,446	3,675	2,245	1,379	152	189,947	37,488	147,395	682	138	0	18,328	955
Arkansas	0	29,413	28,381	10,593	4,464	21,292	2,818	2,870	0	98,231	25,424	123,655	232	123	16,000	0	0
California	264,762	285,932	167,886	23,967	92,684	41,278	14,352	8,879	2,686	981,496	59,887	948,583	6,218	881	52,600	22,487	2,051
Colorado	52,585	38,735	34,374	11,830	9,881	16,471	2,326	1,910	5,554	172,986	0	172,986	634	142	0	0	26,387
Connecticut	46,894	38,785	25,240	3,851	18,494	51,519	1,851	895	87,689	266,658	0	266,658	728	114	3,850	37,997	18,460
Delaware	0	5,418	11,336	2,925	3,657	3,675	833	436	0	28,288	1,257	29,545	232	51	0	0	0
Dist. of Col.	25,158	3,187	11,336	0	3,657	8,881	833	192	12,518	64,786	0	64,786	232	51	2,000	0	0
Florida	222,732	166,759	75,267	14,826	34,887	22,815	4,187	4,186	0	486,289	0	486,289	2,336	388	1,900	0	0
Georgia	94,838	97,586	55,429	15,743	13,914	42,398	4,886	3,988	9,382	336,196	0	336,196	819	246	5,000	0	0
Hawaii	117,588	6,173	11,336	2,925	3,657	3,675	833	346	0	146,457	0	146,457	232	51	0	0	0
Idaho	24,599	12,838	18,389	7,255	3,657	4,329	1,225	1,252	0	72,644	0	72,644	232	75	0	0	0
Illinois	3,124	95,181	89,742	16,992	48,138	43,189	7,461	7,129	66,459	369,367	0	369,367	2,688	458	43,258	8,537	44,188
Indiana	18,685	68,576	52,532	13,837	14,534	25,834	3,884	4,451	4,245	198,558	58,765	257,323	818	237	0	0	3,877
Iowa	0	31,938	35,240	12,788	6,652	33,153	2,721	3,277	24,643	158,324	0	158,324	293	166	0	0	5,838
Kansas	0	29,916	33,225	11,995	6,218	35,152	2,648	4,288	0	123,354	0	123,354	269	161	5,000	0	0
Kentucky	89,368	46,291	39,495	12,183	7,438	34,176	2,666	2,337	0	213,946	0	213,946	388	163	5,888	0	0
Louisiana	161,198	49,999	38,887	9,831	11,859	35,694	2,836	2,753	0	312,972	0	312,972	692	173	14,558	0	0
Maine	0	11,825	14,458	5,115	3,657	5,727	833	818	0	41,633	13,287	54,920	232	51	0	0	0
Maryland	94,838	49,497	33,958	5,583	14,387	28,673	2,521	1,321	62,228	284,198	0	284,198	988	155	0	0	30,253
Massachusetts	488,456	45,386	44,577	5,993	26,391	47,357	3,391	1,738	9,332	658,613	0	658,613	1,398	288	3,888	0	0
Michigan	41,375	88,734	82,565	17,527	27,574	21,296	4,135	4,837	0	298,843	15,185	385,148	1,818	376	3,988	21,828	0
Minnesota	61,616	41,784	43,687	14,557	11,858	21,696	3,488	3,686	3,165	284,657	0	284,657	646	213	8,188	19,512	9,743
Mississippi	6,188	29,138	31,796	18,714	4,663	27,435	2,886	1,915	0	113,988	18,973	124,881	232	127	0	0	0
Missouri	0	69,496	51,721	15,788	13,687	45,158	3,852	3,423	0	223,229	19,934	243,163	824	236	5,000	3,532	0
Montana	5,867	12,328	26,672	11,828	3,657	9,262	1,166	1,488	0	78,612	0	78,612	232	71	0	0	0
Nebraska	0	19,284	25,218	9,389	4,825	23,892	1,796	2,366	1,918	87,688	0	87,688	232	118	0	0	3,894
Nevada	3,124	12,577	18,983	7,118	3,657	3,675	883	691	0	58,628	0	58,628	232	54	4,888	0	0
New Hampshire	1,188	8,477	11,336	2,925	3,657	8,674	833	576	0	37,581	0	37,581	232	51	0	0	0
New Jersey	188,423	54,666	53,435	5,241	28,888	78,139	4,253	2,362	38,878	357,677	0	357,677	1,979	261	13,388	0	13,387
New Mexico	0	23,865	25,889	9,755	3,846	5,588	1,251	1,841	0	71,215	6,828	78,043	232	76	0	0	0
New York	0	182,788	134,684	17,489	43,286	146,998	10,447	5,387	174,333	655,354	0	655,354	4,338	642	13,258	0	0
North Carolina	48,527	61,868	64,685	17,518	11,338	41,612	4,898	3,489	0	248,183	31,883	279,186	638	251	0	13,899	0
North Dakota	0	8,798	17,498	7,116	3,657	7,275	1,247	2,445	0	48,836	0	48,836	232	76	0	0	0
Ohio	25,998	123,828	93,771	18,278	33,398	52,684	6,988	5,742	18,933	371,524	44,983	416,587	2,856	423	7,588	0	15,384
Oklahoma	8,138	42,488	34,578	11,798	8,137	37,571	2,762	2,823	0	148,287	34,941	183,148	398	169	0	0	0
Oregon	24,678	33,983	29,445	9,989	7,272	12,842	2,388	1,885	18,884	131,598	0	131,598	399	145	0	6,762	12,616
Pennsylvania	186,585	88,448	107,744	22,152	34,318	182,484	7,492	5,186	9,678	483,957	0	483,957	2,254	468	24,228	76,186	15,238
Rhode Island	0	6,839	11,336	2,925	3,657	4,123	833	389	57,939	88,841	0	88,841	249	51	0	0	0
South Carolina	18,797	39,731	32,937	9,874	6,717	18,888	2,316	2,375	0	122,635	32,185	154,788	374	142	0	19,362	0
South Dakota	0	18,843	18,729	7,711	3,657	9,911	1,134	1,518	0	53,495	0	53,495	232	69	0	0	0
Tennessee	8,611	65,618	48,888	13,456	11,432	58,883	3,389	2,784	22,169	232,262	2,123	234,385	656	283	5,888	2,688	0
Texas	157,438	222,218	132,586	37,363	47,234	61,329	18,498	9,359	0	678,818	146,642	824,460	2,871	643	8,588	0	0
Utah	51,981	22,418	19,825	6,571	5,141	3,675	1,282	1,842	0	111,935	0	111,935	338	78	0	13,619	0
Vermont	0	8,167	11,336	2,925	3,657	4,796	833	556	0	32,278	0	32,278	232	51	0	0	0
Virginia	93,862	73,313	49,848	12,861	14,817	19,218	3,517	2,364	1,383	272,375	0	272,375	957	215	0	6,238	6,564
Washington	89,489	53,845	39,771	18,196	12,669	28,226	3,637	2,551	0	249,394	0	249,394	824	186	0	0	0
West Virginia	1,786	16,945	23,696	7,528	3,657	37,887	1,488	1,478	0	94,289	0	94,289	232	86	3,888	21,417	0
Wisconsin	0	41,682	48,135	13,577	12,314	33,975	3,628	3,423	0	158,654	38,599	187,253	735	223	0	0	0
Wyoming	0	12,822	17,321	7,894	3,657	3,675	833	795	0	45,397	0	45,397	232	51	0	0	0
Puerto Rico	0	13,946	29,953	3,939	8,781	3,675	1,795	662	0	62,751	0	62,751	541	111	0	0	0
TOTAL	2,625,297	2,552,221	2,383,719	585,853	731,326	1,469,983	164,935	137,288	686,376	11,176,838	578,423	11,746,461	45,468	18,111	258,228	0	388,888



HOUSE BILL

STATE	RAIL RELOCATION DEMOS	UTTP ROADS	URBAN HIGH DENSITY	FOREST STUDIES	FOREST HWYS.	SUB-TOTAL 0	BRIDGE DISC.	I-OR PUBLIC DISC. LANDS	INDIAN RES. ROADS	MAINTENANCE OF CERTAIN RAIL/HWY CROSSINGS	GRAND TOTAL	
Alabama					276	223,009						
Alaska					3,696	129,470						
Arizona					3,140	170,550						
Arkansas					742	140,752						
California			1,170		7,339	1,053,529						
Colorado					4,230	204,300						
Connecticut		H			0	327,000						
Delaware		0			0	29,020						
Dist. of Col.					0	67,069						
Florida					371	491,276						
Georgia	2,000	A			231	344,492						
Hawaii		U			0	146,740						
Idaho		T			5,063	70,014						
Illinois	0,500	H			109	476,929						
Indiana	3,500	0	2,007		75	267,837						
Iowa		R			0	153,013						
Kansas		I			0	136,079						
Kentucky		Z			192	220,409						
Louisiana		A			171	320,550						
Maine		T			24	55,147						
Maryland		I			0	315,593						
Massachusetts		0			0	662,019						
Michigan		H			724	333,795						
Minnesota					904	244,195						
Mississippi					396	125,637						
Missouri		I			336	253,090						
Montana		H			4,306	75,221						
Nebraska	2,000				73	93,100						
Nevada		T			775	35,682						
New Hampshire		H			205	30,149						
New Jersey		I			0	306,524						
New Mexico		S			2,107	00,530						
New York					0	673,504						
North Carolina					607	293,773						
North Dakota		0			147	40,491						
Ohio		I			79	441,940						
Oklahoma		L			72	103,706						
Oregon		L			7,637	159,157						
Pennsylvania			1,000		207	603,434						
Rhode Island					0	00,341						
South Carolina					224	174,042						
South Dakota					547	54,343						
Tennessee					291	243,202						
Texas	750				295	837,711						
Utah					1,004	127,767						
Vermont					103	32,656						
Virginia					697	207,039						
Washington					4,008	254,492						
West Virginia					327	119,352						
Wisconsin					436	100,647						
Wyoming					1,057	47,537						
Puerto Rico					30	63,433						
TOTAL	16,750	0	2,007	2,170	55,173	12,636,343	250,000	200,000	20,000	90,000	4,500	13,200,843

13,200,843	GRAND TOTAL
214,059	ADMINISTRATION & RESEARCH
30,900	SNRP
12,967	TERRITORIES
49	DEPT. OF INTERIOR
10,000	FHMA SAFETY 403
500	NON-SPECIFIED STUDIES
13,469,310	TOTAL AUTHORIZATIONS

ASSUMPTIONS:

Interstate Discretionary—Based on actual FY 1987 allocations of \$607 Million (\$307 Million of lapsed funds and \$300 Million of new authority) prorated to the \$300 Million set-aside in the H.R. 2 Conference Report.

Forest Highways—Preliminary FY 1987 allocations.



