**THE BLITZ**

**June – July, 2014**

The lazy hazy crazy days of summer are upon us. Did I say lazy? Change that. There’s been nothing lazy about the last two months. Are you surprised? I didn’t think so. After all, this is Randolph-Sheppard and we are all used to the merry-go-round never slowing down. It has been a summer of activity and new developments – some good and some not so good. Let’s get to the highlights.

***We’re Revolutionizing Training*** – It’s official, ALMOST. We are about to ink a deal that has the potential to revolutionize the way states train prospective blind entrepreneurs. NABM and the Hadley School for the Blind are entering into a joint venture that will make entry-level classroom training available on-line, utilizing Hadley’s proven platform. VR Counselors will be able to refer their clients to the on-line training program. Students will be required to complete all modules satisfactorily. We are still fine-tuning the module topics, and have established a focus group of BEP Directors who will offer feedback as the curriculum is being developed. We believe this training program will help states recruit trainees. One of the major deterrents to getting VR clients interested in BEP is the amount of time away from home required to complete the training program. Most people come to BEP as a second career and they have families and leaving home for several months to attend training is problematic. This program will enable them to complete the major portion of the classroom training without ever leaving home. This will be the first ever national training curriculum so it offers the opportunity for states to accept vendors from across state lines if they choose. There will be approximately 10 modules and we will cover major topics related to the Randolph-Sheppard Program and owning and operating a business. Obviously, many states will still want to require some on-the-job training because we can’t teach someone to fry an egg or change a coin mech on-line. A substantial financial investment is being made in this program because we and Hadley believe it is time to rethink the way we train new vendors. Today, you can get a high school diploma, bachelor’s degree, masters, and even a doctorate on-line. Why can’t we train blind entrepreneurs the same way? Modernizing the Randolph-Sheppard Program is a must if it is going to survive and thrive and this is one piece of the larger puzzle. The hope is that we can start enrolling students in early 2015 (January or February). Stay tuned. You will be hearing much more about this creative program in the coming months. We will be unveiling more details at the NCSAB Fall Meeting in Miami and BLAST in Austin.

***Please Stay on the Line*** – Based upon popular demand, the NFBEI will be starting a bi-monthly call for entrepreneurs and SLA staff in those states who subscribe to our services. Our first call is tentatively scheduled for September 4th. We will be sharing details about the call soon. These calls are not intended to compete with other roundtables or conference calls that are already out there. These calls will offer updates on NFBEI activities but will also have a training component. Be on the lookout for information about our first call.

***Federal Court Hands R-S a Gift –*** If you are a regular reader of The Blitz, you have read in past issues that the Kentucky SLA won an arbitration against the Army at Fort Campbell. At issue was the Army’s position that the R-S priority does not apply to dining attendant services. Prior to the arbitration, the SLA went to federal court seeking an injunction to prevent the awarding of a contract until an arbitration panel could be convened. The federal court denied the request; however, the SLA appealed to the Court of Appeals and that ruling was overturned. In its ruling, the Court of Appeals said an SLA can be granted such an injunction. Although the ruling does not help the Kentucky SLA in this case, it does set precedence and should be a source of encouragement to other SLA’s who encounter similar situations. As we go to press, another state is contemplating doing just that.

***Let the Games Begin*** – As this issue of The Blitz goes to press, we are engaged in our own version of Where’s Waldo? In this case, we are trying to find out who is behind an Army initiative to start splitting out dining facility attendant services from existing Randolph-Sheppard contracts. The Army recently issued separate RFP’s for the full food and DFA services at Fort Bliss in Texas. The SLA in Texas has already filed for arbitration and is contemplating seeking an injunction in federal court. But Fort Bliss is not an isolated case. They may be trying to do the same thing at Fort Benning in Georgia and there are rumors that it might be happening at Fort Leonard Wood in Missouri. Some Army contacts said the moves are a result of a DoD directive that was issued, but we contacted the Pentagon and there is no awareness of such a directive. Another source says it is coming from a certain Army attorney but we don’t know whom. This move has us scratching our heads because splitting the contracts will actually be more costly to the Army. It is also puzzling since AbilityOne is not involved. Instead, the Army wants to set the contracts aside for HubZone and 8(a) companies. At this point, our only option is to challenge the Army everywhere it tries to split full food and DFA and take money out of blind guys’ pockets. We encourage SLA’s to not accept such reductions in contracts that are serviced by blind entrepreneurs and promptly file for arbitration.

