



February 19, 2004

The Honorable Robert L. Ehrlich
Governor of Maryland
100 State Circle
Annapolis, MD 21401

Dear Governor Ehrlich:

On behalf of the more than 6,600 members of the National Taxpayers Union (NTU) in Maryland, I write to express our deep concern over your recent fee increase proposals. Not only do our members view these dramatic fee increases as tax increases, but since they are in many ways more punitive than taxes, these fees are likely to be extremely unpopular with Maryland taxpayers and motorists alike.

NTU is strongly supportive of your opposition to increases in the state's sales and gas taxes and we are generally supportive of true user fees as long as they are designed to pay for a specific good or service that provides direct benefits to the user. However, your plan to increase a broad array of user fees in the name of raising money for the state could fuel taxpayers' cynical (and largely correct) suspicions that these levies are nothing more than taxes and that public safety is a secondary concern. Raising car registration fees by more than 50 percent and truck registration fees by more than 65 percent – with no requisite increase in processing costs or other extenuating circumstance – is clearly a tax.

Maryland drivers are being gouged to subsidize inefficient and underutilized mass transit systems. Instead of raising registration fees to spend more money on these gas-tax financed boondoggles, Maryland needs innovative transportation solutions. Private road financing and high occupancy tolls (to finance new capacity only) are just two ways that market mechanisms could be used to make the state's roads safer and better.

A few years ago, during the height of the technology boom, Virginia proposed construction of a road from Reston to Gaithersburg that would give the region an additional Potomac River crossing, relieve congestion, and reduce air pollution. At the time, NTU's research arm found that this road could be built with private money in much the same way as the Dulles Toll Road. I hope you will consider the enclosed copy of this study in your analysis, and would look forward to discussing additional road finance alternatives with you or your staff.

Sincerely,

Paul J. Gessing
Director of Government Affairs