SENATE BILL

SUMMARY OF S. 307 FY 1987 ESTIMATED APPORTIONMENTS AND ALLOCATIONS

(DOLLARS IN THOUSANDS)

STATE	INTERSTATE & PRIMARY	SECONDARY	URBAN	BRIDGE	HAZARD ELIM.	RR HWY XINGS	INT HWY TRANSF.	URSN PLNG.	TOTAL APPORT	OSZ MIN ALLOC.	SUB-TOTAL	402 SAFETY	DEMS	30% DEMO DISC.	INTERSTATE DISC.	INTERSTATE TRANSFER DISC.	RAIL RELOCATION DEMS	WIPP POND
Alabama	227,804	12,801	9,466	24,626	3,069	3,520	0	558	280,721	0	280,721	183				0		
Alaska	112,652	32,264	3,657	3,175	858	2,677	0	233	154,916	0	154,916	51				0		
Arizona	189,541	9,920	9,446	3,175	2,311	1,724	115	605	146,845	0	146,845	138				752		
Arkansas	72,488	10,594	4,465	10,397	2,077	2,587	0	233	110,836	26,906	137,742	123				0		
California	704,388	23,948	92,689	35,623	14,775	11,099	2,107	6,254	967,823	7,230	975,053	881				1,616		
Colorado	153,868	11,031	9,882	14,405	2,395	2,386	4,352	638	198,869	0	198,869	142				20,790		
Connecticut	148,325	3,851	10,494	44,515	1,905	1,119	71,293	732	274,234	0	274,234	114	N	N	N	14,545	N	
Delaware	39,574	2,925	3,657	3,175	858	543	0	233	50,965	0	50,965	51	0	0	0	0	0	0
Dist. of Col.	67,142	0	3,657	6,913	858	239	9,799	233	88,841	0	88,841	51				0		
Florida	343,793	14,827	34,889	19,822	6,380	5,134	0	2,350	426,395	0	426,395	380				0		
Georgia	225,968	15,744	13,915	36,627	4,124	4,986	7,291	823	309,478	32,132	341,610	246	A	A	A	0	A	
Hawaii	143,638	2,925	3,657	3,178	858	431	0	233	154,920	0	154,920	51	U	U	U	0	U	
Idaho	72,582	7,236	3,657	3,740	1,261	1,563	0	233	90,192	0	90,192	75	T	T	T	0	T	
Illinois	201,412	16,993	40,132	37,283	7,680	8,911	52,872	2,623	367,106	0	367,106	458	H	H	H	34,745	H	
Indiana	134,388	13,837	14,535	22,322	3,978	5,563	3,325	823	198,883	81,913	280,796	237	0	0	0	2,424	0	
Iowa	89,849	12,780	6,652	28,646	2,801	4,896	19,312	295	163,551	0	163,551	166	R	R	R	3,963	R	
Kansas	87,356	11,996	6,218	30,373	2,717	5,260	0	270	144,398	0	144,398	161	I	I	I	0	I	
Kentucky	111,675	12,183	7,438	29,530	2,744	2,921	0	390	166,881	12,670	179,551	163	Z	Z	Z	0	Z	
Louisiana	223,846	9,831	11,859	30,842	2,920	3,441	0	676	282,635	0	282,635	173	A	A	A	0	A	
Maine	42,672	5,115	3,657	4,948	858	1,021	0	233	58,584	3,245	61,749	51	T	T	T	0	T	
Maryland	196,844	5,583	14,388	17,862	2,595	1,652	48,752	994	287,870	0	287,870	155	I	I	I	23,836	I	
Massachusetts	294,876	5,994	28,392	48,919	3,491	2,164	7,315	1,406	375,757	0	375,757	288	0	0	0	0	0	
Michigan	221,897	17,528	27,576	18,488	6,316	6,046	0	1,829	298,792	4,516	303,308	376	N	N	N	0	N	
Minnesota	163,856	14,557	11,858	18,747	3,591	4,687	2,484	650	219,150	0	219,150	213				7,676		
Mississippi	88,734	10,714	4,663	23,785	2,147	2,393	0	233	124,589	16,156	140,745	127				0		
Missouri	142,828	15,781	13,688	56,293	3,965	4,529	0	829	237,833	26,590	264,423	236	I	I	I	0	I	
Montana	85,851	11,821	3,657	8,883	1,201	1,880	0	233	110,966	0	110,966	71	N	N	N	0	N	
Nebraska	63,865	9,389	4,825	28,471	1,849	2,958	1,495	233	103,485	0	103,485	110				2,437		
Nevada	57,541	7,111	3,657	3,175	909	862	0	233	73,488	0	73,488	54	T	T	T	0	T	
New Hampshire	39,574	2,925	3,657	7,495	858	718	0	233	55,460	0	55,460	51	H	H	H	0	H	
New Jersey	282,133	5,241	28,898	68,683	4,379	2,953	23,564	1,990	328,953	0	328,953	261	I	I	I	10,484	I	
New Mexico	86,881	9,756	3,846	4,811	1,288	1,382	0	233	107,237	0	107,237	76	S	S	S	0	S	58,000
New York	243,723	17,448	63,289	127,887	10,755	6,735	136,595	4,363	609,987	0	609,987	642				0		
North Carolina	173,354	17,511	11,331	33,933	4,211	4,361	0	633	247,356	74,184	321,540	251				0		
North Dakota	54,893	7,117	3,657	6,286	1,284	3,056	0	233	75,726	0	75,726	76	B	B	B	0	B	
Ohio	248,927	18,278	33,488	45,521	7,183	7,177	8,566	2,868	363,040	102,660	465,700	423	I	I	I	12,121	I	
Oklahoma	87,917	11,798	8,138	32,464	2,843	3,528	0	401	147,889	38,387	177,476	169	L	L	L	0	L	
Oregon	98,283	9,989	7,272	18,485	2,458	2,355	7,898	401	138,973	0	138,973	145	L	L	L	9,940	L	
Pennsylvania	368,794	22,153	34,328	88,482	7,713	6,481	7,582	2,267	529,792	0	529,792	460				11,999		
Rhode Island	39,574	2,925	3,657	3,563	858	484	45,398	250	96,789	0	96,789	51				0		
South Carolina	96,796	9,875	6,718	9,235	2,384	2,970	0	376	127,554	0	127,554	142				0		
South Dakota	68,533	7,711	3,657	8,563	1,167	1,887	0	233	83,753	0	83,753	69				0		
Tennessee	128,818	13,456	11,432	58,117	3,486	3,488	17,372	660	227,941	40,969	268,910	283				0		
Texas	588,953	37,364	47,236	52,991	18,799	11,780	0	2,887	663,932	283,984	947,836	643				0		
Utah	186,911	6,571	5,142	3,175	1,320	1,383	0	332	124,754	0	124,754	78				0		
Vermont	39,574	2,925	3,657	3,872	858	693	0	233	53,969	0	53,969	51				0		
Virginia	288,379	12,861	14,817	16,598	3,628	2,956	1,885	963	256,479	0	256,479	215				5,171		
Washington	229,373	18,196	12,669	24,388	3,127	3,189	0	829	283,973	0	283,973	186				0		
West Virginia	38,791	7,529	8,657	32,736	1,442	1,838	0	233	106,226	0	106,226	86				0		
Wisconsin	99,617	13,577	12,314	29,356	3,735	4,279	0	739	163,617	52,349	215,966	223				0		
Wyoming	67,731	7,894	3,657	3,175	858	993	0	233	83,741	0	83,741	51				0		
Puerto Rico	63,439	3,939	8,781	3,175	1,848	828	0	544	62,554	0	62,554	111				0		
TOTAL	7,947,428	585,878	731,360	1,270,063	169,797	171,498	477,772	46,662	11,389,658	795,812	12,185,470	10,111	0	0	0	162,500	0	58,000



SENATE BILL

STATE	URBAN HIGH DENSITY	STUDIES	FOREST HWYS.	SUB- TOTAL 0	BRIDGE DISC.	PUBLIC LANDS	PARKWAYS & PARK HIGHWAYS	INDIAN RES. ROADS	MAINTENANCE OF CERTAIN		GRAND TOTAL
									I-4R DISC.	RAIL/HWY CROSSINGS	
Alabama			242	281,146							
Alaska			3,242	130,709							
Arizona			2,735	150,490							
Arkansas			451	130,514							
California			6,437	983,900							
Colorado			3,711	223,512							
Connecticut	H	H	0	200,093					H	H	
Delaware	0	0	0	51,016					0	0	
Dist. of Col.			0	80,092							
Florida			325	427,101							
Georgia	A	A	203	342,050					A	A	
Hawaii	U	U	0	154,971					U	U	
Idaho	T	T	4,441	94,700					T	T	
Illinois	H	H	95	402,405					H	H	
Indiana	0	0	65	283,523					0	0	
Iowa	R	R	0	167,600					R	R	
Kansas	I	I	0	144,551					I	I	
Kentucky	Z	Z	160	179,802					Z	Z	
Louisiana	A	A	150	282,950					A	A	
Maine	T	T	21	61,821					T	T	
Maryland	I	I	0	311,060					I	I	
Massachusetts	0	0	0	375,965					0	0	
Michigan	H	H	635	304,320					H	H	
Minnesota			793	227,832							
Mississippi			347	141,220							
Missouri	I	I	295	264,954					I	I	
Montana	H	H	3,777	114,814					H	H	
Nebraska			64	106,096							
Nevada	T	T	600	74,222					T	T	
New Hampshire	H	H	250	55,761					H	H	
New Jersey	I	I	0	339,690					I	I	
New Mexico	S	S	1,910	167,231					S	S	
New York			0	610,549							
North Carolina			603	322,394							
North Dakota	B	B	129	75,931					B	B	
Ohio	I	I	69	470,313					I	I	
Oklahoma	L	L	63	177,700					L	L	
Oregon	L	L	6,699	147,750					L	L	
Pennsylvania			182	542,433							
Rhode Island			0	96,760							
South Carolina			196	127,892							
South Dakota			400	84,302							
Tennessee			255	269,368							
Texas			259	940,738							
Utah			1,583	126,415							
Vermont			90	54,110							
Virginia			612	262,478							
Washington			3,586	287,745							
West Virginia			287	106,599							
Wisconsin			383	216,571							
Wyoming			1,629	85,421							
Puerto Rico			26	62,691							
TOTAL	0	0	48,398	12,474,471	200,000	50,000	75,000	75,000	0	0	12,874,471

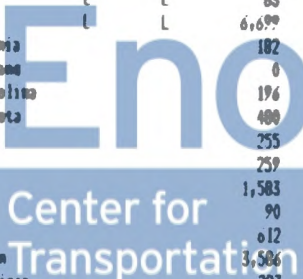
NO ESTIMATE OF DISTRIBUTIONS AVAILABLE

12,874,471	GRAND TOTAL	
208,400	ADMINISTRATION & RESEARCH	
28,932	SRP	
13,914	TERRITORIES	
49	DEPT. OF INTERIOR	
10,000	FARM SAFETY 403	
1,100	NON-SPECIFIED STUDIES	
13,136,866	TOTAL AUTHORIZATIONS	

ASSUMPTIONS:

Interstate Transfer Discretionary--Based on Allocations in FY 1987 DOT Appropriations Act (Continuing Resolution) prorated to account for reduced authorization and 301 demonstration projects set-aside.

