

§ 13.5

the permittee will be notified in writing and required to take appropriate action to rectify the situation.

(h) The operator of the vending facility shall carry such insurance against losses by fire, public liability, employer's liability, or other hazards as is customary among prudent operators of similar businesses under comparable circumstances.

§ 13.5 Protection from competition.

(a) The head of the Interior bureau or office shall protect the blind operator of the vending facility against direct competition from other vendors or vending machines on property which the head of the Interior bureau or office controls. Other vendors or vending machines shall be considered in direct competition with vending facilities permitted under the regulations in this part if they sell or dispense articles which are similar or identical to those on sale at the vending facilities in such proximity to the vending facility as to attract customers who might otherwise patronize the vending facilities.

(b) After a permit has been issued under the regulations in this part to a State licensing agency for operation of a vending facility, the head of the Interior bureau or office, except as provided in paragraphs (c) and (d) of this section, shall take action to terminate, as soon as possible and with minimum interruption to the service afforded customers, any existing competitive arrangement for the sale of any articles similar to or identical to those sold or to be sold under the permit. Notice of such termination shall be given as required under the terms of the existing arrangement, or if none is provided, a notice of not less than 30 days shall be given in writing.

(c) Existing arrangements with respect to vending machines need not be terminated if such vending machines are moved at the expense of their operators to locations elsewhere on the property which are noncompetitive with a blind-operated vending facility, or if the income from such machines is assigned to the blind operator.

(d) This section shall not apply to the sale and service of food and other articles considered as food and usually sold in connection with meals by cafeterias,

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restaurants, or similar food dispensing establishments.

§ 13.6 Appeals.

When the head of an Interior bureau or office has designated a representative to act for him under these regulations, he shall provide for the review of any matter in dispute between such representatives and the State licensing agency. In the event that they fail to reach agreement concerning the granting of a permit for the vending stand, the modification or revocation of a permit, the suitability of the stand location, the assignment of vending proceeds, the methods of operation of the stand, or other terms of the permit (including articles which may be sold) the State licensing agency shall have the right of appeal to the Director, Office of Hearings and Appeals. Such appeals shall be made in writing and shall be filed in the Office of the Director (address: Director, Office of Hearings and Appeals, 801 North Quincy Street, Arlington, VA 22203) within 15 days from the date of notice of the decision from which the appeal is taken. Such appeals shall comply otherwise with the general rules of the Office of Hearings and Appeals in subpart B of part 4 of this title and with the special regulations set forth in subpart G of part 4 of this title applicable to proceedings in appeals cases which do not lie within the appellate jurisdiction of an established Appeals Board of the Office of Hearings and Appeals. Upon appeal, full investigation shall be undertaken. A full report shall be obtained from the Interior representative from whose decision the appeal is being taken. The State licensing agency shall be given opportunity to present information. The Department of Health, Education, and Welfare shall be available for general advice on program activities and objectives. A final decision of the Director, Office of Hearings and Appeals, or of an Ad Hoc Appeals Board appointed by him to consider the appeal and to issue decision thereon, shall be rendered within ninety days of the filing of the appeal. Notification of the decision on appeal and the action taken thereon shall be given to the State licensing agency and to the Department of Health, Education, and