***Being a Bit Defensive with the Defense Bill –*** We were a bit surprised when we saw language in the House Defense Appropriations Bill that would allow the military to contract with military clubs to operate military dining facilities. The bill would do nothing to negate the R-S priority; however, it would create a politically powerful competitor to R-S. There is no such language in the Senate version of the bill so we don’t know if the language will make it into the final bill. We are still assessing our position on the bill. It is difficult to argue against allowing qualified bidders to bid. We will be following this closely and will let you know if any action is required.

***Army Doing What It Does Best: Putting Up a Fight –*** Look around the country and we see multiple battles going on with the Army. We’ve already mentioned some of these. There are a couple of others that merit mentioning. The Kentucky SLA prevailed in an arbitration case against the Army at Fort Campbell; however, the Army has ignored that order. To its credit, the SLA has gone to federal court to attempt to enforce the award of the arbitration panel. Kentucky has already changed the landscape with its victory on the injunction issue. Let’s hope they are just as successful here. South Carolina has filed a protest over being excluded from the competitive range for the multi-state Army hospital solicitation. The reason the bid was ruled out of the range is suspect to say the least and the SLA is challenging it. This is an important case since this would have been R-S’s first multi-state contract.

***Don’t Be Reserve with the Federal Reserve*** – We were recently asked whether or not the Federal Reserve is covered by the R-S priority. To our knowledge, no Federal Reserve has an R-S facility. We were inclined to say the Federal Reserve is an instrumentality of the United States and therefore subject to the priority. In researching the topic, we discovered that Brown, Goldstein, and Levy had done an analysis on this issue in 2006. It seems there are multiple cases where the Federal Reserve went to court and argued and prevailed that it is indeed an instrumentality of the United States. It would be a hard argument to make now that it is not. We encourage SLA’s to pursue any Federal Reserve locations in their states. Please let us know if you have any progress. If you’d like to read the 2006 analysis, please contact Terry Smith.

***RSA To Add Second R-S Specialist*** – RSA Commissioner Janet LaBreck committed months ago to add a second R-S Specialist to work with Deanna Jones, who came on board in the spring. The Commissioner told us that she would personally be interviewing candidates for the position because she wanted to make sure the person was enthusiastic and committed to the betterment of the national program. We are expecting an announcement any day on who that person will be. We think the Commissioner hit a homerun with Deanna Jones and we are confident that she will do the same with this next hire. It is great to have a Commissioner who does more than say they are committed to the R-S Program. Her actions are backing up her words.

***Active Participation: What It Is and What It Isn’t*** – We have experienced great success with our Hadley School for the Blind / NABM Randolph-Sheppard on the web initiative. Our next webinar will be on active participation and is scheduled for 3:00 PM EDT on Thursday, September 18th. You can go to [www.blindmerchants.org](http://www.blindmerchants.org) to learn more about the Hadley partnership and register for this webinar.

***Giving Annual Vendors Meetings a Shot in the Arm*** – You have heard us repeatedly say that one of the goals of the NFBEI is to upgrade training in the states. That is the driving force behind the development of the Hadley on-line entry-level training program and our desire to offer training at the annual vendors meetings in as many states as possible. Tennessee is taking us seriously. The Committee of Blind Vendors recently voted to contract with the NFBEI to conduct its annual training conference. The Committee recognizes that we have greater national resources, access to better speakers, and the ability to bring in suppliers. No contract has been signed in Tennessee so it’s not a done deal but it is exciting nonetheless. Any state that would like to consider us doing the same thing in their state should contact us.

***Doing Things Bigger and Better, Texas Style*** – It’s going to be a Lone Star BLAST in Austin November 18-21, and it promises to be the biggest and best ever. We say that every year and every year NABM and partners find a way to make that happen. The preliminary agenda will be released in the next few days. This year, we are doing something new with a pre-conference youth track on Tuesday, November 18th. We are very excited about this and hope you will encourage participants to attend. For the first time, BLAST will feature an awards banquet. It will be held Thursday evening November 20. A great speaker has been booked to entertain and inspire. You will definitely want to stay through the banquet! We will conclude BLAST with a Friday morning session devoted exclusively to the NFBEI. We hope you will stay for that important finale. Please visit [www.blindmerchants.org](http://www.blindmerchants.org) to register and make your hotel room reservations. Remember that early bird registration rates are in effect until September 2. Early bird rates are $160 per attendee, whether you are a blind vendor, spouse, or staff member. After September 2, the regular BLAST registration rate of $200 will apply. We encourage you to make your room reservations immediately. Rooms for the entire week of BLAST are going quickly this year. It’s going to be an amazing week so please make plans to join us.