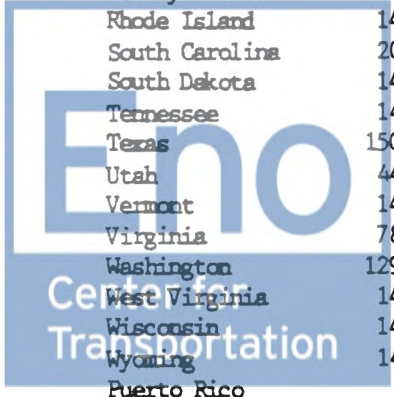
Forest Highways--Preliminary FY 1987 allocations.



Estimated FY 1987 Apportionments for Interstate and Primary  
Under S. 185

(DOLLARS IN THOUSANDS)

STATE	INTERSTATE CONSTRUCTION	I-4R	PRIMARY	TOTAL
Alabama	134,409	49,661	41,368	225,438
Alaska	14,553	23,216	73,830	111,599
Arizona	28,052	59,163	30,218	117,433
Arkansas	14,553	29,024	28,009	71,586
California	348,881	259,582	165,443	773,906
Colorado	66,076	53,454	32,567	152,097
Connecticut	79,512	34,294	24,991	138,797
Delaware	14,553	13,583	11,233	39,369
Dist. of Col.	41,881	13,583	11,335	66,799
Florida	172,013	99,416	74,502	345,931
Georgia	74,211	96,323	55,440	225,974
Hawaii	118,087	13,583	11,233	142,903
Idaho	29,259	25,053	18,190	72,502
Illinois	14,553	97,322	88,859	200,734
Indiana	21,518	60,431	52,016	133,965
Iowa	14,553	38,663	35,261	88,477
Kansas	14,553	39,606	32,982	87,141
Kentucky	23,434	48,986	39,107	111,527
Louisiana	135,301	47,480	38,425	221,206
Maine	14,553	13,583	14,314	42,450
Maryland	120,449	39,607	33,624	193,680
Massachusetts	214,078	33,495	44,139	291,712
Michigan	49,072	87,050	81,753	217,875
Minnesota	69,697	50,158	43,426	163,281
Mississippi	14,553	34,662	31,497	80,712
Missouri	14,553	77,098	51,207	142,858
Montana	14,553	43,232	26,342	84,127
Nebraska	14,553	23,554	25,499	63,606
Nevada	14,553	23,773	18,406	56,732
New Hampshire	14,553	13,583	11,233	39,369
New Jersey	116,093	32,032	52,909	201,034
New Mexico	14,553	45,628	25,140	85,321
New York	14,553	93,659	133,359	241,571
North Carolina	58,230	49,772	64,049	172,051
North Dakota	14,553	22,210	17,473	54,236
Ohio	35,741	113,844	92,848	242,433
Oklahoma	14,553	39,924	34,370	88,847
Oregon	19,629	41,372	29,271	90,272
Pennsylvania	181,329	72,080	106,685	360,094
Rhode Island	14,553	13,583	11,233	39,369
South Carolina	20,311	42,973	32,613	95,897
South Dakota	14,553	27,484	18,712	60,749
Tennessee	14,553	68,966	46,535	130,054
Texas	150,574	216,456	131,183	498,213
Utah	44,768	41,043	19,221	105,032
Vermont	14,553	13,806	11,233	39,592
Virginia	78,725	73,271	49,357	201,353
Washington	129,948	59,474	39,177	228,599
West Virginia	14,553	20,391	23,462	58,406
Wisconsin	14,553	37,126	47,813	99,492
Wyoming	14,553	35,616	17,170	67,339
Puerto Rico	0	13,583	29,659	43,242
<b>TOTAL</b>	<b>2,910,550</b>	<b>2,716,511</b>	<b>2,279,921</b>	<b>7,906,982</b>



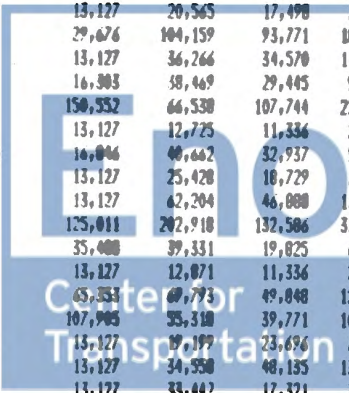
SENATE BILL



CONFERENCE REPORT

(DOLLARS IN THOUSANDS)

STATE	INTERSTATE CONSTRUCTION	I-4R	PRIMARY	SECONDARY	URBAN	BRIDGE	HAZARD ELIM.	RR HWY XCHRS	INT HWY TRANSF.	URBAN PLNG.	TOTAL EFFORT	BSZ MIN ALLOC.	SUB-TOTAL	402 SAFETY	DEMS	30% DEMO DISC	INTERSTATE DISC.
Alabama	111,680	67,426	41,589	12,180	9,465	26,611	2,982	3,217	0	556	255,584	0	255,584	183	3,000	2,160	0
Alaska	13,127	21,602	74,661	32,262	3,657	3,431	833	2,449	0	233	152,255	0	152,255	51	829	497	0
Arizona	17,531	36,922	31,521	9,927	9,466	3,431	2,245	1,575	136	603	132,337	14,345	146,682	138	829	497	18,320
Arkansas	13,127	27,610	20,381	10,393	4,464	19,890	2,018	2,366	0	233	108,680	14,936	123,616	123	6,780	4,068	0
California	287,968	246,584	167,886	23,967	92,604	38,493	14,352	10,148	2,409	6,231	889,842	69,125	958,967	881	23,880	14,328	22,487
Colorado	54,862	49,643	34,374	11,030	9,801	15,565	2,326	2,181	4,982	636	185,400	0	185,400	142	829	497	0
Connecticut	66,814	32,900	25,240	3,851	10,494	48,102	1,851	1,023	81,618	730	271,831	0	271,831	114	829	497	37,997
Delaware	13,127	12,725	11,336	2,925	3,657	3,431	833	497	0	233	48,764	0	48,764	51	829	497	0
Dist. of Col.	34,779	12,725	11,336	0	3,657	7,471	833	219	11,221	233	82,474	0	82,474	51	829	497	0
Florida	146,772	89,523	75,267	14,826	34,887	20,555	6,197	4,693	0	2,341	395,061	29,645	424,706	380	3,800	2,780	0
Georgia	61,620	89,683	55,429	15,743	13,914	39,578	4,066	4,558	8,343	820	293,694	26,465	320,099	246	9,150	5,490	0
Hawaii	98,853	12,725	11,336	2,928	3,657	3,435	833	394	0	233	133,591	0	133,591	51	829	497	0
Idaho	24,312	23,196	18,309	7,235	3,657	4,041	1,225	1,430	0	233	83,638	0	83,638	75	2,300	1,380	0
Illinois	13,127	89,712	16,992	40,130	40,287	7,461	8,148	59,617	2,614	2,614	369,030	0	369,030	458	6,520	3,912	8,537
Indiana	17,862	56,111	52,532	13,837	14,534	24,121	3,864	5,086	3,807	820	192,974	58,010	250,984	237	4,560	2,736	0
Iowa	13,127	36,781	35,240	12,708	6,652	30,954	2,721	3,745	22,104	294	164,238	0	164,238	166	4,900	2,940	0
Kansas	13,127	37,178	33,225	11,995	6,218	32,821	2,640	4,809	0	269	142,282	0	142,282	161	3,500	2,100	8,095
Kentucky	19,445	45,526	39,495	12,183	7,438	31,909	2,666	2,671	0	388	161,721	1,567	163,288	163	3,800	2,780	0
Louisiana	112,324	45,169	38,887	9,831	11,859	33,327	2,836	3,147	0	694	257,994	0	257,994	173	3,365	2,019	0
Maine	13,127	12,725	14,458	5,115	3,657	5,347	833	934	0	233	56,429	0	56,429	51	3,000	1,800	0
Maryland	104,432	38,409	33,958	5,583	14,387	19,301	2,521	1,510	52,758	990	273,849	0	273,849	155	3,540	2,124	0
Massachusetts	367,332	32,222	44,577	5,993	20,391	44,216	3,391	1,979	8,371	1,401	529,873	0	529,873	208	850	510	0
Michigan	40,733	83,573	82,565	17,527	27,574	19,883	6,135	5,527	0	1,822	285,339	29,008	314,347	376	4,220	2,532	21,828
Minnesota	58,885	46,637	43,687	14,557	11,058	20,257	3,488	4,212	2,845	647	205,313	0	205,313	213	4,700	2,820	19,932
Mississippi	13,127	32,898	31,796	10,714	4,663	25,615	2,086	2,189	0	233	122,521	4,475	126,996	127	2,058	1,234	0
Missouri	13,127	71,585	51,721	15,700	13,687	68,829	3,852	4,141	0	826	235,388	15,147	250,535	236	8,400	5,040	3,532
Montana	13,127	48,917	26,672	11,828	3,657	8,648	1,166	1,645	0	233	107,085	0	107,085	71	829	497	0
Nebraska	13,127	21,773	25,218	9,389	4,025	22,121	1,796	2,705	1,713	233	102,100	0	102,100	110	829	497	0
Nevada	13,127	22,478	18,903	7,118	3,657	3,431	883	788	0	233	70,610	0	70,610	54	2,660	1,596	0
New Hampshire	13,127	12,725	11,336	2,925	3,657	8,099	833	657	0	233	53,592	0	53,592	51	829	497	0
New Jersey	96,375	38,112	53,435	5,241	28,888	65,486	4,253	2,700	26,977	1,983	314,650	0	314,650	261	7,200	4,320	0
New Mexico	13,127	42,529	25,889	9,735	3,846	5,198	1,251	1,191	0	233	103,019	0	103,019	76	4,000	2,400	0
New York	13,127	88,692	134,684	17,439	63,286	137,240	10,447	6,157	156,371	4,347	631,790	0	631,790	642	5,424	3,254	0
North Carolina	43,872	47,867	64,485	17,510	11,330	38,852	4,090	3,987	0	651	231,224	57,980	289,204	251	1,800	1,000	13,099
North Dakota	13,127	20,565	17,498	7,116	3,657	6,792	1,247	2,794	0	233	73,029	0	73,029	76	3,400	2,040	0
Ohio	29,676	104,159	93,771	18,278	33,398	49,189	6,900	6,563	9,887	2,061	353,882	63,643	417,445	423	2,800	1,680	0
Oklahoma	13,127	36,266	34,570	11,798	8,137	35,879	2,762	3,224	0	399	145,362	44,507	189,869	169	829	497	0
Oregon	16,383	38,469	29,445	9,909	7,272	11,244	2,388	2,154	9,045	400	126,621	0	126,621	145	829	497	6,762
Pennsylvania	158,352	66,538	107,744	22,152	34,318	95,611	7,492	5,926	8,681	2,259	501,273	0	501,273	460	15,610	9,366	76,106
Rhode Island	13,127	12,725	11,336	2,925	3,657	3,850	833	443	51,970	249	101,115	0	101,115	51	829	497	0
South Carolina	16,846	48,662	32,937	9,674	6,717	9,979	2,316	2,715	0	375	121,621	26,553	148,174	142	4,000	2,400	19,362
South Dakota	13,127	25,428	18,729	7,711	3,657	9,253	1,134	1,726	0	233	80,998	0	80,998	69	1,980	1,188	0
Tennessee	13,127	62,204	46,888	13,456	11,432	54,155	3,309	3,183	19,885	658	228,297	13,766	242,063	203	2,500	1,500	2,668
Texas	125,811	282,918	132,586	37,363	47,234	57,261	10,490	10,697	0	2,877	626,437	223,604	850,041	643	4,900	2,940	0
Utah	35,488	39,331	19,825	6,571	5,141	3,431	1,282	1,191	0	311	112,591	0	112,591	78	829	497	13,619
Vermont	13,127	12,871	11,336	2,925	3,657	6,345	833	634	0	233	51,961	0	51,961	51	829	497	0
Virginia	65,353	69,793	49,848	12,861	14,817	17,936	3,517	2,702	1,240	960	239,027	0	239,027	215	1,900	1,140	6,230
Washington	107,985	35,318	39,771	10,196	12,669	26,353	3,037	2,915	0	826	258,890	0	258,890	186	829	497	0
West Virginia	13,127	19,189	23,636	7,528	3,657	35,374	1,400	1,680	0	233	105,894	0	105,894	86	1,960	1,176	21,417
Wisconsin	13,127	34,958	48,135	13,577	12,314	31,722	3,628	3,912	0	736	161,709	32,562	194,271	223	829	497	0
Wyoming	13,127	33,442	17,321	7,094	3,657	3,431	833	908	0	233	80,046	0	80,046	51	829	497	0
Puerto Rico	0	12,725	29,953	3,939	8,781	3,431	1,795	757	0	542	61,923	0	61,923	111	0	0	0
TOTAL	2,625,311	2,544,910	2,303,719	585,053	731,326	1,372,402	164,935	156,802	543,900	46,510	11,074,868	725,276	11,800,144	10,111	177,979	106,782	300,000



