



**Hawaii State Committee of  
Blind Vendors  
Board Meeting Packet  
1.25.25 Committee Meeting**

**Ho'opono Auditorium  
1901 Bachelot Street  
Honolulu, HI 96817**

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- **Agenda- Committee Meeting 1.25.25**
- **Minutes- Statewide Annual Meeting 6.15.24**
- **Minutes- Committee Meeting 6.15.24**
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- **Position Statement from DHS to DOT re: Airport Settlement Agreement Disputes**

**HAWAII STATE COMMITTEE OF BLIND VENDORS (HSCBV)  
REGULAR COMMITTEE MEETING  
SATURDAY, JANUARY 25, 2025, 9:30AM – 12:30PM  
HO‘OPONO AUDITORIUM  
1901 BACHELOT ST.  
HONOLULU, HI 96817**

- I. CALL TO ORDER**
- II. ROLL CALL; ESTABLISHMENT OF QUORUM**
- III. APPROVAL OF MINUTES. Public testimony (limit 1 minute). Discussion. Vote.**
  - a. June 15, 2024 Statewide Annual Blind Vendors Meeting**
  - b. June 15, 2024 Regular Committee Meeting**
  - c. October 26, 2024 Regular Committee Meeting**
- IV. PROGRAM REPORT: Update on Facilities by the State Licensing Agency (SLA). (Public testimony is limited to 1 minute.)**
  - a. Balance of Randolph-Sheppard Revolving Account (RSRA) Fund. 1st Quarter of the fiscal year 2025 (FY2025) income and expense report.**
  - b. Estimates of allotment balances for 1st and 2nd quarters of FY2025. 1st Quarter: \$500K minus purchase orders.**
  - c. Airport Vending Facility Issues - Status of issues with Airport Settlement Agreements.**

- d. Status of opening Vending Stand (VS)#14 Hilo County Building and VS#16 West Hawaii Civic Center and VS#17 Kona Judiciary Complex facilities.**
- e. Planned Micro-Mart at VS#30 Hawaii State Capitol.**
- f. Facilities needing upgrades:**
  - i. VS#34 Frank Fasi Building – Expense for equipment.**
  - ii. VS#57 Kuhio Park Terrace cafeteria – Air Conditioner and restore any faulty equipment.**
  - iii. VS#20 Department of Health (DOH) cafeteria – Air Conditioner.**
  - iv. VS#7 Queen Liliuokalani Building cafeteria – Upright refrigerator, another freezer.**
  - v. VS#55 Matsunaga Wing Tripler – fixtures and redesign of counter area.**
- g. Report on efforts and results on locating new vending facility sites.**
- h. Neighbor Island Airport Renovations**
- i. Hours of Operations.**
  - i. Operating Agreement provision.**
  - ii. Concerns from building occupants.**
- j. Food Establishment Permit: A valid current permit is required to pass the DOH food safety inspection. If you don't have an updated permit, DOH will issue you a red placard. Status of current DOH software and exception to renewal. Federal and airport properties have different inspection requirements.**
- k. Request exemption from the procurement process for Randolph Sheppard Revolving Account.**
- l. Sharing by blind vendors (Clifford M, Wanda T, Ivy G, Emily C, Jessica P) who attended the Business**

**Leadership and Superior Training (BLAST) Conference in Nashville, Tennessee this past November. (1 to 2 minutes). Report by Desiree L on attending the 2024 Sagebrush Conference in Las Vegas, Nevada.**

- m. Security, homelessness, and theft at our vending facilities.**
- n. Report on Spring FY2024 Stimulus program. Discussion. Public Testimony.**

**V. FY2025 THIRD QUARTER STIMULUS**

- a. Stimulus set by Budget and Finance sub-committee at \$10K. Committee Chair proposing \$15K.**
- b. Other suggested allotment amount and period for allotment to be used.**
- c. Use of Stimulus funds: The Stimulus funds can only be used for inventory. Should Stimulus funds be used for micro-markets, and/or standard equipment which is currently provided by the SLA and purchased in compliance with the State Procurement Code, and who retains responsibility for maintaining the equipment?**
- d. Requirements: must be up to date on profit/loss reports, turn in receipts at the end of each 30 days. Receipts must be attached to a form provided by the agency (list: date, invoice #, paid to, description, amount) and signature on the bottom of the list. Any amounts not spent, or spent on non-qualified items, will need to be refunded to the agency within 60 days after the end of the stimulus period. Unpaid balances will disqualify eligibility for future stimulus and the vendor may be**

**subject to disciplinary action. Discussion. Public Testimony. Vote.**

- VI. The airport vendors are not represented by the Department of the Attorney General. Therefore, the Chair proposes to cover the cost of attorneys and possibly a Randolph-Sheppard attorney and/or consultant to represent the airport vendors. The individual airport vendors may also apply to the Committee for legal support. Discussion. Public Testimony. Vote.**

