



2004 Annual Report

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Arizona
Arkansas
California
Colorado
Delaware
Florida
Georgia
Illinois
Kansas
Maine
Maryland
Michigan
Minnesota
Nebraska
New Hampshire
New Jersey
New Mexico
New York
North Carolina
North Dakota
Ohio
Oklahoma
Oregon
Pennsylvania
Puerto Rico
Rhode Island
South Carolina
Tennessee
Texas
Utah
Vermont
Virginia
Washington
West Virginia
Wyoming

Interstate Pest Control Compact

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Introduction

Each year billion of dollars of damage is caused by plant pests - insects, weeds, plant diseases, and other organisms that attack U.S. crops and forest resources. Many of the same pests also attack lawns, gardens, and the general environment, causing still more damage in dollars and esthetics. These pests don't recognize political boundaries. They can easily move across state lines on the wind or in soil or water, or hitchhike to new areas with goods, vehicles, or people. Tremendous losses occur even though farmers, industry, and local, state, and federal governments spend billions each year on control.

At one time, only coastal and border states had to fear infestations of new foreign plant pests, but today heartland states are also at risk. International containerized cargo with the potential for carrying foreign pests can travel through ports of entry and reach interior states before it can be opened and inspected.

Federal and state agencies have ongoing control and regulatory programs against a number of plant pests, and many have recently stepped up their pest detection and monitoring efforts. In most cases, however, appropriations are earmarked for specific pests - a mere handful of the 10,000-odd species that cause damage in this country. In general, too, state funds may be spent only on in-state control, even though pests just across the border may be equal threats. If a single state undertakes necessary pest control activities, on its own or with federal assistance, it cannot be certain that companion measures will be taken in other states.

Often the budget process does not allow governments to move quickly against newly introduced pests or take on challenges outside already approved program plans, a particular problem in times of decreasing resources. Technology is available to control or eliminate many pests, but its effectiveness often depends on speedy action.

The Interstate Pest Control Compact was instituted in 1968 under the Council of State Governments to bridge economic and jurisdictional gaps among state and federal governments, to enable agencies to respond to plant pest infestations. The Compact, through the Insurance Fund it administers, provides financial assistance to address:

- New and economically significant destructive plant pest outbreaks;
- Plant pest infestations outside the control or means of a single jurisdiction; or
- Destructive single-state outbreaks which could affect other states if allows to spread.

Funding

The basis for determining the amount of funds to be appropriated from each of the participating states is as follows: 1/10th of the total budget of \$1 million in equal shares (i.e. \$100,000), and the remainder in proportion to the value of agricultural and forest crops and products, excluding animals and animal products produced in each party state. This is not an annual appropriation, but has been a one-time contribution to the Insurance Fund. It is conceivable that, if Compact

funds were appreciably depleted in carrying out a containment or eradication program, a state could be assessed its proportional share to return Compact funds to the \$1 million Insurance Fund level. However, with investment income, this does not appear likely.

How the Fund Operates

The Compact provides that any party state can apply to the Insurance Fund for financial support of pest control or eradication activities which it wishes to have undertaken or intensified in one or more other party or, in limited circumstances, in nonparty states. When a pest is found in another state that constitutes a threat to valuable agricultural or forest crops or products within the applying state, the Insurance Fund can provide financial support for control or eradication measures. State parties to the Compact are expected to maintain their existing pest control programs at normal levels aside from any assistance from the Insurance Fund. This safeguards the soundness of the Fund and assures that it will be used to apply the additional thrust necessary to combat outbreaks, which otherwise would not be controlled.

The Insurance Fund is under the control of a Governing Board, consisting of an official representative of each party state chosen by that state in accordance with its own laws. An Executive committee, consisting of the chairman and a representative from each of the four regions, is authorized to exercise certain responsibilities for the Governing Board when the Board itself does not meet.

A Technical Advisory Committee has been established to assist the Governing Board with the technical information necessary to make a decision on whether or not the Compact should be invoked on any particular requests.