CONFERENCE REPORT

STATE	INTERSTATE TRANSFER DISC.	RAIL RELOCATION DEMOS	HTPP ROADS	URBAN HIGH DENSITY	STUDIES	FOREST HWAYS.	SUB- TOTAL B	BRIDGE DISC.	I-OR DISC.	PUBLIC LANDS	FRYWAYS & PARK HIGHWAYS	INDIAN RES. ROADS	MAINTENANCE OF CERTAIN RAIL/HWY CROSSINGS	GRAND TOTAL
Alabama	0					266	261,793							
Alaska	0					3,566	157,198							
Arizona	706					3,030	170,210							
Arkansas	0					716	135,303							
California	1,988				970	7,081	1,038,112							
Colorado	19,525					4,082	210,475							
Connecticut	13,660					0	324,920							
Delaware	0					0	50,141							
Dist. of Col.	0					0	83,851							
Florida	0					358	431,524							
Georgia	0	2,000				223	337,208							
Hawaii	0					0	134,968							
Idaho	0					4,885	92,278							
Illinois	32,632	3,500				105	424,694							
Indiana	2,277	3,500			2,807	72	267,172							
Iowa	3,722					0	175,966							
Kansas	0					0	156,138							
Kentucky	0					185	169,716							
Louisiana	0					165	263,717							
Maine	0					23	61,383							
Maryland	22,386					0	302,053							
Massachusetts	0					0	531,441							
Michigan	0					699	344,002							
Minnesota	7,289					872	241,060							
Mississippi	0					382	130,798							
Missouri	0					324	268,067							
Montana	0					4,135	112,637							
Nebraska	2,289	2,000				70	107,895							
Nevada	0					748	75,668							
New Hampshire	0					275	55,244							
New Jersey	9,846					0	336,278							
New Mexico	0		58,000			2,110	169,605							
New York	0					0	641,110							
North Carolina	0					663	306,097							
North Dakota	0					142	78,687							
Ohio	11,383					76	433,807							
Oklahoma	0					69	191,434							
Oregon	9,335					7,369	151,559							
Pennsylvania	11,269				650	200	614,934							
Rhode Island	0					0	102,492							
South Carolina	0					216	174,294							
South Dakota	0					528	84,763							
Tennessee	0					281	249,214							
Texas	0	750				285	859,559							
Utah	0					1,741	129,355							
Vermont	0					89	53,437							
Virginia	4,857					673	254,043							
Washington	0					3,945	264,447							
West Virginia	0					316	136,849							
Wisconsin	0					421	196,241							
Wyoming	0					1,792	83,215							
Puerto Rico	0					29	62,063							
TOTAL	152,615	11,750	58,000	2,807	1,620	53,237	12,675,045	185,613	164,990	40,000	60,000	80,000	0	13,205,648

NO ESTIMATE OF DISTRIBUTIONS AVAILABLE

13,205,648 GRAND TOTAL  
 210,989 ADMINISTRATION & RESEARCH  
 30,475 SHOP  
 13,199 TERRITORIES  
 49 DEPT. OF INTERIOR  
 10,000 FHWA SAFETY 403  
 1,200 NON-SPECIFIED STUDIES  
 3,250 NON-SPECIFIED RAIL RELOCATION  
 13,474,810 TOTAL AUTHORIZATIONS

ASSUMPTIONS:

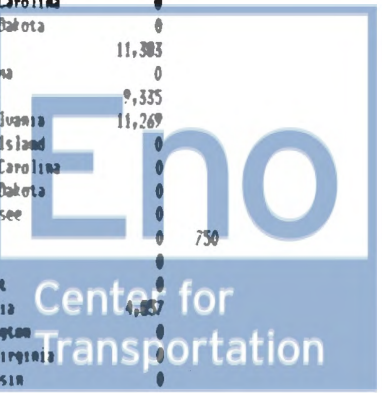
Interstate Discretionary--Based on actual FY 1987 allocations of \$487 Million (\$387 Million of lapsed funds and \$100 Million of new authority) prorated to the \$300 Million set-aside in H. R. 2 Conference Report.

Interstate Transfer Discretionary--Based on allocations in the FY 1987 DOT Appropriations Act (Continuing Resolution) prorated to account for reduced authorization and 30 percent demonstration projects set-aside.

Bridge Discretionary--Prorated to account for 30 percent demonstration projects set-aside.

I-OR Discretionary--Prorated to account for 30 percent demonstration projects set-aside.

Forest Highways--Preliminary FY 1987 allocations.



the 65 is gone, at least for the remainder of this Congress.

As you know, the 65 passed in the House by 11 votes. A six-vote turnaround would have been able to defeat it. Commitments were made by people from the East, mainly, who voted for the 65 for the West, if they want it. Over 12 Members have already signed papers saying that if the West, and if the West wants to defeat this bill, then 65 will come back and those 12 will then not vote for 65 as they did, but vote against it. That 12 votes is a 24-vote turnaround. So that will be dead.

Mr. GRAY of Illinois. Mr. Speaker, will the gentleman yield?

Mr. HOWARD. I will yield briefly to the gentleman from Illinois.

Mr. GRAY of Illinois. I thank the gentleman for yielding.

Mr. Speaker, as the author of the 65-mile-per-hour speed limit I want to agree with the chairman implicitly; it is either now or never.

Mr. HOWARD. As the author of the 55-mile-per-hour speed limit, I will have mixed emotions about what happens, but that is the fact.

The President said, pass another bill in 6 days, send it back and we will sign it into law.

We received the President's bill, maybe coincidentally, at 5 p.m. last Friday evening, 5 p.m.

Our staff worked, looking it over, Saturday, Sunday and yesterday. Unfortunately, there was no member of the administration available during all of that time to discuss the administration's bill. We have it here. It is a huge, large bill; not the four small items that the President talked about. There are over 30 major policy changes in this bill.

Should our committee do nothing else under our jurisdiction, whether it be water issues, aviation or anything else, it would take us at least until the early summer to be able to bring a bill here to the floor of the House.

The Senate would do the same. It would be early fall before we could possibly get a conference report on a measure this large back to the House of Representatives, and these 800,000 jobs will be lost and will be lost for the entire good. We cannot get this year's construction season back again.

So I urge the Members to please sustain the Congress. Four hundred and seven of you voted for this bill when we brought it before the House as a conference report, 407.

This bill is just as good now as it was a couple of weeks ago. So if we want to progress in the construction, in the building and rebuilding of this Nation, then we should certainly vote for this override.

I thank the members of my committee, the staff, and the Members of the House for attention on this vital matter.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The question is, will the House, on reconsideration, pass the bill, the objections of the President to the contrary notwithstanding.

Under the Constitution this vote must be determined by the yeas and nays.

The vote was taken by electronic device, and there were—yeas 350, nays 73, not voting 10, as follows:

[Roll No. 39]

YEAS—350

Ackerman	Dicks	Hughes
Akaka	Dingell	Hutto
Alexander	DioGuardi	Jacobs
Anderson	Dixon	Johnson (CT)
Andrews	Donnelly	Johnson (SD)
Anthony	Dorgan (ND)	Jones (NC)
Applegate	Dowdy	Jones (TN)
Aspin	Downey	Jontz
Atkins	Duncan	Kanjorski
AuCoin	Durbin	Kaptur
Barnard	Dwyer	Kastenmeier
Bateman	Dymally	Kennedy
Bates	Dyson	Kennelly
Beilenson	Early	Kildee
Bennett	Eckart	Kiecicka
Bentley	Edwards (CA)	Kolter
Bereuter	Emerson	Konnyu
Berman	English	Kostmayer
Bevill	Erdreich	LaFalce
Biaggi	Espy	Lancaster
Bilbray	Evans	Lantos
Billrakis	Fascell	Leach (IA)
Boehlert	Pazio	Leath (TX)
Boggs	Fields	Lehman (CA)
Boland	Fish	Lehman (FL)
Boner (TN)	Flake	Leland
Bonior (MI)	Flippo	Lent
Bonker	Florio	Levin (MI)
Borski	Foglietta	Levine (CA)
Bosco	Foley	Lewis (CA)
Boucher	Ford (MI)	Lewis (FL)
Boxer	Ford (TN)	Lewis (GA)
Brennan	Frank	Lightfoot
Brooks	Frenzel	Lipinski
Brown (CA)	Frost	Livingston
Bruce	Gallo	Lloyd
Bryant	Garcia	Lott
Bunning	Gaydos	Lowery (CA)
Bustamante	Gejdenson	Lowry (WA)
Byron	Gibbons	Lukens, Thomas
Callahan	Gilman	MacKay
Campbell	Glickman	Madigan
Cardin	Gonzalez	Manton
Carper	Goodling	Markey
Carr	Gordon	Marlenee
Chandler	Grandy	Martin (IL)
Chapman	Grant	Martin (NY)
Chappell	Gray (IL)	Martinez
Cheney	Gray (PA)	Matsui
Clarke	Green	Mavroules
Clay	Guarini	Mazzoli
Clinger	Hall (OH)	McCandless
Coelho	Hall (TX)	McCloskey
Coleman (MO)	Hamilton	McCurdy
Coleman (TX)	Hammerschmidt	McDade
Collins	Harris	McEwen
Combest	Hastert	McGrath
Conte	Hatcher	McHugh
Conyers	Hawkins	McKinney
Cooper	Hayes (IL)	McMillen (MD)
Courter	Hayes (LA)	Meyers
Coyne	Hefner	Mfume
Craig	Hertel	Mica
Crockett	Hiler	Michel
Darden	Hoehbrueckner	Miller (CA)
Daub	Holloway	Miller (WA)
Davis (IL)	Hopkins	Mineta
Davis (MI)	Horton	Moakley
de la Garza	Houghton	Mollohan
DeFazio	Howard	Montgomery
Dellums	Hoyer	Moody
Derrick	Hubbard	Morella
Dickinson	Huckaby	Morrison (WA)

