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Save Highway Communities

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Partnership with Existing Interstate Retailers Is Critical for Alternative Fuels Corridor Success

As California, Oregon and Washington consider an alternative fuels corridor along I-5, highway businesses have a clear message: Especially in today's economy, proposals to advance alternative fuels must strengthen existing businesses - not threaten the jobs that they support.

Truckstops and Travel Plazas Want to Bring Alternative Fuels to Market
Today's fuel retailers have invested heavily in the race to bring alternative fuels to market. Indeed, the ability to offer these fuels is becoming an increasingly important way for fuel retailers to compete and attract eco-savvy customers to their locations. In today's economy, however, the resources to continue such investments are harder and harder for retailers to find.

CA, OR and WA Propose to Reinvent the Wheel Rather Than Helping Local Businesses
In this environment, imagine local retailers' surprise to find that, when California, Oregon and Washington began planning an alternative fuels corridor, they chose not to help existing businesses bring alternative fuels to market. Instead, in a time of shocking unemployment rates, these states came up with a plan that could put these employers out of business.

Rather than partnering with existing businesses to provide alternative fuels to the public, the governments of California, Oregon and Washington propose spending time and money building government-run alternative fueling stations along I-5. To ease the cost of construction, the states would allow these "rest areas" to sell food and fuel – in direct competition to existing businesses.

There are more than 3,500 businesses located on Interstate 5 in California, Oregon and Washington, including 1,600 restaurants and more than 550 gas stations, truckstops and convenience stores. The majority of these are independently-owned small businesses.

How can these employers possibly compete when facing subsidized, government-run competition on the right of way?

The Current Proposal Would Violate Laws Designed to Support Local Economies
When Congress created the interstate system in 1956, community leaders feared that local businesses and jobs would shrink as motorists bypassed their towns. As a result, Congress passed a ban on "commercialization," which prohibits interstate rest areas built after January 1, 1960 from offering commercial services such as food and fuel.

Prohibiting publicly-run rest areas from competing with private sector businesses has been an undeniable success, resulting in industries that provide valuable services such as travel plazas, truckstops, restaurants, hotels and gas stations.

Any plan to develop an alternative fuels corridor should strengthen existing businesses and employers. It should not violate a federal law that has resulted in a strongly competitive economic environment along the interstate.

At a Time of Shocking Unemployment, CA, WA and OR Plan Opts To Threaten Jobs
In its current form, the three states' proposal would threaten local jobs and businesses. This threat comes at a terrible time for the region. According to the Bureau of Labor Statistics, among the U.S.'s nine geographic divisions, the Pacific recorded the highest unemployment rate in March.[1] The same report reveals that California lost more jobs that month than any other state in the nation. In fact, all three states along the proposed alternative fuels corridor have suffered job loss in the last twelve months: Between March 2008 and March 2009, California lost 637,400 jobs, Oregon lost 94,000 and Washington lost 95,000.

In this time of unemployment and uncertainty, it is inconceivable that a government would develop a plan to use taxpayers' own resources to put taxpayers out of work. It is even harder to understand when there are more efficient and effective alternatives readily at hand.

Efficient, Pro-Employment Alternatives Abound
Here are just two alternatives that states could consider that would strengthen, rather than decimate, existing businesses:

- States could create incentives to help existing truckstops and gasoline stations install various alternative fuel dispensers. Not only would this support local businesses, but it would also be faster than building entire new facilities from scratch. Such ventures could begin quickly and — unlike the states' current proposal — would not require federal approval.

- States could also use the federal Interstate Oasis program — already implemented in Oregon — which identifies interstate-based businesses where passengers can rest and relax while on the highway. Using these oasis facilities as locations for alternative fueling sources would enable states to bring fuels to market without threatening existing businesses.

Myriad options exist for the states of California, Oregon and Washington to bring alternative fuels to market in a way that complies with federal law and supports local businesses and employment, instead of threatening them. Truckstops and travel centers are ready, willing and able to be a partner in such efforts.

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[1]The Pacific Region comprises California, Oregon, Washington, Alaska and Hawaii.