**Written testimony may be submitted to Ho‘opono via email to [gabe@dhs.hawaii.gov](mailto:gabe@dhs.hawaii.gov) or received by regular mail at 1901 Bachelot Street, Honolulu HI 96817, by Wednesday, before the meeting.**

**If you need an auxiliary aid/service or other accommodation due to a disability, contact MJ Andres at (808) 586-5283 or email at [mandres@dhs.hawaii.gov](mailto:mandres@dhs.hawaii.gov) as soon as possible. Requests made as early as possible have a greater likelihood of being fulfilled. Upon request, this notice is available in alternate/accessible formats.**

## **HO'OPONO**

**Business Enterprise Program**

**Services for the Blind Branch**

**Division of Vocational Rehabilitation**

**State of Hawaii Department of Human Services**

**1901 Bachelot Street, Honolulu, HI 96817**

**Phone: 808-586-5283**

**Fax: 808-586-4143**

## **M I N U T E S**

### **STATEWIDE ANNUAL BLIND VENDORS MEETING**

**DATE: Saturday, June 15, 2024**

**PLACE: Ho'opono Auditorium  
1901 Bachelot Street  
Honolulu, HI 96817**

#### **I. ROLL CALL AND CALL TO ORDER:**

**A. Committee: Chair Stan Young, Vice Chair Don Patterson, Treasurer Steve Kim, Kyle Aihara, Chris Akamine, Ivy Galariada, Lespaul Naki and Wanda Takaesu**

**Excused: Secretary Dane Alani**

**B. Licensed Blind Operators: Evelyn Ah San, James Chinn, Emily Cruz, Ron Flormata, Itutaua Fuimaono, Byron Jitchaku, Shontel Jones, Roxane Kaneshiro-Sasaki, Desiree Lacewell, Clifford Miyashiro, Mike Miyashiro, Doug Moises, Thomas Morikami, Rhani**

**STATEWIDE ANNUAL BLIND VENDORS MEETING**

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**Naki, Norman Ota, Jessica Parsell, Lynn Schempp, Brandon Tamashiro, Brian Tamashiro, Myles Tamashiro, and Martha Vo**

- C. Certified Trainees: Isaiah Leui, Satomi Morioka, and Dane Waltjen**
- D. Ho'opono: Temporarily Assigned Services for the Blind Administrator (TA-SBA) Gavan Abe, Business Enterprise Business Enterprise Program (BEP) Manager Barney Higa, Vending Facilities Specialist (VFS) Tad Matsuno and Bruce Chin, BEP Secretary Mary Jane Andres**
- E. Guests: Deputy Attorney General Lili Young, Jaime Yong, and Rachelle Hayakawa**

**The annual meeting was called to order at 8:45 a.m.**

**II. PROGRAM REPORT:**

- A. TA-SBA Gavan Abe reported that this past year we expended \$1,412,000 for equipment, maintenance, repairs, and benefits and is committed to spending closer to the \$2,000,000 cap next year. He reported that Vocational Rehabilitation Administrator Lea Dias will go to the Legislature to request that the \$2,000,000 cap continue, because it was only approved for a 2-year period. With the proposed budget of \$10,000 medical, \$5,000 supplemental, \$10,000 stimulus, \$5,000 retirement,**



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**and \$3,000 vacation/sick leave for a projected total of \$33,000 in benefits for about 44 licensed blind vendors, that will be about \$1,452,000 in benefits and leaves over \$500,000 for renovations, equipment, maintenance, and repairs. He noted again that we will try our best to expend the \$2,000,000 for the next year.**

- B. Chair Stan Young introduced Barney Higa, new BEP Manager. Barney Higa noted he's new to Ho'opono and is still learning the process working with the state and the program. He also gave a short history of his background in the food industry and human resources. He noted that he'll provide his vision and expectations for the program later in the meeting.**

**III. GUEST SPEAKER TERRY SMITH (via PHONE):**

**Terry Smith sent greetings from Nicky Gacos, President of the National Association of Blind Merchants, who was not able to phone-in due to a conflict. Terry Smith noted that they provide services such as advocacy, training, and technical assistance to state agencies. His experience included 30 years serving as the Director of Services for the blind in Tennessee, participation in the Randolph-Sheppard program under the Vocational Rehabilitation and served as the Chair of the Randolph-Sheppard Committee of the National Council of State Agencies for the Blind. He encouraged members to attend the Business Leadership and**

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**Superior Training conference from November 19-22, 2024. There will be micro market certification training for members and breakout sessions for training state licensing agency staff and attorneys.**

**He reported that the number of blind vendors has declined over the years. In 1974, there were 9,000 blind vendors across the country and only 1,428 at the end of 2023. He noted that they are working to reinvent the Randolph-Sheppard program, adding that they need to take the lead and work with the state, and not expect the states to do it for us. An initiative they're working on is to give the state Randolph-Sheppard program innovation dollars for innovation projects to modernize the program such as bringing in new technology, new vending machine, Robo Order, and innovative equipment that are out there. They are asking Congress for \$36,000,000 to go towards a study of the Randolph-Sheppard program so they can make recommendations to Congress on how it can be improved, whereas, \$35,000,000 go to the state agencies for innovation projects.**

