STATE OF INDIANA
OFFICE OF THE GOVERNOR
State House, Second Floor
Indianapolis, Indiana 46204

Mitchell E. Daniels, Jr.
Governor

January 21, 2008

Representative Dan Burton
2308 Rayburn House Office Building
Washington, D.C. 20515-0001

Dear Representative Burton,

The proposal last week by the National Surface Transportation Policy and Revenue Commission to raise the federal gasoline tax by $0.40 would be a harmful and unnecessary step from Indiana's standpoint. I urge you to oppose it and to vote "no" if such a measure reaches the floor of the House of Representatives.

Everyone understands that the nation faces an enormous infrastructure shortfall. But a massive federal gas tax increase is the wrong answer for our state because:

1.) Through our Indiana Toll Road lease Indiana has funded our transportation needs for at least a decade, without either taxes or borrowing. We will set a new record for road building and bridge repair every year through 2015, while holding gas taxes where they are. Simply put, we do not need the money and our citizens clearly do not need the additional taxes.

2.) When Washington collects gas taxes, Indiana gets the short end of the stick. As you know, for every dollar paid by an Indiana motorist, only $0.92 comes back in federal highway funds. The rest goes to subsidize projects in other states. Please don't make a bad deal worse; Indiana would be far better off if the federal government abolished its gas tax and let us collect and reinvest what we need here at home.

At $3 a gallon, I know I needn't remind you how harmful to family budgets a forty cents per gallon increase would be. But even if gasoline were less expensive, this proposal would be unfair to Indiana taxpayers and unnecessary in view of the tax-free, debt-free way we have dealt with our own state's transportation challenges.

Sincerely,

Mitch