The Technical Advisory Committee is composed of two state plant control officials from each of the four regions of the Plant Boards, together with a representative of the U.S. Animal and Plant Health Inspection Service and a representative of the U.S. Forest Service.

When a request is filed for invoking the Compact, the request is referred to the ten-member Technical Advisory Committee, which makes a study of the request and a recommendation on the feasibility of the project to the Governing Board. In an emergency, the Committee could make this recommendation within 72 hours or less after receiving the initial request for Compact assistance

Annual Report from the Executive Director

September, 2004

Membership

In March 2004, Nebraska paid their membership fee to the Interstate Pest Control Compact (IPCC) in one lump sum, bringing the total parties to the IPCC to 35 States/Territories. Nebraska understands that this is only one of the two steps required in joining the IPCC. The other step is passage of enabling legislation, which they intend to pursue.

The States of Arkansas, Colorado, and Rhode Island continued to make installment payments of their membership fee. As of the date of this report, all member States are current in their payments.

Oklahoma, a dues-paid member since 1999, passed enabling legislation in March 2004, with an effective date of November 1, 2004.

Nine (9) party/member states still have not passed specific enabling legislation (AZ, AR, CO, FL, NE, PR, RI, TX, and WY). Several states have posed questions regarding joining or modifying their membership in the IPCC, but no new applications have been received to date.

Letters were sent to most non-member states requesting that they consider joining the Compact.

Indiana has passed legislation in the full House and a bill is currently in the Senate Agriculture committee. This has been a cooperative effort between the Indiana Department of Agriculture and the Department of Natural Resources. Indiana expected to join the compact in July 2004, but other legislative issues postponed such action.

Kansas (current member) passed enabling legislation in 1996 and paid their membership fee. In 2002 Kansas passed a new Plant Pest Act which repealed their existing Plant Pest Law which also contained the IPCC enabling legislation. The new Plant Pest Act did not contain the IPCC enabling legislation. In order to re-enable their State authority to join the Compact they would now like to do so through regulation rather than legislation. Officials from the Council of State Governments have advised against this procedure and have recommended passage of enabling legislation.

Kentucky has expressed interest in joining the Compact.

Missouri has expressed interest in joining the Compact.

Insurance Fund Claims/Projects

In March, 2004, the State Of New Mexico asked that the IPCC be invoked and that \$60,000 be provided to the IPCC member state of Texas for the eradication of *Diaprepes abbreviatus*, a root weevil capable of attacking about 270 known hosts. The request was approved. The IPCC and

the Texas Department of Agriculture executed a Cooperative Agreement for the project. \$60,000 were distributed to the Texas Department of Agriculture in late March.

The current infestation is comprised of a 10 acre quarantine area, consisting of two citrus groves in McAllen, Hidalgo County, and some residential yards within 300 yards surrounding the commercial groves. The Compact agreed to fund continuation of quarantine activities through February 2005, including the application of pesticides to about 25 residential properties and adjacent commercial citrus orchards, pest survey within and surrounding the quarantine area, and support of a part-time inspector to oversee and assist in the eradication activities.

A progress report submitted by the Texas Department of Agriculture in August 2004, indicated that the project is proceeding according to plan. Under a contract with Texas A&M University Kingsville Citrus Center, regular sampling is done to determine periods and levels of adult activity in and around the quarantine area. Under two other contracts, the first of two sets of sprays has been applied to both the grove and residential areas in the quarantine area; the second set of sprays will be timed in reference to trap activity. A part-time TDA technician regularly patrols the quarantine area, collects data, interacts with the public to assure compliance with the quarantine, and interfaces with spray applicators and homeowners to ensure clear communication. Trapping for *Diaprepes* is being conducted at both groves and in 18 residential yards. Delimiting surveys for *Diaprepes* outside the quarantine zone are also being made in two nearby groves. Trap sites within the quarantined zone have been monitored weekly, while sites outside the zone are monitored bi-weekly. To date, no *Diaprepes* have been detected outside of the quarantine area.

