



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

April 14, 2008
(Senate)

STATEMENT OF ADMINISTRATION POLICY

H.R. 1195 - SAFETEA-LU Technical Corrections Act of 2008

(Rep. Oberstar (D) Minnesota and three cosponsors)

The Administration strongly opposes Senate passage of the Amendment in the Nature of a Substitute to H.R. 1195, which it understands will be offered on the Senate floor.

As amended, the bill would not be a technical corrections bill, but would instead make substantial and harmful changes to current law. The changes that would be made by Section 201 are particularly harmful because they would diminish the recognized effectiveness of the ratings and evaluation process employed by the Department of Transportation (DOT) to allocate discretionary resources to the most meritorious new transit capital investment projects. Section 201(d) would require that DOT "give comparable, but not necessarily equal, numerical weight to each project justification criteria in calculating the overall [New Starts] project rating." The proposed approach is extremely problematic, because several of the criteria are extremely difficult to quantify. In contrast, "cost effectiveness" is distinguishable from all the other criteria, since it provides a quantifiable estimate of the project's benefits compared to cost. The net impact of the change would be to: (1) significantly weaken the Department's ability to recommend allocating taxpayer resources to the most meritorious projects; and (2) create substantial uncertainty among project sponsors seeking funding sources for both the Federal and local funding shares of a project.

The Administration notes with strong concern that the majority of the bill is devoted to earmarks. The bill modifies hundreds of earmarks from a bill that passed in 2005, effectively creating new earmarks, including a stand-alone section that would provide mandatory funding for magnetically levitating rail. The presence of excessive earmarks in the 2005 bill created significant inefficiencies in the allocation of resources to fund transportation infrastructure. The effort through H.R. 1195 to modify these earmarks from an authorization that passed only three years ago is a further reflection of those inefficiencies. Therefore, the Administration urges that these provisions be removed from the bill.

The Administration urges Congress to restrict the bill to true technical changes. For example, in addition to those noted above, both the Senate-proposed substitute and the underlying bill contain substantive changes to statutory provisions regarding waiver procedures for Buy America requirements that should be removed from the bill because they are not technical corrections. In addition, section 104 of the substitute would repeal section 111(d) of title 23 of the U.S. Code, which allows idling reduction facilities at public rest areas in Interstate rights-of-way. This provision is a policy change, not a technical amendment. Repealing this section of the U.S. Code would eliminate a beneficial initiative first proposed by this Administration.

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