

PENTAGON NORTH, INC.

March 1, 2012

Honorable Kurt Olson,
Chair,
House Labor & Commerce Committee
Alaska State Legislature
Juneau, Alaska
Via Facsimile to 465-3835

Dear Representative Olson:

My company, Pentagon North, is presently licensed and authorized to provide food services at the Nesbett Courthouse in Anchorage. We also provide food services at the Anchorage Federal Building. I am licensed as a Business enterprise program vendor.

I am very proud that a feature of our business -- in addition to services we provide to building occupants and visitors -- is that we also provide training and employment to severely disabled Alaskans. I myself am severely disabled. I know that severely disabled Alaskans may struggle to become and to remain self-sufficient.

As you know, the Alaska State Senate has passed a version of Senate Bill 51, "An Act relating to the operation of vending facilities in public property", sponsored by Senator Bettye Davis and others. At last report, the Senate-passed measure is presently in the Labor and Commerce Committee which you chair.

Before the Senate acted, I spoke with Mr. Tom Obermeyer, an aide to Senator Davis. I expressed some of my concerns about SB 51. Mr. Obermeyer made only one commitment to me on which I relied, but it was an important one. He agreed that he would notify me before SB 51 was

heard in committee so that I might have a chance to testify. However, I received no such notification and consequently I never testified. Only after the Senate's passage did I learn that the measure had been considered on the floor and passed by the Senate. Now, from speaking with several senators or their aides, I believe that senators were never told that SB 51 was of concern to any vending facility operators such as my company, Pentagon North.

In addition, I was assured that SB 51, if enacted, would not affect me, my company, or my employees (including my disabled employees) in Pentagon North's business at the Nesbett Courthouse. I was informed that a "savings" clause would protect existing contracts. Under a "savings" clause, the State may reauthorize a food service provider who is providing food services to extend its activities for additional periods. We are proud that the State has reauthorized our courthouse services in the past, which we consider to be a testament to our and our employees' reliability and trustworthiness.

I write today because I wish to be sure to express my views before the House and the Labor and Commerce Committee consider action on SB 51.

Here are my views:

1. As written, SB 51 purports to say that blind people are to have "first priority" for a permit to operate a vending facility. However, more than a "priority" is actually involved. Section 3 of the bill would add a new subsection that would provide that no one other than a blind person can get a contract to operate the vending facility unless "the agency cannot locate a blind person who satisfied the residency and other qualification requirements". This means that the agency must actively search for a blind person before it can consider a person with a some other "severe disability". Even then, the person with a "severe disability", other than blindness, could only hold a contract "until the agency can locate a blind person to operate the vending facility."

As a business proposition, no one would be well advised to invest in a

business such as a vending facility with no tenure or assurance that the business can plan to operate for any given period of time. Thus, a person who has a "severe disability" other than blindness could begin operations in good faith, and could serve the patrons of the vending facility courteously and well -- but still find his or other business terminated suddenly because a blind person has been located who is willing to operate. And, once again, the argument might be made that any period of extension or renewal must be interrupted as soon as a blind person can be located.

At a minimum I would respectfully ask that the Committee either suggest an amendment or issue a letter of intent that would clearly allow existing contracts to be extended or renewed to the extent that such contracts may permit such extension or renewal.

Should you wish additional information, please let me know.

My employees and I appreciate your consideration of these views.

Sincerely,

PENTAGON NORTH, Inc.

By:

Rick Renaud
President