Distribution of 2003 Annual Report

The annual report for fiscal year 2003 was printed and distributed to all member states in November 2003. Additional copies were mailed to the NASDA office, USDA APHIS, and the Council of State Governments. An electronic copy of the report was also posted on the IPCC web site and emailed to all State Plant Regulatory Officials.

Issues and Concerns

Passage of enabling legislation and multiple premiums to the Insurance Fund remain as issues of concern to potential member states.

Discussions with officials from the Council of State Governments, including their foremost attorney on Interstate Compacts, confirm the need for enabling legislation as a requirement for joining the Compact, as stated in Article X of the Pest Control Compact. Any other means of enactment by a State would be vulnerable to a significant challenge based on the language in Article X. Both Kansas and Nebraska have taken issue with this requirement.

Proposed Bylaws Amendments

At the February 2004 meeting of the IPCC and Pest Control Insurance Fund Governing Board, proposed changes to the bylaws of the Fund were discussed. As a result of those discussions, some modifications were made to the proposed bylaws and distributed to the IPCC Administrators and National Plant Board representatives for comment in July. The Executive Director also made a presentation on the proposed amendments at the annual meeting of the

National Plant Board in August, 2004. The few comments suggested as a result of this solicitation have been incorporated into the current proposal. The proposed amendments to the bylaws are expected to be discussed and voted on at the 2004 annual meeting of the Governing Board (September 26, 2004).

To avoid some of the misunderstandings that currently exist, the proposed amendments include:

- (New Bylaw #12). Clarification of the two requirements for joining the Compact (i.e. passing enabling legislation and contributing to the Pest Control Insurance fund). A State may become a member of the Compact upon passage of legislation or upon payment of a membership fee as outlined in the Articles of the Compact. Members may make installment payments of their initial “membership fee” assessment over a six year period. However, members must pass enabling legislation within six years of their initial membership fee payment (or passage of this bylaw proposal) or rescind all voting rights on the Governing Board.
- (Amended Bylaw #7d). Clarification that the membership fee is a one-time appropriation unless the Fund is depleted through use. Clarification that the Pest Control Insurance Fund should not be depleted below \$500,000, unless required by an emergency program, to ensure that there are ample funds available that would not require member states to reappropriate dollars into the insurance fund. If reappropriation is necessary, assessments to member states will be prorated as needed to bring the total fund balance to \$1,000,000.
- (Amended Bylaw #4c). Restructuring of the Executive Committee membership based on the geographical groupings of the Regional Plant Boards, which are grouped by regional plant pest issues, rather than the current regional groupings of NASDA.

Respectfully submitted,

*Robert J. Balaam
Executive Director*

2003 Annual Meeting Minutes – September 2003

September 20, 2003

The Grove Hotel

Boise, ID

Attendees:

Member States Present (18):

Arizona	– Donald Butler
Arkansas	– Darryl Little
California	– Dennis Mayhew (CDFA staff) – Sharlene Garcia (CDFA staff)
Florida	– Martha Roberts (FDACS staff) – Leslie Palmer (FDACS staff)
Georgia	– Tommy Irvin
Maine	– Robert Spear (IPCC Chairman and Executive Committee)
Minnesota	– Sharon Clark (MDA staff)
New Hampshire	– Stephen Taylor
New Jersey	– Charles Kuperus – Jayne Haussler (NJDA staff)
New York	– Tim Pezsolesi (NYSDAM staff)
North Carolina	– David McLeod (NCDA staff)
Ohio	– Fred Dailey (IPCC Executive Committee)
Puerto Rico	– Nelson Bayron (PRDA staff)
South Carolina	– Charles Sharpe – Larry Boyleston (SCDA staff)
Texas	– Kimberly Kapavik (TDA staff)
Vermont	– Louise Calderwood (VAAFV staff)
West Virginia	– Gus Douglass (IPCC Executive Committee) – Steve Hannah (WVDA staff)
Wyoming	– Roy Reichenbach (WDA staff)

Non-members present:

Kentucky	- Billy Ray Smith
Mississippi	- Mike Taggart (MDAC staff)
Missouri	- Peter Hofherr - Dave Dillon ((MDA staff)

Call to Order

Chairman Spear called the meeting of the Governing Board of the Interstate Pest Control Insurance Fund to order at 12:35 p.m.