**Another initiative going on is that they have filed a lawsuit against the Army Air Force Exchange Service. They believe that blind vendors have been denied the rights to operate traditional vending facilities at the military bases.**

**They have developed an active participation protocol and are encouraging states to use this as a guide for active participation in their states.**

**There are several arbitrations that we're waiting decisions on, one case in Arizona to see if we'll be able to continue that operation. Here in Hawai'i, the Federal Ninth Circuit Court of Appeals ruled that the priority applies to dining facility contracts, which is a huge victory. However, that decision only applies to the Ninth Circuit district and any contract that's not in the Ninth Circuit district will not recognize the priority. The state agencies would have to challenge and file for arbitration which could last for years.**

**The last thing he addressed were available trainings.**

#### **IV. RECESS AND RECONVENE:**

**Chair Stanley Young recessed the annual meeting and moved the committee into the Regular Meeting at 9:30 a.m. The annual meeting reconvened at 10:16 a.m.**

#### **V. STATEWIDE BLIND VENDORS VOTE ON THE BUDGET FOR State Fiscal Year (SFY) 2025:**

**Chair Stan Young noted that the budget was proposed and approved by the budget committee and was brought up to the Hawaii State Committee for a vote to be referred to this statewide meeting.**

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**Don Patterson said that the budget committee proposed the following:**

**1<sup>st</sup> Quarter, \$7,000 for Medical**

**2<sup>nd</sup> Quarter, \$3,000 for Medical (for total of \$10,000) and \$5,000 Medical Supplement**

**3<sup>rd</sup> Quarter, \$10,000 Stimulus**

**4<sup>th</sup> Quarter, \$5,000 Retirement and \$3,000 Vacation/Sick Leave**

**Legal Defense Fund of up to \$300,000**

**Digital Recorder and Orcam for each blind vendor**

**Chair Stan Young noted the total proposed benefit package for each licensed blind vendor is \$33,000 for SFY 2025: July 1, 2024 through June 30, 2025. Chair Stan Young asked if there was any discussion or public testimony. There was none.**

**Don Patterson moved to accept the proposed budget. Steve Kim seconded the motion. The motion passed unanimously with no nays or abstentions.**

**VI. TRAINING – HUMAN RESOURCES (HR) AND PAYROLL SERVICES:**

**Chair Stan Young shared his comments telling the members that this program is their program, and they all have an opportunity to grow according to the effort and time they put into the program. He suggested hiring of employee(s), either part-time or full-time depending on the need. He noted that we all operate**

**our business on government properties and need to comply with government regulations so if we hire employees, we need to be compliant. He suggested using employment services for future growth and success.**

**A. Guest Speaker Monica Caringal, ProService Hawaii:**

**This company provides services to help support businesses with hiring, managing and terminating employees, payroll, health care (partnered with Kaiser), benefits, Worker's Compensation, Temporary Disability Insurance and compliance with HR services.**

**B. Guest Speaker Gabrielle Chu, Abilities Unlimited:**

**This company is contracted by the State Division of Vocational Rehabilitation, and they are a team of advocates focusing on building inclusive communities to empower individuals with disabilities. They offer supportive employment services for individuals with significant disabilities: assessment process anywhere from 4-8 weeks; develop social interaction to replicate being in the workplace and see how much support/accommodations they need; job development – customize employment, resume building, mock interview; job placement – they partner with employers to help the client find suitable employment, and job coaching. They offer adult training services to help clients obtain competitive entry level employment or higher for**

**clients with college education. They have youth services called pre-employment transition services (PRE-ETS), contracted with various high schools for blind or visually impaired students or youths. They will cover Worker's Compensation cost for their interns.**

**C. BEP MANAGER BARNEY HIGA:**

**Barney Higa noted that moving forward, BEP wants to help with sales for the blind vendors who are just getting by month-to-month. He commented that they can't continue selling the same products that everyone sells. He is working to find distributors who will deliver products to the blind vendors.**

**Barney Higa announced we will be hiring a third VFS in a couple weeks and once we fill the account clerk position, we should be able to provide much better support. With a third VFS, we can purposely design a schedule whether weekly, monthly, etc., or just a phone call namely to help bring the blind vendor to a high level.**

**He noted his vision is to focus more efforts and resources in opening up more facilities. He also wants to remodel some facilities that desperately need renovation.**

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**He noted that his expectations for the coming year are for blind vendors to turn in reports timely, pay-off debts, improve customer service, and build trust. He also noted that after next year, the stimulus monies will be awarded as needed to help facilities that are struggling and need improvement.**

**VII. ADJOURNMENT:**

**There being no further business and hearing no objections, Chair Stan Young moved to adjourn the meeting. The motion was seconded by Steve Kim and carried unanimously by voice vote. There were no nays or abstentions.**