***Attorney / BEP Staff Training –*** Back by popular demand will be our second State Attorney General Training as well as our second BEP staff training. We did our first attorney training in 2012 and this training is being done at the request of the attorneys who were so impressed in 2012 and want more training. On Tuesday, November 18, we will be conducting a full day of training. In the morning, the attorneys and BEP staff will be together. In the afternoon, the attorneys will break out and continue training on VR issues. The BEP staff will continue to receive training on R-S issues. Those attending will need to plan on arriving Monday because we start at 8:00 AM Tuesday. If you are a state attorney or BEP staff person, this training is included in your BLAST registration. Visit [www.blindmerchants.org](http://www.blindmerchants.org).

***The GSA Challenge*** – GSA is becoming more and more frustrating. Although we have been successful in establishing a good working relationship with D.C. staff, we continue to encounter problems in the field. Maryland has two arbitrations in process. In one, GSA says the R-S priority applies only if its bid is within the competitive range, but GSA is not required to establish a competitive range and if it doesn’t then there is no R-S priority. This is a far-fetched argument and we are confident the SLA will prevail. In the second Maryland case, the SLA is arguing that it is GSA’s responsibility to pay for relocating a vending facility due to an office relocation. The standard permits say the party initiating the move will pay for the cost of relocation. And now, we have Oregon preparing to file for arbitration over GSA’s position that it’s new grab and go operation at the Edith Green Federal Building is a cafeteria and subject to competitive bids. GSA’s position totally ignores the definition of cafeteria found in the R-S regs. And finally, we are dealing with an issue at the Anchorage Federal Building where GSA leased out its vending facility to a private concern when the SLA declined the site. GSA has taken the position that the SLA forfeited its priority until the private restaurant operator voluntarily leaves. That position cannot be justified. But we continue the dialogue and hope we can resolve these kinds of disagreements in the future without litigation.

***The VA: Same Old Same Old?*** – The Veterans Administration remains a top priority for the NFBEI. We reported in the last issue of The Blitz that we met with the VA officials in D.C. as well as the head of the Canteen Service. The meeting was not productive. Since then, we attempted to get language added to the VA Appropriations Bill that would require the VA to develop a letter of understanding with RSA to outline how it will comply with the law. That was unsuccessful. We are now in the process of seeking policy guidance from RSA on key issues related to the VA. Although the VA will not pay any attention to RSA’s guidance, it will help us chart our future strategies.

***The Conversations Continue*** – We continue to facilitate conversations between RSA and AbilityOne as we look for ways to collaborate. We reached out to AbilityOne last year and invited RSA Commissioner Janet LaBreck to join in the conversations. Those discussions are ongoing and offer some hope. A starting point will be a memorandum of understanding between RSA and AbilityOne that is under consideration. Although this agreement will not reconcile the fundamental differences between the two programs, there are ways they can work together and we continue to explore possibilities.

***Better Late Than Never*** – It was 11 years late but Congress finally reauthorized the Rehabilitation Act when it passed the Workforce Innovation and Opportunities Act (WIOA). This is important to the R-S community because the R-S Act is so closely linked with VR. Our blind entrepreneurs begin their journey as VR clients and we use VR dollars to support the program. So, passing WIOA was important to all of us. From what we have been able to ascertain, the new law does not change the relationship between R-S and VR and our community will see little difference. The only possible issue could be the requirement that VR agencies spend 15% of their VR dollars on transition services. On its face, this is not a problem. The only way it becomes a problem is if a VR agency has to increase spending on transition and has to take money from other programs to do so. In that case, the BEP could have to fight to hang on to any federal dollars it uses. This threat is not a serious one since most states already spend more than 15% on transition services.

***Soda Sales Slipping and Sliding*** – The industry publication *Beverage Digest* recently brought to light what we all suspected – soda sales are sliding downward. American’s drinking and buying habits are changing and our industry, including our blind entrepreneurs, is feeling the pinch. The number of sodas sold dropped by 3% in 2013 and revenue declined by 1%. This is just a continuation of the 9-year trend that saw unit sales of carbonated drinks dip by 1.2% in 2011 and another 1% in 2012. Surprisingly, diet drinks have experienced an even greater drop. Sales of Diet Coke slid by 6.8% and Diet Pepsi fell 6.9% as compared to the same time as the previous year. Sales of sports drinks and bottled water remain robust but the decline in sales of carbonated drinks is significant since both Coke and Pepsi generate half of their volume from these drinks. Declining sales are impacting the market value of these two beverage giants. This is important because this can have a major impact on the relationship between blind entrepreneurs and their local bottlers. It also helps blind entrepreneurs understand the bottler’s aggressive marketing strategies.