Roll Call of Member States

Executive Director, Bob Balaam took role call, declaring the following 18 member states present: Arizona, Arkansas, California, Florida, Georgia, Maine, Minnesota, New Hampshire,

New Jersey, New York, North Carolina, Ohio, Puerto Rico, South Carolina, Texas, Vermont, West Virginia, and Wyoming.

The following 16 member states were absent: Colorado, Delaware, Illinois, Kansas, Maryland, Michigan, New Mexico, North Dakota, Oklahoma, Oregon, Pennsylvania, Rhode Island, Tennessee, Utah, Virginia, and Washington.

Approval of Meeting Minutes

Chairman Spear called for an approval of the February 1, 2003 meeting minutes. It was moved by Charles Sharpe, South Carolina to accept the minutes and seconded by Gus Douglass, West Virginia. Motion passed with a majority vote.

Report of the Chairman

Chairman Spear mentioned that Bob Balaam has been brought on as the Executive Director and has been doing a great job. Finances are good and the portfolio is being managed in Virginia. He said that operating expenses have increased due to new initiatives including, a web site, membership booklets and research projects. He finished with a new challenge facing the Compact, bringing on new membership.

Report of the Treasurer

Carlton Courter was unable to attend, so Bob Balaam gave the treasurer's report in his place.

Highlights from Fiscal Year 2003:

- Total assets available at June 30, 2003 were \$1,079,512. An increase of \$74,114 over the June 30, 2002, balance of \$1,005,398. This increase was the result in the return of \$66,000 from New York for a prior claim.
- Income on investments totaled \$15,059. There were no investment fees or expenses. The Average Yield for the year was 1.50%. Investment income covers all administrative and operating costs (\$13,492) for the year.
- Quote from the Local Government Investment Pool (LGIP – where IPCC funds are invested) newsletter, “Short-term interest rates are now at levels that most of us have never witnessed and did not think possible. As long as the Fed’s bias continues to be focused on concerns of a disinflationary environment, interest rates will persist at historic low levels.”

- Investment Risk: The Virginia Local Government Investment Pool, in which IPCC funds are invested, follows guidelines that permit only high quality corporate investments. The IPCC investment is diversified in the following way:

U.S. Treasury / Agency	16%
Repurchase Agreements	16%
Negotiable CDs & BAs	24%
Non-Negotiable CDs	0%
Commercial Paper *	32%
Corporate & Bank Notes *	12%
Total:	100%

* Commercial Paper is restricted to a maximum of 35% and Corporate & Bank Notes to a maximum of 25% of the entire investment pool by law. This minimizes the risk to the IPCC while attempting to maximize gains.

- Membership dues totaling \$6,346 were received from the states of Arkansas, Colorado, and Rhode Island. Down \$18,100 from the last year.
- Operating expenses increased over last year as the result of new initiatives by the Executive Director (Web Page, Long Range Planning, etc.).

Financial reports were reviewed and a motion to accept the report was made by Gus Douglass, West Virginia, and Daryl Little, Arkansas, seconded it. Motion passed with a majority vote.

Report of the Executive Director

Bob Balaam gave a PowerPoint presentation highlighting important Interstate Pest Control Compact and Pest Control Insurance Fund issues and activities of 2003. These included:

- Currently 34 members, no new members have joined this year
- No new insurance fund claims or projects this year
- IPCC website has been created and is up and running
- Membership booklet has been revised
- APHIS PPQ emergency program funding assistance option approved
- Ohio Sunset Review Committee testimony was requested and scheduled
- History of insurance fund projects was presented
- 2002 Annual Report was mailed to all members
- Draft 2003 Annual Report was distributed at this meeting for review
- Legislative and bylaws issues and concerns affecting Compact and Insurance Fund membership were discussed

Balaam made the following recommendations:

- The two requirements for joining the Compact (i.e. passing enabling legislation and contributing to the Pest Control Insurance Fund) should be specifically stated in the bylaws.