**The meeting was adjourned at 1:03 p.m.**

**Respectfully submitted:**

**BH:mra**

**Ho'opono/Employment Section**

## **HO'OPONO**

**Business Enterprise Program**

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## **M I N U T E S**

### **REGULAR COMMITTEE MEETING of the HAWAII STATE COMMITTEE OF BLIND VENDORS (HSCBV)**

**DATE: Saturday, June 15, 2024**

**PLACE: Ho'opono Auditorium  
1901 Bachelot Street  
Honolulu, HI 96817**

#### **I. ROLL CALL AND CALL TO ORDER:**

**A. Committee: Chair Stan Young, Vice Chair Don Patterson, Treasurer Steve Kim, Kyle Aihara, Chris Akamine, Ivy Galariada, Lespaul Naki and Wanda Takaesu**

**Excused: Secretary Dane Alani**

**B. Licensed Blind Operators: Evelyn Ah San, James Chinn, Emily Cruz, Ron Flormata, Itutaua Fuimaono, Byron Jitchaku, Shontel Jones, Roxane Kaneshiro-**



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**Sasaki, Desiree Lacewell, Clifford Miyashiro, Mike Miyashiro, Doug Moises, Thomas Morikami, Rhani Naki, Norman Ota, Jessica Parsell, Lynn Schempp, Brandon Tamashiro, Brian Tamashiro, Myles Tamashiro, and Martha Vo**

**C. Certified Trainees: Isaiah Leui, Satomi Morioka, and Dane Waltjen**

**D. Ho'opono: Temporarily Assigned Services for the Blind Administrator (TA-SBA) Gavan Abe, Business Enterprise Business Enterprise Program (BEP) Manager Barney Higa, Vending Facilities Specialist (VFS) Tad Matsuno and Bruce Chin, BEP Secretary Mary Jane Andres**

**E. Guests: Deputy Attorney General Lili Young, Jaime Yong, and Rachelle Hayakawa**

**II. Releasing of VF #1 Downtown Post Office Back to the State: Chair Stan Young noted that although VF #1 was the original blind vending facility, it hasn't been expanded over the years and in recent years, the post office hasn't been accommodating with helping to address the issues with the facility because it's a historic building and there are restrictions and limitations with that location, so the stand hasn't been profitable.**

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**After discussion, Chair Stan Young asked for a motion. Steve Kim moved to give stand back to the State. Ivy seconded the motion. Chair Stan Young asked if there was any public testimony.**

**Don Patterson amended the motion to close the facility and release it back to the State. Steve Kim seconded the motion. Stan Young asked if there was any further discussion or public testimony. There was none. Upon call for a vote, the motion passed unanimously with no abstentions.**

- III. Discussion on Current Budget: Chair Stan Young noted that the committee tried to pass as much of the budget to give blind vendors benefits and it's been a struggle all year, but as TA-SBA Gavan Abe said earlier, hopefully this coming fiscal year will be much better. He noted that they passed a vacation/sick leave benefit of \$3,000 which was intended to be spent this fiscal year but didn't happen as well as the digital recorder and Orcam reader which individual blind vendors can apply for.**

**Chair Stan Young asked if there was any public testimony. There was none.**

- IV. Proposal to Start Process to use Blind Vending Ohana (BVO) Contributions to Randolph Sheppard Revolving Account (RSRA) to Fund Equipment Innovations Directly: Stan Young is proposing for the agency to**

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**start the process to distribute a portion of BVO'S annual contribution directly to blind vendors. Don Patterson moved to start the process to use BVO contributions to RSRA to fund equipment innovations directly. Steve Kim seconded the motion. Stan Young asked if there was any testimony discussion or public testimony. There was none. Upon call for a vote, the motion passed unanimously. There were with no nays or abstentions.**

- V. Adjournment: Don Patterson moved to adjourn the committee meeting. Wanda Takaesu seconded the motion. The motion passed unanimously. There were no nays or abstentions. The committee meeting adjourned at 10:15 a.m.**

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## **M I N U T E S**

### **REGULAR COMMITTEE MEETING of the HAWAII STATE COMMITTEE OF BLIND VENDORS (HSCBV)**

**DATE: Saturday, October 26, 2024**

**PLACE: Ho'opono Auditorium  
1901 Bachelot Street  
Honolulu, HI 96817**

#### **I. ROLL CALL AND ESTABLISHMENT OF QUORUM:**

**A. Committee: Kyle Aihara, Chris Akamine, Dane Alani, Ivy Galariada, Steve Kim, Lespaul Naki, Don Patterson, Wanda Takaesu, and Stan Young**

**B. Licensed Blind Operators: Evelyn Ah San, Dyllon Asami, James Chinn, Joel Cho, Emily Cruz, Ron Flormata, Shontel Jones, Desiree Lacewell, Clifford Miyashiro, Mike Miyashiro, Doug Moises, Norman Ota, Jessica Parsell, Gail Sakamoto, Virgil Stinnett, Myles Tamashiro, Martha Vo, and Dane Waltjen**

