



April 7, 2021

The Honorable Pete Buttigieg
Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

Dear Secretary Buttigieg:

The below signed organizations – representing hundreds of thousands of mostly small businesses, as well as American cities and localities and blind entrepreneurs – urge you to protect the longstanding ban on commercializing Interstate rest areas as you consider policies to incentivize investments in America’s infrastructure and reauthorize surface transportation programs.

We are eager to collaborate with you on transportation policies that will facilitate long-term, sustainable investment for infrastructure without harming existing off-highway businesses and that spur improvement for the transportation sector. We urge you to reject proposals to carve out any exceptions to the commercialization ban that would allow

state departments of transportation to compete against the private sector by selling food and fuel, including electric vehicle charging, or other commercial services at Interstate rest areas.

Like many across the nation, America's cities, restaurants, hotels, travel plazas, fuel retailers, convenience stores and blind merchants have been economically harmed by the COVID-19 pandemic. The private sector's ability to operate in a competitive and robust marketplace ensures its ability to provide jobs, generate critical tax revenues and further enhance investments in alternative fuels.

When Congress created the Interstate Highway System in 1956, Congress and community leaders feared that local businesses, jobs, and tax bases would shrink as motorists and truck drivers bypassed their cities and towns. For this reason, Congress prohibited new Interstate System rest areas from offering commercial services, such as food and convenience items. Since then, businesses have clustered near the Interstates at the interchanges to provide these services to Interstate travelers. Given how many businesses are located off of Interstate exits, it is one of the most competitive business environments in the country.

Today, our roads and bridges are in dire need of improvement, and the diverse group of organizations that have signed this letter all strongly support increased investment in our nation's infrastructure. Infrastructure has long been considered an economic driver and a job creator. As the nation continues to grapple with the economic devastation caused by the COVID-19 pandemic, now, more than ever, policies must incentivize such investment while creating jobs and refraining from undercutting important policy priorities that affect various sectors of the economy.

- **Commercialized Rest Areas Will Hurt Private Businesses**

While at first glance rest area commercialization seems like an easy and convenient way to generate revenue, the fact is it will jeopardize private businesses, especially with respect to small businesses, that for the last 60 years have operated under the current law and established locations at the highway exits. Due to their advantageous locations, state-owned commercial rest areas would establish virtual monopolies on the sale of services to highway travelers. Commercial activity will be diverted from off-highway communities to on-Interstate locations, redirecting tax revenue from localities to state capitals.

Commercializing rest areas will not generate "new" revenue. It would simply *transfer* sales away from the current competitive environment off highway exits to the business contractor that pays the largest amount to rent the location on the shoulder of the highway. When the government competes with private business in this way, it results in a monopoly, undermining the free market and raising prices for consumers.

- **Commercialized Rest Areas Undermine Cities and Towns**

U.S. cities are projected to lose \$360 billion of revenue through 2022 because of the economic damage caused by the COVID-19 pandemic, and communities have lost significant travel and tourism related revenue. Commercializing rest areas or putting significant public resources into electric charging infrastructure that would pull traffic away from companies that have invested in towns with access to the Interstate would further destroy the property tax base of local governments and put many out of business.

In many rural communities located near Interstates, gas stations, restaurants, convenience stores, truckstops, and hotels represent the largest local taxpayers, contributing more than \$22.5 billion in state and local taxes. These funds help support schools, police and fire departments and other vital public services.

Commercializing rest areas would further destroy the property tax base of local governments and put out of business many companies that have invested in creating a business model based on access to the Interstate. The damage to thousands of local businesses means the cities and towns that rely on those businesses for tax revenues will be further challenged to make up a substantial budgetary shortfall.

- **Commercialized Rest Areas Hurt Consumers**

Prices are significantly higher at existing state-owned commercial rest areas than off-highway competitors because the state, contractor, and leasing vendor all take a piece of product sales. Additionally, the lack of viable competition will eliminate any downward pressure on prices. This stands in stark contrast to exit-based businesses, which operate in one of the most competitive environments in the United States, often competing with multiple other entities in close proximity to one another.

- **Commercialized Rest Areas Threaten the Livelihood of Blind Business Owners**

Businesses that are owned by blind entrepreneurs currently enjoy a priority for installing and operating vending machines at Interstate rest areas. Many blind business owners throughout the country rely on this opportunity to earn a living, support their families, and realize the American dream. If commercial rest areas are allowed, these entrepreneurs would be out of work virtually overnight.

- **Commercialized Rest Areas Discourage Investment in Alternative Fuels**

Our associations support investment in a full range of fueling options for consumers including electricity as well as other alternatives to petroleum-based fuels. We believe the best way to achieve this, however, is to use tax, funding and other policies to incentivize private, off-highway retailers to invest in these technologies. Making available electric vehicle charging stations or other alternative fuels is a commercial service. Congress prohibited states from offering commercial services at Interstate rest areas specifically so that private sector entities would grow and provide those services to travelers. Installing electric vehicle charging infrastructure therefore on the federal Interstate rights-of-way would require overturning the rest area commercialization ban that has been in place for more than 60 years. As with any other product, our position on offering electric vehicle charging or other alternative fuels at Interstate rest areas reflects our desire to facilitate an environment where private businesses that are not located within the right-of-way are encouraged to make these investments. In fact, many off-highway fuel retailers and other businesses have invested significant resources in alternative fuels such as electric vehicle charging infrastructure, biofuels, and natural gas. If such alternative fuels were made available at rest areas on the Interstate right-of-way, it would discourage the private sector and these off-highway businesses from making such investments and ultimately hinder growth in these alternative fuels.

- **Commercial Rest Areas Constrict Truck Parking Capacity**

Commercial rest areas diminish truck parking capacity, threatening a Congressional objective to increase truck parking availability nationwide. Private truckstops and travel plazas located at the Interstate exits provide 90 percent of all truck parking in the United States, mostly free of charge, and need a healthy business climate to operate and expand. When states are permitted to provide commercial services at their rest areas, private businesses either go out of business or, at the least, will not invest in expanded facilities. This will result in a net loss in truck parking capacity.

In conclusion, commercializing Interstate rest areas would create far more problems than it will solve. States and local communities will suffer when exit-based businesses and the jobs they support have to cut workers and potentially close; hard-working business owners will lose out on a significant portion of their customer bases; blind entrepreneurs will be out of work; and truck drivers will have a harder time finding a safe place to rest.

We strongly urge you to oppose efforts to commercialize Interstate rest areas.

Sincerely,

NATSO, Representing America's Travel Centers and Truckstops
Asian American Hotel Owners Association
Energy Marketers of America
Franchise Business Services
International Franchise Association
National Association of Convenience Stores
National Automatic Merchandising Association
National Federation of the Blind
National Franchise Association
National League of Cities
National Restaurant Association
National Retail Federation
National Tank Truck Carriers
Natural Gas Vehicles for America
Society of Independent Gasoline Marketers of America