- Clarification that the membership fee is a one-time appropriation, unless the Fund is depleted through use, should be reiterated in the bylaws.
- Clarification that the Pest Control Insurance Fund should not be depleted below the \$1M level to ensure that there are ample funds available that would not require member states to reappropriate dollars into the insurance fund should be reiterated in the bylaws.
- Consideration should be given to Executive Committee membership based on the geographical groupings of the regional plant boards, which are grouped by regional plant pest issues, rather than the regional groupings of NASDA.

A motion was made by Tommy Irvin, Georgia, to direct the Executive Director to propose these recommendations as formal changes to the bylaws and bring them back for review at the 2004 mid-year meeting for discussion. Charles Shape, South Carolina, seconded the motion. Motion passed with a majority vote.

A motion was made to direct the Executive Director to pursue additional funding through contributions/donations from foundations and industries by Gus Douglass, West Virginia. The motion was seconded by Tommy Irvin, Georgia, and passed with a majority vote.

Budget Approval

Bob Balaam proposed an increased budget for FY 2003-2004. Total budget increased from \$16,900 in FY 2002-2003 to \$22,500 for FY 2003-2004. \$5,000 increase in the Executive Director Wages line item is due to a planned increase in time spent on Compact issues.

The proposed FY 2003-2004 budget was as follows:

Budget Line Item		Budget (\$) 2003-2004
Personnel:		
	Executive Director Wages	15,000
	Travel and Registration	4,000
	Bond	100
Facilities and Administrative Costs:		
	Overhead	2,000
	Equipment	0
	Supplies	0
	Postage	200
	Printing	400
	Bank Charges	200
Contractual Services:		
	Audit	100
Special Purpose:		
	Technical Advisory Committee	500
	Special Committee	0
TOTAL		22,500

A motion to approve the budget was made by Tommy Irvin, Georgia, and was seconded by Gus Douglass, West Virginia. Motion passed with a majority vote.

Unfinished Business

There was no unfinished business brought before the delegation.

Election of Officers and Executive Committee for 2003-2004

Tommy Irvin, Georgia, moved to elect **Charles Sharpe, South Carolina as Chairman** for the upcoming year. Charles Sharpe, South Carolina, seconded and the motion passed with a majority vote.

Tommy Irvin, Georgia, moved to elect **Charles Kuperus, New Jersey as Vice Chairman**. The motion was seconded and passed with a majority vote.

Tommy Irvin, Georgia moved to elect **Bill Lyons, California as Secretary**. Charles Kuperus, New Jersey, seconded, motion passed with a majority vote.

Gus Douglass, West Virginia moved the office of **Treasurer** remain the same with **Carlton Courter, Virginia**. The motion was seconded by Charles Sharpe, South Carolina, and passed with a majority vote.

The Officers of the Interstate Pest Control Insurance Fund for FY 2003-2004 are as follows:

Chairman	Charles Sharpe, South Carolina
Vice Chairman	Charles Kuperus, New Jersey
Secretary	William Lyons, California
Treasurer	Carlton Courter, Virginia

In compliance with the bylaws, Chairman Charles Sharpe also serves as chairman of the Executive Committee. Charles Kuperus, New Jersey, moved the regional representatives from 2002-2003 remain the same for 2003-2004; Charles Sharpe, South Carolina, seconded. The motion passed with a majority vote. The elected executive committee for FY 2003-2004 is as follows:

Chairman	Charles Sharpe, South Carolina
Midwestern Region	Fred Dailey, Ohio
Northeastern Region	Michael Scuse, Delaware
Southern Region	Gus Douglass, West Virginia
Western Region	Bill Lyons, California

New Business

No new business was brought before the delegation.

Adjourn

Chairman Spear adjourned the meeting at 1:30 p.m.

Assistance with minutes provided by Sharlene Garcia, Policy Analyst, CDFR.

Mid Year Meeting Minutes – February 2004

February 22, 2004
Renaissance Hotel, Washington D.C.