- C. Certified Trainee: Satomi Morioka**
- D. Ho’opono: Services for the Blind Administrator (SBA) Gavan Abe, Business Enterprise Program (BEP) Manager Barney Higa, Vending Facilities Specialists (VFS) Bruce Chin and Tad Matsuno, and BEP Secretary Mary Jane (MJ) Andres**
- E. Guests: Deputy Attorney General (DAG) Lily Young**

**The chair noted the presence of a quorum and called the meeting to order at 9:04 a.m.**

- II. APPROVAL OF JUNE 15, 2024, STATEWIDE ANNUAL BLIND VENDORS MEETING AND COMMITTEE MEETING MINUTES: The minutes were read by VFS Bruce Chin. Following discussion, Kyle moved that the committee reject the minutes as was distributed and read, have the agency redo the minutes to reflect that there were 2 separate meetings, that they consult with the chair and allow him the opportunity to review the minutes before they’re distributed for approval at the next meeting. The motion carried unanimously by voice vote with no nays or abstentions.**

**III. PROGRAM REPORT:**

- A. Update on Facilities by the State Licensing Agency (SLA): BEP Manager Barney Higa gave the following report:**
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- 1. #1 Downtown Post Office: After the agency closes the facility and gives it back to the State, we will place a plaque honoring the first blind vending facility in Hawaii.**
  - 2. #20 State Department of Health Building: The exhaust hood in the kitchen was finally fixed so it's a now compliant and a more comfortable environment to work in. The air condition will be fixed, we're just waiting for an approval.**
  - 3. #57 Kuhio Park Terrace Kitchen: We're still working on a proposal and working with the University of Hawaii to obtain the equipment at the facility.**
  - 4. #34 Frank Fasi Municipal Building: This antiquated facility is on the list to be renovated; details still need to be worked on to minimize the impact on Blind Vendor Mike Miyashiro.**
  - 5. #M-2 Kahului Airport Buildout: The ceiling and floors are finally completed. We will move forward with the expansion of the facility.**
  - 6. #H-8 Kona International Airport North Terminal Buildout: The wall will be torn down, and we will move forward with that project.**
- B. Balance of the Randolph Sheppard Revolving Account (RSRA) Fund. 1<sup>st</sup> Quarter of the Fiscal Year Income**
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**and Expense Report. Status of the Rollover of the 1<sup>st</sup> Quarter Allotment.: SBA Gavan Abe reported that as of October 25, 2024, program has expended \$464,892.93 from the RSRA; \$333,945.36 in Quarter 1 and \$130,947.57 to date in Quarter 2. With the current \$2,000,000 allotment, \$500,000 is allotted for each quarter. It takes about a month for fiscal to balance and rollover any balance to the next quarter. Vocational Rehabilitation Administrator Lea Dias is trying to increase the allotment cap for this biennium. The \$2,000,000 was originally approved for only fiscal years 2024 and 2025 and if the Legislature doesn't approve the increase, the allotment can potentially go back to \$1,300,000. We're hopeful it won't.**

**The current balance of the RSRA is \$5,196,637.13.**

- C. Report on Efforts and Results on Locating New Vending Facility Sites: BEP Manager Barney Higa reported they visited possible sites for placement of vending machines at Oahu Community Correctional Center, an Uber rest stop area by the airport, Department of Transportation at Punchbowl, and the Women's Community Correctional Center in Kailua.**

**We surveyed the Federal Aviation Administration kitchen and after careful consideration, we decided to turn down offer.**

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**D. Vendor Operations by BEP Manager Barney Higa:**

- 1. Hours of Operation: He reminded the blind vendors they all need to follow their operating agreement; regardless if they're sick, going on vacation, or whatever the reason for closing their facility, they need to let their VFS know when they're closed, because building management will call us. We're there to service the buildings. As a business owner, you have a responsibility to communicate with us to let us know you'll be closed, put up signs, and let people know. Moving forward, there will be suspensions if this policy is not followed.**
  - 2. General Excise License Posted: Should be posted visibly at all times.**
  - 3. Meeting Attendance: Training and meeting attendance affects evaluations and counts towards promotion.**
  - 4. Reporting Requirements: Reports need to be turned in timely.**
  - 5. Post Office Facility Update: Reported earlier in the meeting**
  - 6. Status of New Vendors: VFS Bruce Chin announced the licensure of Dane Waltjen at the #41 Kauikeaouli Hale District Court.**
-



**VFS Tad Matsuno reported on the progress probationary Blind Vendor Satomi Morioka has made at #61 Camp Smith.**

- 7. Report on Last Stimulus Program: We want to try and plan to use the stimulus to help those vendors struggling.**