Mrazek	Roemer	Stokes
Murphy	Rogers	Stratton
Murtha	Rose	Studds
Myers	Roukema	Sundquist
Nagle	Rowland (CT)	Swift
Natcher	Rowland (GA)	Swindall
Neal	Roybal	Synar
Nelson	Russo	Tallon
Nichols	Sabo	Tauke
Nielson	Saiki	Tauzin
Nowak	Savage	Taylor
Oakar	Sawyer	Thomas (CA)
Oberstar	Saxton	Thomas (GA)
Obey	Schaefer	Torres
Olin	Scheuer	Torricelli
Ortiz	Schroeder	Towns
Owens (NY)	Schuetz	Trafficant
Owens (UT)	Schulze	Traxler
Packard	Schumer	Udall
Panetta	Sharp	Upton
Parris	Shaw	Valentine
Pashayan	Shuster	Vander Jagt
Patterson	Sikorski	Vento
Pease	Skaggs	Visclosky
Penny	Skeen	Volkmeyer
Pepper	Skelton	Vucanovich
Perkins	Slattery	Walgren
Petri	Slaughter (NY)	Watkins
Pickett	Smith (FL)	Waxman
Pickle	Smith (IA)	Weber
Price (IL)	Smith (NE)	Weiss
Price (NC)	Smith (NJ)	Weldon
Quillen	Smith, Robert	Wheat
Rahall	(OR)	Whittaker
Rangel	Snowe	Whitton
Ravenel	Solarz	Williams
Ray	Spence	Wilson
Regula	Spratt	Wise
Richardson	St Germain	Wolpe
Rinaldo	Staggers	Wortley
Ritter	Stallings	Wyden
Robinson	Stangeland	Yates
Rodino	Stark	Yatron
Roe	Stenholm	Young (AK)

NAYS—73

Archer	Gradison	Molinari
Army	Gregg	Moorhead
Badham	Gunderson	Oxley
Baker	Hansen	Porter
Ballenger	Hefley	Pursell
Bartlett	Henry	Rhodes
Barton	Herger	Roberts
Billey	Hunter	Roth
Boulier	Hyde	Schneider
Broomfield	Inhofe	Sensenbrenner
Brown (CO)	Ireland	Shumway
Buechner	Jeffords	Siskis
Burton	Kasich	Slaughter (VA)
Coats	Kemp	Smith (TX)
Coble	Kolbe	Smith, Denny
Coughlin	Kyl	(OR)
Crane	Lagomarsino	Smith, Robert
DeLay	Latta	(NH)
DeWine	Lujan	Solomon
Dornan (CA)	Lukens, Donald	Stump
Dreier	Lungren	Sweeney
Fawell	Mack	Walker
Gallely	McCollum	Wolf
Gekas	McMillan (NC)	Wylie
Gingrich	Miller (OH)	Young (FL)

NOT VOTING—10

Annunzio	Feighan	Ridge
Daniel	Gephardt	Rostenkowski
Dannemeyer	Jenkins	
Edwards (OK)	Morrison (CT)	

□ 1450

The Clerk announced the following pair:

On this vote:  
Mr. Gephardt and Mr. Jenkins for, with Mr. Edwards of Oklahoma against.

Mr. GUNDERSON changed his vote from "yea" to "nay."

So, two-thirds having voted in favor thereof, the bill was passed, the objections of the President to the contrary notwithstanding.

**EIT**

Center for  
Transportation

THOSE WHO WILL VOTE  
TO SUSTAIN VETO

1. Dole
2. Evans
3. Garn
4. Gramm
5. Hatch
6. Hatfield
7. Helms
8. Humphrey
9. McClure
10. Nickles
11. Roth
12. Rudman
13. Sanford
14. Simpson
15. Tribble
16. Wallop
17. Warner
18. Armstrong
19. Chafee
20. Kassebaum
21. Stafford
22. Domenici

LEANING TO SUSTAIN

1. Grassley
2. Karnes

POSSIBLE TO SUSTAIN VETO


1. Thurmond
2. Baucus
3. Burdick
4. Inouye
5. Boren
6. Shelby
7. Cohen
8. McCain
9. Quayle
10. Kasten
11. Lugar
12. Hecht
13. Leahy
14. McClure
15. McConnell
16. Pressler
17. Stevens
18. Murkowski
19. Symms
20. Boschwitz



THE WHITE HOUSE  
WASHINGTON

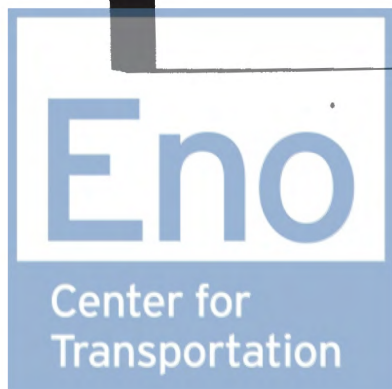
March 31, 1987

TO: WB  
JT

FROM: SALLY 

PER: Jennifer Fitzgerald

The Vice President has just met  
with Senator McConnell. He is  
definitely against us.



## The Truth about the Highway/Transit Bill

1. Assertion: The highway/transit bill is not a budget buster because the majority of funds authorized (\$76 billion) come from the Highway Trust Fund which is dedicated for highway and transit programs. Moreover, if one counts interest as revenue, the five-year authorizations from the Highway Trust Fund are revenue neutral.

### Truth:

- o Spending from the Highway Trust Fund affects the deficit just as any other Federal spending, regardless of its dedicated revenue source and dedicated spending purposes.
  - o The President's original proposal of \$77.4 billion over five years would set spending for highways, transit and safety equal to user fee receipts, beginning in 1988. H.R. 2 exceeds that amount by \$10.1 billion which directly adds to the deficit because there is no user fee offset.
    - ~ H.R. 2 exceeds general fund spending in the President's original proposal by over \$9 billion. The bill also spends interest which is an intragovernmental transfer, not a revenue. Spending interest and general fund dollars for highway and transit adds to the deficit because there is no offsetting user fee revenue to cover the expenditure.
2. Assertion: The presence of large cash balances in the Highway Trust Fund does not justify the need for spending reductions.

### Truth:

- o The cash balances are not free to spend. The Highway Account, with just under \$10 billion in end of year cash balances, has almost \$30 billion in commitments against the balance. If the program ended today, we would still need to collect highway user fee revenues for another year and a half to pay off these commitments.
- o With regard to transit, the user fees and interest accruing to the Mass Transit Account are overstated and do not exceed authorizations by an alleged \$2 billion.
  - ~ Uncommitted cash balances are approximately \$449 million.

Center for Interest is an intragovernmental transfer, not a  
Transportation revenue for spending.

3. Assertion: The President's alternative does not significantly reduce the deficit.

Truth: The President's alternative saves \$4.5 billion by authorizing \$83 billion over 5 years compared to \$87.5 billion in the conference bill. (Although this is higher than the President's original proposal of \$77.4 billion, it reflects a good faith compromise, given that Congress rejected the original proposal.)

- o The President's alternative does not establish the future liability, beyond 1991, for additional costs to complete special highway and transit projects.
- o The transit proposals to raise the non-Federal matching share and to distribute more transit funds by formula, not discretion, will discourage the planning of economically unviable projects.
- o Reduced funding in transit comes solely from reduced general funds.

4. Assertion: Since the general fund portion of the mass transit program for 1987 has already been appropriated as part of the Continuing Resolution in the absence of any authorization, it is unlikely that Appropriations Committees will refuse to fund the mass transit program in future years whether we have an authorization bill or not.

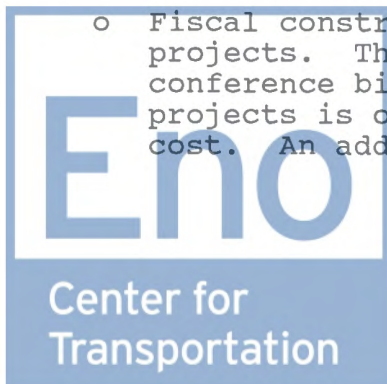
Truth:

- o The Budget Committees have been looking at ways to reduce transit spending in the 1988 Budget Resolution.
- o It is understandable that in the absence of reauthorization legislation the Appropriations Committees assumed the status quo structure for transit.

5. Assertion: Separate funding for demonstration projects is inevitable in highway reauthorization legislation.

Truth:

- o Fiscal constraints must be the priority, not pork projects. The two percent of the highway funds in the conference bill dedicated to highway demonstration projects is only a downpayment on their eventual total cost. An additional \$3.8 billion in Federal funds, beyond



the \$1.4 billion in the bill, would be required to complete these projects.

- o Equitable, fair distribution of fuel taxes is the value at stake.
- o What cannot be ignored is that highway programs should reflect priorities of the States, not Congress.
- o The President's alternative allows all 152 demonstration projects to become "priority projects", eligible for construction with any category of Federal-aid funds except Interstate Construction. This compromise, as originally proposed by the Senate, does not add to the cost of the bill.

6. Assertion: The conference bill provides a solution to the longstanding debate over Interstate funds for the Boston projects and allows Boston to solve its transportation problems.

Truth:

- o The conference bill gives Boston special treatment at the cost of all highway user fee taxpayers.
  - ~ The Boston projects would increase the Federal cost to complete the Interstate System by at least \$1.1 billion.
  - ~ Massachusetts would get a disproportionate share of Interstate funds (at 90 percent Federal matching share) to add these projects to the Interstate even though the Interstate System was closed to additions in 1981.
- o The President's alternative would allow tolls to be charged on the Third Harbor Tunnel which, in turn, would help pay for the projects without penalizing other States or violating the 1981 cutoff.

