STATE OF ALASKA

DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT Division of Administrative Services Sean Parnell, Governor

P. O. Box 111149 Juneau, AK 99811-1149 PHONE: (907) 465-4024 FAX: (907) 465-2107

February 19, 2010

Sheraton Anchorage Hotel 401 East Sixth Avenue Anchorage, Alaska 99501

Dear Mr. Libbrecht:

Re: Sheraton Agreement #710-LSS-1189 Governor's Safety Conference

In November 2009, the Alaska Department of Labor & Workforce Development (DOLWD) reserved meeting rooms, catering services and banquet space for the Governor's Safety Conference in Anchorage, scheduled for March 23rd through the 25th, 2010. The purpose of this correspondence is to cancel the agreement between the Anchorage Sheraton and DOLWD.

The Alaska DOLWD has recently become aware of significant negative impacts on the Governor's Safety Conference associated with the Anchorage Sheraton venue. In December, the Alaska Safety Advisory Council learned labor disputes at the Anchorage Sheraton could lead to a picket line during the conference and sent a letter to General Manager Denis Artiles to express concern about the potential negative impact on the Governor's Safety Conference. To date, the Anchorage Sheraton has not provided any assurances to mitigate concerns and recent telephone messages to Mr. Artiles have not been returned. On February 11, 2010, the Commissioner of Labor received an e-mail from Ms. Amarjeet Chhabra of UNITE HERE Local 878, which explained that the Anchorage Sheraton hotel workers in their organization voted to boycott the hotel and that meant "vigorous picket lines that attendees will have to cross when entering and exiting the premises."

The success of the Governor's Safety Conference depends primarily on participant attendance, but is also affected by sponsorship contributions. Labor organizations, which have contributed significant sponsorship donations in the past have indicated they will not contribute to the conference this year. Attendee registrations are currently down by more than 40 percent in comparison to this time last year. If there is a picket line, several individuals including members of the Safety Advisory Council, have indicated they will not cross the picket line. Low attendance will negatively affect the vendors at the conference. The labor situation at the Anchorage Sheraton has resulted in an unacceptable risk to the success of the Governor's Safety and Health Conference.

For all the reasons stated herein, DOLWD is canceling its reservations to host the Safety Conference at the Sheraton in Anchorage. If you have any questions or concerns, feel free to contact me at 465-4024.

Sincerely

Procurement Officer