***What You Need to Know About SSDI Is Just A Click Away*** – Social Security Disability Insurance (SSDI) is an important resource to blind entrepreneurs and is therefore important to the National Association of Blind Merchants. In February, our first NABM / Hadley Randolph-Sheppard on the Web webinar was on SSDI and it was very popular. That webinar is archived so it is still available. We plan on doing a breakout at BLAST on the topic. NABM has taken the next step by putting some important guidance on its website. Susan Gashel has developed some outstanding materials that can be helpful to blind entrepreneurs and SLA’s alike. It provides detailed information about the special rules that apply to R-S vendors and offers guidance on how to deal with the Social Security Administration to document unincurred business expenses. The materials are available at no charge. Visit [www.blindmerchants.org](http://www.blindmerchants.org) to review these materials.

***Now Read This*** - The U.S. Bureau of Engraving and Printing and National Library Service for the Blind & Physically Handicapped (NLS) are launching a program that will provide free currency readers to NLS patrons. In September, NLS patrons can start signing up to receive their free currency readers which will be made available beginning on January 2, 2015.

***Living on the Road*** – The NFBEI continues to try to get out to all of the NFBEI subscription states. In June, Terry Smith was in Nevada where he provided two days of technical assistance to the SLA and spoke at the annual vendors meeting. In July, he spoke at the Arizona All Operators Meeting which was held in Phoenix. Terry, Kevan, and Nicky will all be on the road this fall attending state meetings. States on the schedule are Nebraska, Iowa, New York, Georgia, Illinois, and Pennsylvania. If your state has a meeting coming up, let us know.

***Saying Goodbye to Mr. B*** – The Virginia BEP took a hit when BEP Director Brendon Jewell resigned to accept a private sector job. Brendon was instrumental in implementing plans to move the Virginia BEP away from the custodial approach of the past to a model that embraces the independence of its entrepreneurs. We are sure that agency director Ray Hopkins will see that the progress continues as he looks for a replacement for Brendon. We wish Brendon the best and we understand we may still being seeing him around in his new endeavor.

***Speaking of Goodbye: It’s Adios to the TACE’s*** – The Network of Technical Assistance Centers is going away. The TACE’s were established by RSA to provide technical assistance to state VR agencies. It was a resource available to SLA’s who needed technical assistance related to their BEP’s. Several states took advantage of the centers to bring in outside experts to conduct program evaluations as well as facilitate strategic planning. This resource will no longer exist which will hamper states in improving their BEP’s. In its place, RSA will fund a single center that will focus on employment and employers. It remains to be seen if R-S will have a place at the table in this new system.

***Merchants Have Fun in the Sun in Orlando*** – The National Federation of the Blind held its annual convention in Orlando in July. It was Dr. Marc Maurer’s last convention as President. In many ways it was a sad farewell but it was equally exciting to welcome Mark Riccobono on as the new President. As part of that convention, the blind merchants met and had a great turnout. Approximately 100 people attended the merchants meeting which featured an outstanding agenda. You ought to think about being part of the meeting next July when it will again be held in Orlando. Be part of the exciting movement.

**Sustaining the NFBEI –** Do you like what the NFBEI is doing to advocate for the program on a national level and to assist individual state programs? If so, we can use your financial support. If you would like to contribute to the cause, we would welcome your donation. You can send a check made out to NABM and note in the memo portion of the check that it is for the NFBEI. Checks can be mailed to:

National Association of Blind Merchants

1837 S Nevada Ave.

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Almost half of our funding comes from state agencies who take advantage of our membership / subscription service. Currently, 26 states participate and a couple more may soon be coming on board. We are very proud of this level of participation. You can help ensure our future funding by encouraging your state to join in. A recommendation from the Elected Committee of Blind Vendors would carry a lot of weight in a state’s decision. Remember, a state can use set aside dollars, state or highway unassigned funds, and/or federal dollars to pay for the membership / subscription service.

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So much for the lazy days of summer! The mercury on the thermometer isn’t going down any time soon and we expect things to stay hot in our world too. Stay tuned for what’s next. And please let us hear from you. Tell us what is going on in your state. What is happening in one state affects what is going on in another, and the NFBEI is the vehicle to keep everyone updated on what is going on out there.

***GET THE BLITZ-READ THE BLITZ-SHARE THE BLITZ***

**PLEASE FEEL FREE TO SHARE THE BLITZ WITH OTHERS AND DISTRIBUTE ON YOUR LIST SERVES. WE WANT ALL BLIND ENTREPRENEURS AND BEP ADMINISTRATORS TO KNOW WHAT THE NFBEI IS DOING**