7. Assertion: The 65 m.p.h. speed limit will be jeopardized if the veto is not overridden.

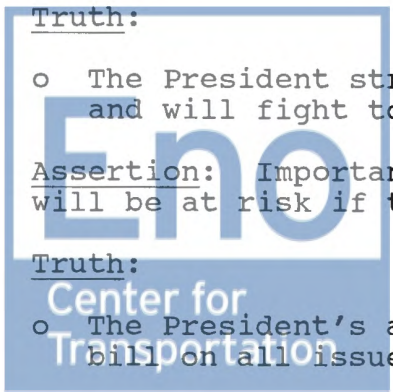
Truth:

- o The President strongly supports the 65 m.p.h. speed limit and will fight to keep it in his alternative bill.

8. Assertion: Important provisions of the conference agreement will be at risk if the veto is not overridden.

Truth:

- o The President's alternative incorporates the conference bill on all issues except the most sensitive: spending





levels, special projects and Buy America provisions. On those issues the President's alternative is patterned after the Senate, not the House bill. Therefore, the Senate stands to gain, not lose, from sustaining the veto and supporting the President's proposal.

10. Assertion: Failure to enact a bill will cause the loss of 800,000 jobs as well as the 1987 construction season.

Truth:

- o Job loss is not at issue because there is no good reason for Congress not to enact the President's alternative.
- o The threat of an 800,000 job loss is grossly overstated because:
  - ~ it incorrectly assumes no State or unobligated Federal balances from prior years will be spent on highway;
  - ~ it assumes economy-wide multiplier effects, not just direct and indirect construction employment; multiplier effects do not occur immediately and may be mitigated or offset by other economic factors; and
  - ~ it ignores the role of other factors in determining employment opportunities and economic well-being -- such as deficit reduction and employment trends overall.



THE WHITE HOUSE

WASHINGTON

March 31, 1987

Dear Bob:

I have returned to the Congress without my signature the bill H.R. 2, which authorizes Federal highway and transit programs.

This legislation provides excessive funding for mass transit programs and distributes these funds unfairly to certain cities. It contains provisions to fund an unprecedented 152 "highway demonstration" projects and thereby violates the equitable and correct method of allocating highway funds to the States by formula. It favors major metropolitan areas, such as Boston and Los Angeles, depriving other regions and localities of fair treatment.

Since 1976, I have supported giving States the option of raising speed limits to 65 miles per hour on sections of rural interstate highways. I continue to support that provision today. But, it is a deep disappointment to me that after delaying needed highway legislation for nearly a year and a half, the Congress has been unable to produce a bill that can meet even minimum standards of fiscal responsibility.

The American people have time and again made it abundantly clear that they expect the Federal government to live within its means. On that basis, I strongly urge you to vote to sustain my veto of H.R. 2.

I look to the Senate to sustain my veto and to the Congress to move swiftly to pass responsible highway and transit legislation that I can sign into law.

Sincerely,



The Honorable Robert Dole  
Republican Leader  
United States Senate  
Washington, D.C. 20510

THE SCHEDULE OF  
PRESIDENT RONALD REAGAN

Tuesday, March 31, 1987

XXXX

9:27 Personal Oval  
9:32 Personal Oval

8:58 arrive Oval  
8:58-9:00 Personal Time Oval

9:00 am  
(30 min)

Staff Time  
(Vice President/Baker)

Oval Office

9:30 am  
(30 min)

Briefing for Chirac Visit  
(Carlucci)

Oval Office

9:00-9:27 V.P., Baker, Duberstein

10:00 am  
(30 min)

Arrival Ceremony for Prime Minister Chirac of France  
(Carlucci)

South Lawn

10:30 am  
(80 min)

Meeting with Prime Minister Chirac  
(Carlucci)

Oval Office

11:30 am  
(10 min)

Presentation of Report on International Conference on Private Sector Initiatives  
(Ryan)

East Room

11:40 am  
(5 min)

Statement with Prime Minister Chirac  
(Risque)

Rose Garden

12:00 m  
(75 min)

Lunch and Personal Staff Time

Oval Office

1:30 pm  
(5 min)

Photo with David Abshire and Staff  
(Abshire)

Oval Office

2:00 pm  
(30 min)

Congressional Meeting  
(Balt)

Oval Office

2:30 pm

Personal Staff Time for Remainder of the Afternoon

Oval Office/  
Residence

7:15 pm N  
(3 hrs 45 min)

Dinner for Prime Minister Chirac  
(Carlucci) (Black Tie)

Residence

9:53-9:57  
Baker in Oval

9:58-10:01  
Hold in Dep Room with Mac

11:47-11:49  
To East Room with Chirac & V.P.

See Attached

See Attached

11:34-11:37  
Hold in Oval with Chirac

11:47-11:49  
To East Room with Chirac & V.P.

10:01-10:07  
South Lawn  
10:07-10:31  
East Room/Cross Hall  
10:31-10:38  
Plenary Meeting in Oval

11:37-11:42  
Rosewell Room  
11:49-11:53  
East Room

11:57-11:59  
Baker in Oval

11:59-1:31  
Lunch & Personal Time - Study  
1:31-1:36  
Congressional Meeting

1:36-  
Personal Time Oval  
Residence

Eno

Center for Transportation

REVISED  
UNP 03/30/87  
6:15 pm

y, March 31

Maureen out to the South Grounds  
Maureen to the Second Floor  
Breakfast for the President and Mrs. Reagan  
Maureen to the West Wing Mess  
The President to the Oval Office  
Maureen to the Second Floor  
Maureen out locally  
The First Lady to the Diplomatic Reception Room  
The President to the Diplomatic Reception Room  
His Excellency the Prime Minister and Mrs. Chirac  
arrive via South Lawn to the Diplomatic Reception Room  
The President and First Lady and Prime Minister to the East  
Room for the Arrival Ceremony  
The First Lady and Mrs. Chirac to the Green Room for tea  
The President and P.M. Chirac to the Oval Office  
Coffee served in the Blue Room for Official Guests  
(57 guests)  
The President and PM Chirac to the East Room for a  
joint announcement on AIDS  
The President and PM Chirac to the South Portico for  
departure  
The President to the Oval Office  
Lunch for the First Lady  
Barbara Wyden and Jane Erkenbeck to the Second Floor  
The President to Doctor's Office  
The President to the Second Floor  
Maureen Reagan arrives via South Grounds  
Maureen to the Second Floor  
Guests arrive State Floor, to the East Room  
Secretary and Mrs. Shultz arrive North Portico  
Vice President and Mrs. Bush to the State Floor  
Julius Bengtson departs South Grounds  
Members of the Official Party arrive North Portico,  
to the Yellow Oval Room for cocktails  
President and Mrs. Reagan arrive State Floor, to the  
North Portico to greet Prime Minister and Mrs. Chirac  
President and Mrs. Reagan, President and Mrs. Chirac  
to the Second Floor  
President and Mrs. Reagan, President and Mrs. Chirac  
arrive State Floor via Grand Staircase, to the  
East Room for receiving line  
Guests proceed through receiving line, to the State  
Dining Room  
President and Mrs. Reagan, President and Mrs. Chirac  
to the State Dining Room  
Dinner served  
Toasts and remarks by Presidents  
President and Mrs. Reagan, President and Mrs. Chirac  
to the Blue Room, guests to the Parlors and  
East Room  
President and Mrs. Reagan, President and Mrs. Chirac,  
guests to the East Room for entertainment

11:15 President and Mrs. Reagan bid farewell to President  
and Mrs. Chirac at the North Portico  
11:45 President, Mrs., Maureen Reagan to the Second Floor  
11:50 Maureen Reagan to the South Grounds 11:55 up  
12:30 Retired

Houseguests

Maureen Reagan - Lincoln Bedroom

Julius Bengtsson - Room 327



THE WHITE HOUSE

WASHINGTON

RECOMMENDED TELEPHONE CALL

TO: Senator Strom Thurmond (R-South Carolina)

DATE: Tuesday, March 31, 1987

RECOMMENDED BY: William L. Ball, III

PURPOSE: To persuade Senator Thurmond (R-South Carolina) to vote to sustain your veto of the highway/mass transit bill.

BACKGROUND: Senator Thurmond is very concerned about the fate of several demonstration projects in South Carolina if your veto is sustained. A project improving access to Myrtle Beach has Senator Thurmond's greatest interest, because of its importance to the tourism industry. Secretary of Transportation Dole has been working on these projects to try to resolve Senator Thurmond's concerns. We believe that the Myrtle Beach project will be addressed satisfactorily under your legislative proposal and by use of the Secretary's discretionary funding authority.

If Senator Thurmond receives assurances from you that the Administration intends to follow through on the Myrtle Beach project, we believe he will vote to sustain your veto of the highway bill.

TOPICS FOR DISCUSSION: See attached.

DATE OF SUBMISSION: Tuesday, March 31, 1987

ACTION:

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Eno

Center for  
Transportation

THE WHITE HOUSE

WASHINGTON

March 31, 1987

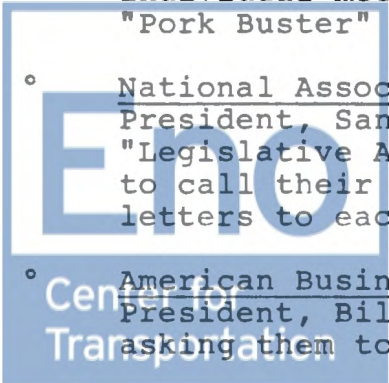
MEMORANDUM FOR KENNETH DUBERSTEIN  
DEPUTY CHIEF OF STAFF

FROM: MARI MASENG  
DEPUTY ASSISTANT TO THE PRESIDENT AND  
DIRECTOR, OFFICE OF PUBLIC LIAISON

SUBJECT: Highway Bill Activities

Here is a summary of the supporting activities that we are aware of by various constituent groups.

- ° U.S. Chamber of Commerce - The Chamber (President Dick Leshner) just agreed to support us. They have sent letters from Vice President Al Bourland, to all members of Congress and are calling "key" members.
- ° Citizens for a Sound Economy (CSE) - Our most aggressive supporters, Rich Fink, President, sent letters to all members of Congress. In addition, CSE sent out over 400 Op-Ed pieces to local newspapers and had members calling "key" Senators from their home states. CSE also developed and financed radio ads both locally and in "key" states.
- ° National Association of Wholesaler-Distributor) (NAW) - President Dirk Van Dongen sent letters to all members of Congress, plus activated their "call in" network. This includes 5,000 "back home" people who were wired and asked to call their Senator. They are also doing individual meetings with members and developed the "Pork Buster" T-Shirts.
- ° National Association of Manufacturers (NAM) - The NAM, President, Sandy Trowbridge, sent out a supporting "Legislative Alert" to their state groups asking them to call their Senators. They also sent individual NAM letters to each Senator supporting the veto.
- ° American Business Conference (ABC) - The ABC, President, Bill Lilley, is calling selected members asking them to support the veto.