Attendees:

Member States Present (18):

Arkansas	– Darryl Little
California	– A.G. Kawamura
	– Chuck Ahlem (CDFA staff)
	– Sharlene Garcia (CDFA staff)
Delaware	– Michael Scuse (IPCC Executive Committee)
Florida	– Leslie Palmer (FDACS staff)
Georgia	– Tommy Irvin
New Jersey	– Charles Kuperus (IPCC Vice Chairmain and Executive Committee)
New Mexico	– Miley Gonzalez
	– Tom Bagwell (NMDA staff)
New York	– Nathan Rudgers
	– Tim Pezzolesi (NYSDAM staff)
North Carolina	– Bill Dickerson (NCDA staff and NPB President)
North Dakota	– Joanne Beckman (NDDA staff)
Puerto Rico	– Nelson Bayron (PRDA staff)
South Carolina	– Larry Boyleston (SCDA staff)
Texas	– Susan Combs
	– Lisa Elledge (TDA staff)
Utah	– Cary Peterson
Vermont	– Louise Calderwood (VAAFPM staff)
Washington	– Lee Faulconer (WADA staff)
West Virginia	– Gus Douglass (IPCC Executive Committee)
Wyoming	– John Etchepare
	– Roy Reichenbach (WYDA staff)

Non-members present:

Nebraska – Dennis Blank

Call to Order

Chairman Charles Sharpe (SC) was unable to attend the meeting so Vice Chairman Charles Kuperus (NJ) called the meeting to order at 8:40 a.m.

Roll Call of Member States

IPCC Executive Director, Bob Balaam, took roll call, declaring 18 member states present.

Approval of Meeting Minutes

Vice Chairman Kuperus called for an approval of the September 20, 2003 meeting minutes. It was moved by Susan Combs (TX) to accept the minutes and seconded. Motion passed with a majority vote.

Report of the Chairman

Due to the absence of the Chairman no report was given.

Report of the Treasurer

Treasurer Carlton Courter (VA) was unable to attend, so Bob Balaam gave the treasurer's report in his place. Financial reports were reviewed and a motion to accept the report was made by Susan Combs (TX) and it was seconded. Motion passed with a majority vote.

Replacement Officer Election

Bob Balaam recommended a member be nominated to fill the place of Bill Lyons (CA) who served as Secretary. Susan Combs (TX) moved that A.G. Kawamura (CA) be elected to Secretary and the Executive Committee. It was seconded and motion passed with a majority vote.

Report of the Executive Director

Bob Balaam gave a report highlighting issues affecting the Compact since its last meeting as follows:

- There are currently 34 member states, no new members have joined since the last meeting.
- Indiana currently has enabling legislative and is expected to join in July, 2004.
- Kansas joined in 1996, but their enabling legislation was repealed. They are trying to re-pass enabling legislation.
- Oklahoma has already joined the Compact by paying their fee, but is now seeking enabling legislation.
- Kentucky and Missouri have expressed interest in joining the compact.
- Nebraska has the funding to join the Compact but has not yet passed enabling legislation. They are working to find another way to join. Dennis Blank from the Nebraska Department of Agriculture was called upon to address the members of the Governing Board present. He requested that Nebraska be permitted to join the Compact by contract. Nebraska has funding available at the present time, but due to other priorities, may not be able to pass enabling legislation at this time. Tommy Irvin (GA) moved to approve the request. It was seconded and motion passed with a majority vote.

After discussion concerning the legislation and funding requirements for Compact membership, Tommy Irvin (GA) moved to accept all states who have the funding, letting them join with the intent of creating enabling legislation. It was seconded and motion passed with a majority vote.

After subsequent discussion, a motion to clarify the main motion was made by Tommy Irvin, Georgia, excluding contract members without enabling legislation from the voting process, until

their state passed enabling legislation. This motion was withdrawn but it was the request of the members present to look into the disparity.

A draft of the IPCC 2003 Annual report was distributed for review.

