



PARTNERSHIP TO Save Highway Communities

June 10, 2010

The Honorable Janice K. Brewer
Governor
State of Arizona
1700 West Washington
Phoenix, Arizona 85007

Dear Governor Brewer:

The Partnership to Save Highway Communities would like to address Arizona's recent request to change federal law to permit Arizona and other states to offer commercial services at highway rest areas located directly on the interstate right of way. As a coalition of business owners who rely upon interstate highway traffic, we strongly oppose rest area commercialization, as it would enable state governments and their hand-picked vendors to unfairly compete with private businesses located at interstate highway exits. At a time when our economy is slowly emerging from the depths of a crippling recession, permitting such unfair competition will endanger any economic recovery and will result in a loss of thousands of jobs in Arizona.

The current prohibition on commercial activities along the interstate right of way was implemented in 1960 to foster competition and the growth of communities along the Interstate Highway System. Today, this policy continues to promote a vigorous competitive environment, with thousands of businesses competing for the services of highway motorists. In Arizona alone, approximately 1,200 businesses are located within a quarter mile of an interstate highway and employ over 31,000 people. If Arizona or any other state were permitted to engage in commercial activity at highway rest areas, it would dramatically upset this competitive balance and create a *de facto* monopoly, as these businesses will be unable to compete against a rest area situated directly on the right of way.

Commercializing rest areas would also threaten blind vendors who currently operate and maintain vending machines at rest areas throughout the state under the Randolph-Sheppard Program. Rest area commercialization would eliminate a valuable income stream for these vendors.

While your suggestion would be to delegate rest area operations to the private sector, regardless of who is responsible for operating the rest areas, the competitive situation would be fundamentally altered. Because the state still owns the

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land and stands to benefit financially from any transaction, commercializing rest areas constitutes unfair government competition.

Additionally, commercializing rest areas would erode the tax base in small communities throughout Arizona, as property taxes from existing highway-based businesses would plummet. This drop in property tax revenues would deprive communities of funding for critical public services, including schools, police departments, and fire protection services.

Our coalition certainly understands the difficulties many states have encountered as a result of the recession, but seeking the opportunity to engage in direct competition with private businesses is not a solution to these problems. Instead, we would strongly encourage you to explore other innovative ideas that would allow the state to partner with businesses to help meet the safety needs of the traveling public without threatening the livelihood of thousands of people in the state. Our coalition would like the opportunity to work with the Arizona Department of Transportation to help implement such ideas that would benefit not only local businesses and communities, but also Arizona's millions of highway motorists.

In these challenging times, we hope that you will work with our coalition to develop long-term approaches to ensuring the safety of the traveling public and the economic viability of our businesses. Such solutions will benefit everyone and will lead to future growth for Arizona's economy.

Thank you for your attention to this important issue.

Sincerely,

The Partnership to Save Highway Communities

Association of Kentucky Fried Chicken Franchisees
Blind Entrepreneurs Alliance
Brinker International
Burger King Corporation
Coalition of Franchisee Associations
Franchise Management Advisory Council
International Pizza Hut Franchise Holders Association
McDonald's Corporation
National Association of Convenience Stores
National Association of Shell Marketers
National Federation of the Blind
National Franchise Association (Burger King franchisees)

NATSO, Representing America's Travel Plazas and Truckstops
OSI Restaurant Partners (Outback Steakhouse and other brands)
Petroleum Marketers Association of America
Society of Independent Gasoline Marketers of America
Taco Bell Franchise Management Advisory Council

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