- Business Roundtable (BRT) - The BRT has not taken an official position, but their Washington Executive Director, Sam Maury, has been very helpful, and many of his Washington Reps. are calling "key" Senators.
- National Taxpayers Union - Executive Vice President, David Keating, sent supporting letters to all members of the House and Senate. They are also making individual calls on "key" members.
- Citizens for Reagan - Peter Flaherty visited selected Senate and House offices.
- Heritage Foundation - distributed to all Senate and House offices an Executive Memorandum on sustaining the President's veto.

Gordon Jones (VP, Heritage Foundation) briefed Stanton Coalition (defense and foreign policy conservatives) on merits of Presidential veto and its long-term importance for entire Reagan agenda.

- United Families of America - mailed to selected members of Congress, and Robert Bartleson visited selected Senate offices.
- Competitive Enterprise Institute - called questionable members of Congress. Fred Smith sent op-ed article to the Wall Street Journal and Washington Post. Editorial in Washington Post (3/29) similar to argumentation in Smith article.
- Public Advocate of the United States - sent mailgrams to entire membership asking that they contact their congressmen. Eugene Delgaudio contacted selected offices.
- Pro America - mailed to select Senators and Congressmen and operated phone banks.

- Free Congress Foundation - hand delivered letters, and Curt Anderson visited select Senators.

- Contact America - interviewed Joe Wright (3/30) to uphold veto. Carried on 100 stations nationwide.

- Apostolic Coalition for Information (evangelical churches) - operated phone banks calling Senators.



- Christian Radio - President's veto statement and that of Secretary Dole's, as well as talking points, sent to Christian radio networks covering 710 radio stations nationwide. All incorporated material in broadcasts. Networks include U.S.A. Radio Network (220 stations), Bob Larson Ministries (150 stations), Contact America (100 stations), International Media Services (240 stations).
- Citizens for America (Gerry Carmen) - Letters to all House and Senate Members.
- National Republican Heritage Groups Council (Ethnic Republicans) (Frank Stella) - Letters to Republican House and Senate members from national office and state chapters.
- U.S. Hispanic Chamber of Commerce (Hector Baretto) - Phone calls to House and Senate members.
- Republican National Hispanic Assembly, South Carolina - (Olga Santo Tomas): Organizing cards and letters to South Carolina delegation members.



## SENATE RECORD VOTE ANALYSIS

100th Congress  
1st Session  
April 1, 1987, 11:16 a.m.  
Page S-4357 Temp. Record  
Vote No. 51

### HIGHWAY BILL VETO

#### SUBJECT:

Federal-Aid Highway Act of 1987 . . . H.R. 2. Shall the bill pass, the objections of the President of the United States notwithstanding?

### VETO SUSTAINED, 65 - 35

#### SYNOPSIS:

Pertinent votes on this legislation include Nos. 13-18, 20-21, 33, 35, 42, and 50-60. The conference agreement on H.R. 2 was agreed to by the House on March 18, 1987 by a vote of 407-17. The Senate passed the conference report by a 79-17 vote on March 19 (see vote No. 33). The conference agreement authorizes a total of \$87.5 billion for highway construction and repair, highway safety, and mass transit programs through FY 1991 (except for interstate construction and emergency relief, which are extended through FY 1992). Included in this total are \$16.7 billion for completion of the interstate highway system, \$14.0 billion for interstate repair, and \$17.7 billion for mass transit. The agreement also authorized \$1.4 billion in federal funding for 152 "demonstration" projects, estimated to cost up to \$5.5 billion. Of the \$1.4 billion, 50 percent is to come from new federal funds authorized outside the \$12.6 billion obligational limit, 30 percent is earmarked from DOT discretionary funds, and 20 percent from State funds. The agreement itself contained no provisions regarding the 55 mile per hour speed limit. However, following passage of the conference report, the House passed H. Con. Res. 77, which provided a technical correction to the bill to allow States to raise the speed limit to 65 miles per hour on rural interstates. The Senate agreed to the resolution on March 20 by a vote of 60-21 (see vote No. 35). On March 27, President Reagan vetoed H.R. 2, charging that the bill "represents a failure to exercise the discipline that is required to constrain federal spending, especially pork barrel spending" and urged Congress to join him in enacting a bill "consistent with the need for fiscal discipline." Specifically, the President objected to the bill's \$87.5 billion authorization, which exceeded his request by \$10.1 billion. Further, he objected to the 152 special interest "demonstration" projects and to the inequitable distribution of mass transit funds. Finally, the President objected to the "buy America" provisions in the bill, noting that such requirements are harmful to U.S. trading interests. NOTE: After the vote,

Senator Byrd moved to reconsider the vote. Although opposed to the President's veto, Senator Byrd voted to sustain the veto so that he could move to reconsider, a prerogative of a Senator on a prevailing side in a floor vote. The Senate then proceeded through a number of procedural votes (see vote Nos. 52-58) intended to delay the vote on the motion to reconsider the vote. On April 2, the Senate voted 59-41 (see vote No. 59) to reconsider the vote, and then voted 67-33 (see vote No. 60) to override the President's veto.

#### DEBATE:

Those favoring the bill contended: We have heard a number of reasons why we should sustain the President's veto. We have heard that the bill is a budget buster, that the bill is full of pork, that another bill can quickly be passed, and that the President must be rehabilitated. In reality, though, the issue is politics. This veto is being used to show that the President is once again in control of the presidency. The opponents of this legislation have made a number of allegations in support of a veto. First, they contend that this bill is a budget buster. That is simply inaccurate. Both budget authority and outlays for the highway title of the conference report are \$1 billion lower in fiscal year 1987 than in fiscal year 1986. Compared to the amount originally authorized for fiscal year 1986 under the Surface Transportation Act, the conference report reduces highway spending by 14 percent. Both the Senate and the House Budget Committees have determined that the conference report meets the spending limits of the fiscal year 1987 budget resolution and the deficit reduction goals under Gramm-Rudman-Hollings. The President also claimed in his veto message that this bill spends more than is brought in by highway user taxes. This ignores the effect of interest earned by the trust fund. Currently, the highway trust fund has a surplus of \$9.74 billion. The Congressional Budget Office has estimated that the surplus will continue to grow throughout the 5-year reauthorization contained in the conference report so that by fiscal year 1991, the highway trust fund will have a surplus of \$10.73 billion. Opponents argue that if this veto is sustained, we can turn out a new bill in 2 to 7 days. That argument is totally unrealistic; it ignores everything that has happened on the highway bill over the past 2 years. This measure involves very complicated and contentious issues: the 20 percent minimum, the one-half percent interstate construction provision, the 4R formula, the demonstration projects, and the 65 mile per hour speed limit. In short, vetoing this bill would reopen the debate on literally hundreds of disagreements which we were able to resolve in conference. Remember that we will have to steer this bill through not only two houses, but three: the House, the Senate, and the ensuing conference between the two houses. Legislative realities will simply not let another bill pass in the next week or month. This conference report has been approved by the House and the Senate by overwhelming margins. Just 12 days ago, 79 Senators voted for it. They knew that many of the agreements made were difficult and may not be reached next time. They also knew that the conference report is the result of many long months of hard work and literally hundreds of compromises. The President and his supporters urge us to support their alternative on the basis that it would provide more money to 43 States. However, the new

administration bill would authorize \$83.16 billion, only \$4.4 billion less than the conference report. The difference between the two bills for highway spending amounts to \$2.6 billion, for mass transit to \$1.8 billion, and the amount for safety programs would remain the same. The President claims that if he received this new bill within a week, it would be signed immediately. Again, this is totally unrealistic. If this veto is not overruled, our economy could face dire consequences. The country will lose hundreds of thousands of jobs, and the economic growth commensurate with that level of employment. Even if work on a new bill begins immediately, we will still lose much of the construction season, especially in the northern States. In conclusion, the President has changed the debate on this bill from one based on its merits to one based on support of the President. The real question, though, is whether we should support our constituents or the President. The highways in this country are for the American people, and we owe them our allegiance. Those opposing the bill contended: Our effort to sustain the President's veto reflects our strong commitment to federal aid to highways, not against it. The President wants a highway bill. We want a highway bill. The people want a highway bill. And we can give the American people the highway bill they deserve, if we sustain the President's veto and get to work on a new package starting today. This bill substitutes logrolling and pork barreling for sound determinations as to how we should build our highways. It siphons cash out of a national user-financed highway program and pumps it into the pork barrel that is called "demonstration" projects. To fund these projects, money is taken right off the top of the trust fund, before an equitable distribution formula is implemented. Even worse, the true cost to complete all of these demonstration projects is now \$5.5 billion. The important point is that we have promised to establish and fund an interstate highway system, which allows the States to decide how and where to construct and maintain interstates and the primary and secondary systems to compliment the interstates. This bill breaks that agreement with the States and attempts to have the Congress run roughshod over the States and micromanage highway construction. We have heard that this bill is not a budget buster; that it is funded all through trust fund money. Regrettably, it is not all trust fund money. In fact, over \$2 billion would be spent in each of the five years during the life of this bill from the general fund at the Treasury. This is not trust fund money, it is pure deficit spending. The only reason this funding scheme was devised is to help disguise the fact that only 20 States received any money from the penny-per-gallon mass transit gasoline tax last year. Yet, the other States are expected to pay nearly \$2.4 billion into the fund under this bill. Indeed, we have heard about every imaginable story about this bill. Supposedly, a veto would hurl the economy into a recession, destroy millions of jobs, and would ruin any chance for another highway bill. The real threat to this country, however, is to continue to allow the government to spend as if we had unlimited resources. The administration has presented us with an alternative bill, which would provide more money to 43 States for highway projects by eliminating funding for demonstration projects from outside the formula program. In addition, the 30 States that did not receive one cent from the mass transit fund last year will be given money from the trust fund through the mass transit formula program. The administration's alternative would also allow States to begin construction projects now, and be repaid following enactment of the

bill. In conclusion, a vote to sustain the President's veto, is not a vote against highway construction. We passed a bill last year, and the House blocked it because of their intransigence over the 65 mile per hour provision. The real test is whether the Senate can match the courage of the President to say no to a bad bill.