#### **IV. RANDOLPH SHEPPARD ACT IN THE HAWAII AIRPORTS AND ELSEWHERE IN THE STATE:**

- A. Request the SLA to Address Impacts of Micro-Markets; to Prevent, Block, Remove or have Access to any Vending Machines or Micro-Markets Where Our Priority Applies; Apply Hawaii Definition of Vending Machines (HAR §17-403-2):**

**Following discussion, Stan Young asked if there were any public testimony. There was none so he called for a motion that the committee recommends the SLA to define micro-market as a vending machine and ask to take over or remove the vending machines that don't derive income to the blind vendor where the priority applies. Dane Alani moved to remove micro-market and the agency verify where vending machines are and remove them, where the priority applies. Ivy Galariada seconded the motion.**

**Don Patterson moved to amend the motion to add that the agency define micro-market as a vending**

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**machine. Ivy Galariada seconded the motion. Upon call for a vote, the motion passed unanimously by voice vote with no nays nor abstentions.**

- B. Request Approval to ask that the RSRA Cover any Amounts Over \$300,000 for Legal Defense for Attorney Fees Selected by the Affected Airport Vendors: Following discussion, Stanley Young asked for motion. Dane Alani moved that the RSRA pay for attorney fees over \$300,000, as needed. The motion was seconded by Ivy Galariada. Upon call for a vote, the motion passed unanimously with no nays or abstentions.**

**V. ADJOURNMENT:**

**There being no further business to discuss and hearing no objections, Dane Alani moved to adjourn the meeting. The motion was seconded by Ivy Galariada and carried unanimously by voice vote. The meeting adjourned at 11:10 a.m.**

**Respectfully submitted:**

**BH:mra**

**Ho'opono/Employment Section**

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VIA E-MAIL

MEMO TO: Patrick Kelly, Supervising Deputy Attorney General, TD  
Kevin Richardson, Deputy Attorney General, TD

FROM: Lee-Ann Brewer, Deputy Attorney General, HSD *lumb*

CC: 

- Gavan Abe, Administrator, Dept. of Human Services, Division of Vocational Rehabilitation, Ho‘opono Services for the Blind Division (Ho‘opono)
- Airport Blind Vendors at Honolulu, Maui, Lihue, Kona, and Hilo airports (through Ho‘opono)
- Stan Young, Chair, Hawaii State Committee of Blind Vendors

DATE: January 17, 2025

RE: Airport Blind Vendors: Ho‘opono Position Regarding Settlement Agreement Disputes

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INTRODUCTION

The blind vendors who operate vending facilities at Hawai‘i’s airports have had a number of disagreements with DOT related to, among other things, installation of micro-marts, denial of certain requests, and problems with outdated and limiting language in the Settlement Agreements. After a number of meetings, including one that included DOT Airport Property Management and Ho‘opono staff, their attorneys, and Stan Young as an observer on behalf of the vendors, we as the State’s attorneys decided to advise DOT Airports and Ho‘opono that having the parties’ positions in writing would be the most expeditious way to make progress on a resolution.

This document describes Ho‘opono’s current position, which has been submitted in large part to the airport vendors and the Committee for discussion and comment. We hope that this and DOT’s anticipated position statement will prompt the parties to engage in meaningful discussions to resolve the Settlement Agreement issues.

Ho‘opono understands that the Hawai‘i airports are unique properties that serve the traveling public in the State’s most important economic industry and that it is a priority of DOT Airports to improve the airport facilities and its concessions.

Ho‘opono further believes that the blind vendors who operate vending facilities and vending machines at the airports are an integral part of the airports’ delivery of the services that travelers and airport workers need and want and are contributing to raising the level of service provided by the airports as a whole.

The airport blind vendors have been limited in their ability to expand their opportunities at the airports while micro-markets operated by another company multiply. Communication

and cooperation between the parties needs to improve significantly to resolve these and other issues.

This will require close coordination between key staff at DOT Airports, the airport blind vendors, Ho‘opono, and sometimes the Hawaii State Committee of Blind Vendors, as required by the Settlement Agreements. Ho‘opono is committed to supporting effective communication between the parties to achieve the goals of Hawai‘i’s blind vendor program at the airports and the goals of DOT Airports to provide travelers with a quality airport experience.

I. BACKGROUND

- A. The State’s Mini-Randolph-Sheppard Act, HRS §102-14 (the Mini-RSA), first passed in 1937, gives blind vendors priority to operate vending facilities and vending machines in State and County buildings in Hawai‘i, including the airports. There are blind vendors operating at all major Hawai‘i airports (the Blind Vendors).
- B. In 1981, HRS §102-14 was amended to exempt DOT Airport restaurants and lounges from the Mini-RSA but DOT is still subject to HRS §102-14 in all other respects. HRS §102-14(g). This generally means that DOT Airport restaurants and lounges can compete with the blind vendors at the airports.
- C. In 1992 and 1993, the parties agreed to certain obligations and conditions as part of mediated Settlement Agreements to resolve claims and disputes that existed at the time. The Honolulu International Airport agreement (HIA) covers the Daniel K. Inouye International Airport, and the Neighbor Island Airport agreement (NIA) covers the airports at Hilo, Kona, Kahului and Lihue (collectively “the Settlement Agreements”).
- D. Consistent with HRS §102-14(g), the Settlement Agreements allow the airport restaurants to sell food, beverages and packaged food in competition with the Blind Vendors, with some conditions. The Settlement Agreements also restrict what the Blind Vendors can sell.
- E. The Settlement Agreements are over 30 years old. The parties at that time could not have envisioned how the limitations of the blind vendors’ activities would hinder their ability to best serve their customers and impact them financially. Nor did the Settlement Agreements anticipate the change in the needs of the DOT Airports and the traveling public.
- F. Many terms of the Settlement Agreements need updating or correction.

