

Memorandum

Date: April 11, 2011

To: Senator Darling (Chair), Representative Vos (Chair) and members of the Joint Committee on Finance

From: Aggregate Producers of Wisconsin
Marathon Petroleum Company
Midwest Equipment Dealers Association
Midwest Food Processors Association
National Federation of Independent Business (NFIB)
Wisconsin Auto & Truck Dealers Association
Wisconsin Automotive Aftermarket Association
Wisconsin Economic Development Association
Wisconsin Grocers Association
Wisconsin Housing Alliance
Wisconsin Manufacturers & Commerce
Wisconsin Motor Carriers Association
Wisconsin Petroleum Council
Wisconsin Petroleum Marketers & Convenience Store Association
Wisconsin Restaurant Association
Wisconsin Transportation Builders Association

Re: **Transportation Funding – SB 27 & AB 40**

As representatives of the state's highway users and fuel supply organizations, we share a common interest in ensuring adequate investment in the state's transportation infrastructure. Like the state's economy, our various business organizations rely on a strong transportation system and we encourage your support in approving a budget that keeps that system in good working order.

Given the inherited and future challenges facing the transportation fund, there are certain guiding principles that we think should be considered in reviewing the 2011-13 transportation budget proposal. Those principles include:

- 1. Preserving the integrity of the segregated transportation fund.**
- 2. Promoting short and long term revenue base broadening to support the fund.**
- 3. Providing mechanisms for future growth to address needs and inflation.**
- 4. Managing borrowing to avoid the erosion of future buying power.**

On each of these counts, we believe the Governor has presented a solid transportation budget for your review. Accordingly, we generally support the transportation budget as proposed, and particularly support the following key elements.

- No transfer of segregated transportation fund revenue to the general fund.
- Expanding the revenue base by depositing a portion of auto-related sales tax revenue in the transportation fund beginning in FY 13.
- Providing for future growth by: (a) dedicating unallocated portions of the PECFA fund to the transportation fund, and; (b) systematically increasing the deposit of sales tax revenue over time to maintain the buying power of the transportation fund against inflation.
- Maintaining the state highway improvement program with an overall lower level of bonding.

Thank you for your consideration of these priorities and principles. We look forward to working with you on these issues throughout the course of the budget process and are committed to being active partners in the development of a transportation budget that represents a wise investment in our transportation infrastructure and our state's economy.

For More Information Contact:

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