**VOTING YEA:**

**Republicans:**

(13 or 28%) Bond Cochran D'Amato Danforth Durenberger Hecht Heinz McConnell Pressler Specter Symms Weicker Wilson

**Democrats:**

(52 or 96%) Adams Baucus Bentsen Biden Bingaman Boren Bradley Breaux Bumpers Burdick Chiles Conrad Cranston Daschle DeConcini Dixon Dodd Exxon Ford Fowler Glenn Gore Graham Harkin Heflin Hollings Inouye Johnston Kennedy Kerry Lautenberg Leahy Levin Matsunaga Melcher Metzenbaum Mikulski Mitchell Moynihan Nunn Pell Proxmire Pryor Reid Riegle Rockefeller Sarbanes Sasser Shelby Simon Stennis Wirth

**VOTING NAY:**

**Republicans:**

(33 or 72%) Armstrong Boschwitz Chafee Cohen Dole Domenici Evans Garn Gramm Grassley Hatch Hatfield Helms Humphrey Karnes Kassebaum Kasten Lugar McCain McClure Murkowski Nickles Packwood Quayle Roth Rudman Simpson Stafford Stevens Thurmond Tribble Wallop Warner

**Democrats:**

(2 or 4%) Byrd Sanford

**NOT VOTING:**

**Republicans:**

(0)

**Democrats:**

(0)

ABSENCE CODE: 1-Official Business 2-Nec. absent 3-Illness 4-Other

Symbols: AY-Announced Yea AN-Announced Nay PY-Paired Yea PN-Paired Nay

**Compiled and written by the staff of the Republican Policy Committee**

**Eno**

**William L. Armstrong, Chairman**

Center for  
Transportation

THE WHITE HOUSE

WASHINGTON

April 1, 1987

MEMORANDUM FOR SENATOR HOWARD BAKER

FROM: WILLIAM L. BALL, III

SUBJECT: Phone call to Senator Mitch McConnell (R-Kentucky)  
regarding the highway bill veto.

Senator McConnell has met with the President and the Vice President has talked to him several times. Yesterday the Senator and the Vice President met in the Capitol; Senator McConnell indicated that he would vote to override. However, other Senators believe that Senator McConnell still may support us.

Senator McConnell is upset with the Administration for what he perceives as our failure to adequately address his concerns over the years, particularly with agriculture. Senator Gramm feels that a phone call to McConnell from you expressing your intent to work closely with him may garner his vote.



THE WHITE HOUSE

WASHINGTON

April 1, 1987

MEMORANDUM FOR SENATOR HOWARD BAKER

FROM: WILLIAM L. BALL, III

SUBJECT: Phone call to Senator Charles Grassley (R-Iowa)  
regarding the highway bill veto.

Senator Grassley has been ambiguous about his plans on the highway vote. He told Secretary Dole that he would support us, but his staff subsequently called the Department of Transportation and expressed concern that his mind was changing. They suggested a call from you to Senator Grassley to shore him up.

Grassley has been concerned about a bridge in Dubuque. The Department of Transportation is able to guarantee him the bridge.



LOCATION  
THE WHITE HOUSE  
WASHINGTON, D.C.

DATE APRIL 1, 1987

TIME 9:57 a.m. DAY WEDNESDAY

IN	OUT	PHONE	ACTIVITY
9:57			The President went to the Oval Office.
9:57		P	The President telephoned Senator Strom Thurmond (R-South Carolina). The call was not completed.
10:00	10:31		The President met with: George H. Bush, Vice President Howard H. Baker, Jr., Chief of Staff Kenneth M. Duberstein, Deputy Chief of Staff
10:04	10:07	R	The President talked with Senator Thurmond.
10:31	10:55		The President met for a national security briefing with: Vice President Bush Frank C. Carlucci, Assistant for National Security Affairs Colin L. Powell, Deputy Assistant for National Security Affairs Mr. Baker Mr. Duberstein
11:36	11:37	P	The President talked with Senator William S. Cohen (R-Maine).
11:45	11:47		The President met with Mr. Baker.
11:47			The President went to the South Grounds.
11:51	11:57		The President flew by Marine helicopter from the South Grounds to Andrews AFB, Maryland. For a list of passengers, see <u>APPENDIX "A."</u>
12:06	12:38		The President flew by Air Force One from Andrews AFB to Philadelphia International Airport, Philadelphia, Pennsylvania. For a list of passengers, see <u>APPENDIX "B."</u>
12:19		P	The President telephoned Senator Terry Sanford (D-North Carolina). The call was not completed.
12:46	12:48	P	The President talked with Paul Laxalt, former Senator (R-Nevada).
12:50			The President, accompanied by Secretary of Health and Human Services (HHS) Otis R. Bowen, (continued)

Eno  
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Transportation



LOCATION  
PHILADELPHIA INTERNATIONAL AIRPORT  
PHILADELPHIA, PENNSYLVANIA

DATE APRIL 1, 1987  
TIME 12:50 p.m. DAY WEDNESDAY

IN	OUT	PHONE	ACTIVITY
12:50			<p>deplaned.</p> <p>The President was greeted by: Wilson Goode, Mayor (D-Philadelphia, Pennsylvania) Brian O'Neill, City Councilmember (R-Philadelphia, Pennsylvania) Joan Specter, City Councilmember (R-Philadelphia, Pennsylvania) Thatcher Longstretch, City Councilmember (R-Philadelphia, Pennsylvania)</p> <p>The President, accompanied by Secretary Bowen, went to his motorcade.</p>
12:52	1:04		<p>The President and Secretary Bowen motored from the Philadelphia International Airport to the College of Physicians of Philadelphia, Van Pelt Street entrance.</p> <p>The President went to the holding room and was greeted by Dr. Lewis L. Coriell, President, College of Physicians of Philadelphia.</p> <p>The President, accompanied by Secretary Bowen and Dr. Coriell, went to the offstage announcement area.</p>
1:10?	1:35?		<p>The President went to the Library and participated in a forum with College of Physicians of Philadelphia Council members.</p> <p>The President, accompanied by Secretary Bowen and Dr. Coriell, returned to the holding room.</p>
1:45	1:48		<p>The President returned to his motorcade. He was accompanied by: Secretary Bowen Dr. Coriell</p> <p>The President motored from the College of Physicians to the Franklin Plaza Hotel, Race Street Entrance. He was accompanied by: Secretary Bowen Dr. Coriell Mr. Baker</p>

Eno

Center for  
Transportation

LOCATION  
COLLEGE OF PHYSICIANS  
PHILADELPHIA, PENNSYLVANIA

DATE APRIL 1, 1987

TIME 1:48 p.m. DAY WEDNESDAY

IN	OUT	PHONE	ACTIVITY
1:48			The President was greeted by: Michael Spamer, General Manager, Franklin Palza Hotel Thomas Kenney, Sales Manager, Franklin Plaza Hotel Leo Cicalese, Director of Caterin, Franklin Plaza Hotel
1:50?			The President went to the holding room.
4:16		P	The President telephoned Senator Robert J. Dole (R-Kansas). The call was not completed.
4:18	4:26	P	The President talked with his Assistant for Legislative Affairs, William L. Ball III.
5:07	5:11	R	The President talked with Mr. Baker.
5:16	5:17	R	The President talked with Mr. Baker.
5:39	5:40	R	The President talked with Mr. Baker.
5:41	5:47	P	The President talked with Senator Chic Hecht (R-Nevada).
5:48	5:49	P	The President talked with Mr. Baker.
6:09	6:10	R	The President talked with Mr. Baker.
7:00			The President and the First Lady had dinner.
8:12	8:14	R	The President talked with Mr. Duberstein.
10:00			The President retired.

# Eno

Center for  
Transportation

## SENATE RECORD VOTE ANALYSIS

100th Congress  
1st Session  
April 2, 1987, 2:13 p.m.  
Page S-4412 Temp. Record  
Vote No. 60

### HIGHWAY BILL VETO

#### SUBJECT:

Federal-Aid Highway Act of 1987 . . . H.R. 2. Shall the bill pass, the objections of the President of the United States notwithstanding?

### VETO OVERRIDDEN, 67 - 33

#### SYNOPSIS:

Pertinent votes on this legislation include Nos. 13-18, 20-21, 33, 35, 42, and 50-59. On April 1, the Senate voted 65-35 to sustain the President's veto of the 1987 Highway Bill (see vote No. 51). After the vote, however, Senator Byrd moved to reconsider the vote. Although opposed to the President's veto, Senator Byrd voted to sustain the veto so that he could move to reconsider, a prerogative of a Senator on the prevailing side in a floor vote. After a number of procedural votes (Nos. 52-54 and 56) intended to delay the vote on Senator Byrd's motion to reconsider, the Senate voted to reconsider the vote by which the veto was sustained (see vote No. 59), and then overrode the veto. NOTE: A two-thirds vote of members present and voting (67 in this case) is required to override a veto. For a detailed account of the conference report and the President's veto message, as well as debate on the issue, see vote No. 51.

#### DEBATE:

None.

#### VOTING YEA:

##### Republicans:

(13 or 28%) Bond Cochran D'Amato Danforth Durenberger Hecht Heinz McConnell Pressler Specter Symms Weicker Wilson

##### Democrats:

(54 or 100%) Adams Baucus Bentsen Biden Bingaman Boren Bradley Breaux Bumpers Burdick Byrd Chiles Conrad Cranston Daschle DeConcini Dixon Dodd Exon Ford Fowler Glenn Gore Graham Harkin Heflin Hollings Inouye Johnston Kennedy

Kerry Lautenberg Leahy Levin Matsunaga Melcher Metzenbaum Mikulski Mitchell  
Moynihan Nunn Pell Proxmire Pryor Reid Riegle Rockefeller Sanford Sarbanes  
Sasser Shelby Simon Stennis Wirth

**VOTING NAY:**

**Republicans:**

(33 or 72%) Armstrong Boschwitz Chafee Cohen Dole Domenici Evans Garn Gramm  
Grassley Hatch Hatfield Helms Humphrey Karnes Kassebaum Kasten Lugar McCain  
McClure Murkowski Nickles Packwood Quayle Roth Rudman Simpson Stafford  
Stevens Thurmond Tribble Wallop Warner

**Democrats:**

(0 or 0%)

**NOT VOTING:**

**Republicans:**

(0)

**Democrats:**

(0)

ABSENCE CODE: 1-Official Business 2-Nec. absent 3-Illness 4-Other

Symbols: AY-Announced Yea AN-Announced Nay PY-Paired Yea PN-Paired Nay

**Compiled and written by the staff of the Republican Policy Committee**

**William L. Armstrong, Chairman**





THE WHITE HOUSE

WASHINGTON

April 2, 1987

Dear John:

I deeply appreciate your vote to sustain my veto of the highway and transit bill, H.R. 2. It was a courageous and correct vote for fiscal responsibility. I am especially grateful for your strong words of support at our meeting this morning in the Old Senate Chamber.

Although we lost, I want you to know that I will continue to fight against spending which is unnecessary and unfair to the American taxpayer. We simply must live within the Federal budget, as millions of Americans must live within their family budgets.

As Congress moves to consider further authorization and appropriations bills this year, I hope you will continue your steadfast support for efforts necessary to reduce the Federal deficit. I am confident that with your able leadership and that of your like-minded colleagues, we can win the struggle to rein in excessive Federal spending.

Sincerely,

*Ronald Reagan*

The Honorable John W. Warner  
United States Senate  
Washington, D.C. 20510