## II. MICRO-MARKETS OR MICRO-MARTS

- A. The Settlement Agreements refer to restaurant, lounge, in-flight services, airline VIP lounges or “any successor to it or them.” These terms are not defined. But clearly the use of these terms in 1992-93 referred to those physical operations. “Restaurant” was not intended to refer to all operations of the food service concessionaire outside of the restaurants and the term “successor” when used in the Settlement Agreements referred to the successor to a restaurant (i.e., Burger King is replaced by McDonalds), not to expansion into operations that are not restaurants.
- B. Accordingly, Ho‘opono does not believe stand-alone micro-marts are “current restaurants” or a “successor” to them under the Settlement Agreements. The parties to the Settlement Agreements did not envision that restaurants would become self-check-out convenience stores in the form of micro-markets.
- C. Ho‘opono does not question the right of restaurants to sell packaged food and beverages in competition with the Blind Vendors within the restaurants.
- D. Ho‘opono believes that the stand-alone micro-markets that have been installed at the airports are vending machines as defined under the Settlement Agreements, selling products the blind vendors are allowed to sell in their vending facilities and vending machines. “Vending machine” in the Settlement Agreements is defined as “vending machines or other mechanical vending or dispensing devices.” HIA I.ee; NIA para. 1.1 (one, L)
1. The planning and placement of micro-markets should, therefore, be included in the discussions between the parties regarding placement of vending machines. (See Vending Machines, below.)
  2. Because stand-alone micro-markets are not part of the “current restaurants,” they are not exempt from HRS §102-14 and improperly compete with the blind vendors. Ho‘opono requests that they be removed if the blind vendors are able to offer similar products and services in the same space.
  3. If the micro-markets are not or cannot be removed, and because the micro-markets are vending machines under the Settlement Agreements, the income from those micro-markets should accrue to the Blind Vendor(s) operating in the same facility pursuant to HAR §17-403-25.

## III. VENDING MACHINES

- A. All airport vending machines are to be operated by Ho‘opono and the Blind Vendors.

- B. The goal under the Settlement Agreements is to install as many vending machines as possible at all locations in the airports, including the passenger terminal buildings. HIA III.12.g; NIA para. 14.c.
- C. Some Blind Vendors have reported denials of requests to install vending machines, sometimes without explanation or with deference to the food concessionaire's needs.
- D. The Settlement Agreements require regular meetings with cooperation of all parties to determine where vending machines are needed, but these meetings have not been occurring. HIA III.12.f, g; NIA para. 14.c.
  - 1. Ho'opono has asked DOT to initiate the meetings required under the Settlement Agreements immediately and continue them regularly. This should include vending machines and micro-markets.
  - 2. Airport Operations, BVO and Ho'opono staff have started these meetings recently with respect to the Honolulu airport.
  - 3. There are vending machines in the passenger terminals, and perhaps outside the passenger terminals, that are not subject to the airport restaurant/lounge exemption under HRS §102-14, the income from which are not being paid to the Blind Vendors (or Ho'opono, as applicable) as required by HAR §17-403-25. A specific example is the iStore vending machines. The income from these vending machines should accrue to the blind vendors or Ho'opono as required by HAR §17-403-25.

#### IV. PRODUCT OFFERINGS

- A. The Settlement Agreements limit the products that the Blind Vendors can sell to the following::
  - i. Newspapers, magazines, books, periodicals (exclusive, including specific titles and quantity)
  - ii. "Health aids" (exclusive)
  - iii. Food and beverages, "such as" sandwiches, pastry items, sushi, musubi, and fruit.
  - iv. Prepackaged food and beverages, with size limits (< 6 oz snacks; beverages sized for immediate consumption; HIA prohibits sale of 5 oz. macadamia nuts.)
  - v. Tobacco products

