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March 6, 2006

Dear Members of the Senate Budget and Appropriations Committee:

**RE: S-1470 (Lesniak) Transportation Trust Fund Authority Act**

The severity and complexity of the fiscal situation of several pro-worker state funds currently facing financial crisis cannot be underestimated. The situation Governor Corzine inherited when taking office – a Transportation Trust Fund (TTF) overwhelmed in debt and without adequate permanent funding, a School Construction program requiring an additional \$13 billion, a public employee pension fund requiring approximately \$1.5 billion annually, a charity care crisis leaving workers uninsured and siphoning approximately \$600 million annually from the budget, and an Unemployment Insurance Fund that is close to insolvency according to federal government standards – poses a significant challenge to our elected officials.

The challenge is how to ensure all of these programs are funded without inflicting unnecessary distress on taxpayers, while simultaneously ensuring that working families depending on these programs for employment, access to health care, retirement benefits and protection in the face of an economic downturn or job loss, are not adversely affected.

The legislation before you today and the program announcement by Governor Corzine last month accomplishes this balancing act in regard to one of these problems - a short term solution to meet the needs of the Transportation Trust Fund. We commend the Governor and Senator Lesniak for their efforts in this regard.

This plan places us on track toward solving New Jersey's transportation problem because it increases the level of capital spending to \$1.6 billion annually, dedicates the full 10.5 cents from the motor fuels tax toward the TTF and increases by \$25 million the amount of local aid.

With this understanding, we must stress the importance of having business, labor and transportation advocates working together in a bi-partisan manner with Governor Corzine and the Legislature to ensure that the reforms contained in this legislation are only the first step in addressing the long term solvency of the TTF. The next step, identifying and implementing an adequate permanent source of revenue, needs to be acted on in the near future, not five years from now when the current plan ends, in order to ensure that we do not find ourselves in a similar crisis situation we are currently in, which of course will be exacerbated by even higher levels of debt. In order to avoid this painful situation, we must put politics aside and promote a bi-partisan plan to provide sufficient new revenues.

Charles Wowkanech  
President

Sincerely,

Laurel Brennan  
Secretary / Treasurer

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