



July 23, 2010

The Honorable Chris Christie
Governor
State House
Trenton, NJ 08625

RE: Reject “privatization” of services the state doesn’t even provide

Dear Governor Christie:

The small business men and women of the Fuel Merchants Association of New Jersey (FMA) support your desire to find ways for the state to more efficiently deliver essential government services to save taxpayers money. To this end, you signed Executive Order # 17, and the New Jersey Privatization Task Force issued its report to you highlighting changes it believes meets this objective.

While supportive of your broad goal, FMA urges you to reject the recommendation found on page 42 that encourages you to seek to overturn the ban on commercialization of interstate rest areas.*

Since 1960, there has been a prohibition against states commercializing rights of way along Interstates. Congress recognized the threat to jobs, investment and the local tax base that commercialization would bring.

Unlike many of the other Task Force recommendations this is an example of the state looking to expand into providing services that it currently doesn't, to the detriment of small businesses and local property taxpayers.

New Jersey is home to 1,867 exit-based businesses. These businesses employ more than 19,500 people and contribute more than \$14 million in local property taxes.

Click [here](#) for a study from the National Association of Truck Stop Operators (NATSO) outlining the devastating impact to small business this proposal would have. For example, a University of Maryland study finds that in areas where there are commercialized rest areas there are 50% fewer businesses at the exits. The loss of existing businesses means not only less

* The report recommends you petition FHWA for approval to commercialize rest areas. FHWA has no such authority. To commercialize an interstate rest area Congress must change the law.

employment, but also less ratables to municipalities and a corresponding upward pressure on local property taxpayers.

If the state were to privatize its rest areas, in all likelihood one of two multi-billion dollar companies, HMS Host or the Carlyle Group, would manage the rest area as they manage all commercialized rest areas in the country. HMS Host manages the rest areas on the Garden State Parkway, Atlantic City Expressway, and NJ Turnpike (toll roads are not covered by the prohibition of commercialization of rest areas).

On behalf of small businesses, FMA urges you to reject this recommendation of the Task Force.

Sincerely,



Eric DeGesero
Executive Vice President

cc: New Jersey Congressional Delegation
New Jersey Legislature
The Honorable Andrew Sidamon-Eristoff
The Honorable James Simpson