- vi. “Small items” that are very limited and strictly defined, including outdated items such as maps and film and “non-souvenir pens/pencils” and, under the NIA, sell for \$2.50 or less subject to renegotiation between the NIA blind vendors, DHS and DOT.
- B. The Settlement Agreements also prohibit equipment for heating or warming of food/beverages. HIA III.8.h; NIA para. 9.
- C. The “current” restaurants and lounges and “package food gift concessionaires” may sell food and beverages in competition with the blind vendors, but only the blind vendors and current restaurants may sell “packaged food” or “beverages” as defined in the Settlement Agreements. HIA III.8.b and d; NIA para. 4 & 5.
1. The retail concessionaires are selling packaged food or beverages in violation of the Settlement Agreements. HIA III.8.d; NIA para. 5.
  2. The retail concessionaires should, therefore, cease selling packaged food or beverages.
- D. Ho‘opono asks that the Settlement Agreements be amended as follows:
1. **The prohibition on equipment for heating or warming food/beverages must be removed.** The Settlement Agreements clearly contemplated the sale of warm food, but the blind vendors may not sell warm food without a food warmer per Department of Health (DOH) food safety regulations. This includes hot water and coffee, if allowed by DOH food safety regulations.
  2. **Newspapers, periodicals, magazines and paperback book categories must be updated.** The demand, availability, and distributor terms for these products have all changed dramatically in the last 30 years, making this category of products much more challenging and less lucrative. The Settlement Agreements need to account for the changes in this industry.
  3. **The definition of “small items” as well as the requirements for renegotiation of price of non-souvenir pens/pencils needs to be eliminated or modified.**
  4. **The products that the Blind Vendors are allowed to sell should be expanded to account for market changes so that they can better serve the traveling public.**

V. OPERATING HOURS

- A. Although Ho‘opono acknowledges DOT Airports’ concern that the Blind Vendors may not be open at all times necessary to serve the traveling public, it is Ho‘opono’s understanding that most of the airport Blind Vendors are open at hours that serve the traveling public.
- B. Moreover, some Blind Vendors report that other concessionaires at the airports are not always open at times necessary to serve the traveling public.
  - 1. Ho‘opono agrees that the blind vendors should be operating at times that will serve the traveling public consistent with the expectation of other concessionaires.
  - 2. If there is a special circumstance that requires different operating hours for a particular blind vending facility, Ho‘opono expects the blind vendor to work with DOT Airports property management to come to a mutually acceptable agreement; Ho‘opono is willing to assist if necessary.

VI. DIRECT OR INDIRECT DISPLACEMENT OF BLIND VENDORS

- A. The Settlement Agreements provide that neither DHS or DOT shall “directly or indirectly, displace, dislocate, prohibit or deny each blind vendor the authority to operate the facilities and vending machines.” HIA para. III.3; NIA para. 2.
- B. The airport property managers do not have authority or control over various construction projects in the airports that may adversely impact the blind vendors. The only person identified by DOT to date as a contact person for airport construction-related matters is DOT Deputy Director Otaguro.
  - 1. Ho‘opono requests identification of the DOT Airports staff that is responsible for construction or other activity at the airports that may impact the blind vendors in compliance with the Settlement Agreements.
  - 2. Ho‘opono also requests that it be notified immediately when a construction project at any of the airports may directly or indirectly impact facility and vending machines, and that the appropriate DOT staff remain in communication with Ho‘opono and/or the affected blind vendor to minimize the chance of adverse impact to the vendors or their vending machines.
- C. Approvals of Micro-Markets may result in indirect displacement of blind vendor vending facilities and vending machines, particularly when placed in close proximity to a blind vendor vending facility. Additionally, some Blind Vendors report that requests for vending machines were denied by DOT Airports because of their proximity to HMS Host restaurants. The approval



process appears arbitrary and subjective and does not consider impact to the Blind Vendors but only impact to HMS Host. Both of these circumstances may violate HIA para. III.3 or NIA para. 2

Ho‘opono requests clarification of the approval process and assurances that the rights of the Blind Vendors under the Settlement Agreements and the law are protected. Again, we appreciate the efforts of Honolulu Airport Operations to work with BVO and Ho‘opono in this regard.

VII. DOCUMENTATION OF AIRPORT RESTAURANT AND MICRO-MARKET APPROVALS.

Most of the discussions regarding the airport Blind Vendors were related to the vendors at the Honolulu airport. In anticipation of questions or confusion relating to the neighbor island airports, we expect that we will need additional documentation.

- A. DOT provided copies of the HMS Host lease documents (Honolulu, Kahului and Lihue) but there appears to be no amendments to account for changes in store sizes or installation of micro-markets. Ho‘opono requests copies of those amendments, if they were not included in the initial provision of the lease documents.
- B. If there are no amendments addressing recent changes to restaurants and micro-markets, then Ho‘opono again requests confirmation of the approval process for these changes, including documentation of the approvals and identification of the person(s) at DOT who is responsible for approving these requests. The HIA vendors and Ho‘opono only discovered in late December 2024 through an e-mail chain provided by the BVO operations manager that it is DOT airports operations and not property management that makes final decisions regarding placement of vending machines. Formal confirmation of this process is necessary to resolve the issues in question.
- C. Ho‘opono also requests copies of the food concessionaire lease documents for the Hilo and Kona airports.