Three by-law changes were proposed for consideration by Bob Balaam. (underline = proposed new language; ~~strike through~~ = proposed deletion)

- Proposal #1 -- Requirements for Compact Membership (new bylaw #12):
As per Articles IX and XI of the Pest Control Compact, there shall be two entry requirements for all States party to the Compact:
 - (a) Enactment of state legislation providing for the joinder of the State in the Pest Control Compact using the suggested state legislation of the Pest Control Compact: Model Enabling Act.
 - (b) Payment of funds to the Pest Control Insurance Fund according to the apportionment designated in Article IX of the Pest Control Compact. States may make installment payments of their initial assessment to the Insurance Fund over a period of not to exceed six years.
- Proposal # 2 -- Financial Affairs (new section of existing bylaw #7):
(d) The membership fee to join the Compact shall be a one-time appropriation, unless the Fund is depleted through use. The Governing Board shall attempt to ensure that the total assets of the Fund shall not be depleted below \$500,000. If emergency programs require depletion of the Fund below \$500,000, then assessments to member states will be prorated, as needed, to bring the total Fund balance to \$1,000,000, according to the formula contained in Article IX (b) of the Pest Control Compact
- Proposal # 3 -- Executive Committee (modification to existing bylaw #4)
 - c) The Governing Board recognizes its responsibility to group party States, pursuant to Article V (e) of the Compact in order that there may be appropriate geographic distribution of membership on the Executive Committee. Geographic distribution shall be based on the geographical groupings of the four regional plant boards which are grouped by regional plant pest issues:
 1. Eastern region shall consist of the following states: Maine, Vermont, New Hampshire, Massachusetts, Connecticut, Rhode Island, New York, New Jersey, Pennsylvania, Delaware, Maryland, and West Virginia.
 2. Southern region shall consist of the following states and territories: Virginia, North Carolina, South Carolina, Tennessee, Georgia, Florida, Alabama, Mississippi, Louisiana, Arkansas, Texas, Oklahoma, and Puerto Rico.
 3. Central region shall consist of the following states: Wisconsin, Minnesota, Michigan, Illinois, Indiana, Ohio, Kentucky, North Dakota, South Dakota, Iowa, Missouri, Kansas, and Nebraska. .
 4. Western region shall consist of the following states: Alaska, Hawaii, Washington, Oregon, California, Montana, Idaho, Wyoming, Colorado, Nevada, Utah, New Mexico, and Arizona.

~~However, it is also recognized that until the Compact is enacted by substantially more than the five States required to bring it into initial operation, such groupings may be impractical or artificial and that, in consequence the only satisfactory means of~~

~~implementing the intent of Article V (e) and of the Compact as a whole may be to proceed as follows:~~

- ~~1. So long as there are five party States, each State shall constitute a separate grouping for purposes of Article V (e).~~
- ~~2. So long as there are ten or fewer party States, the general groupings shall be Western, Midwestern, New England, and Eastern Southern, but no specific listing of States shall be made to determine assignment to each group. It is the specific intent that as soon as a Southern State becomes party to the Compact, or the geographic distribution of States party to the Compact undergoes material change regions provided herein shall be altered to conform more closely with usually accepted regions for pest control activity.~~

Following discussion concerning the proposed bylaw amendments, it was recommended that each member take the proposed language back to their home states for review and then offer suggestions. Bob Balaam was given permission to modify proposal #1 and distribute it to the membership following the meeting.

New Business

Miley Gonzalez (NM) requested financial assistance in the amount of \$60,000 on behalf of the state of Texas from the Pest Control Insurance Fund for the eradication of the root weevil, *Diaprepes abbreviatus*. Currently ten acres of citrus in South Texas are infested by this weevil that is known to feed on more than 270 hosts. Chile, cotton, pecans, onions, and corn are some of the known hosts grown in New Mexico that may be impacted by this weevil. If this pest is not controlled and spreads, it could potentially cause 282 million dollars in damage on an annual basis to crops grown in New Mexico. Nationwide it could cause 1-5 billion dollars in damages per year to agricultural crops. In these years of drought and economic hardship, proactive prevention of pest problems that may cause losses to our agricultural crops is appreciated and encouraged. The New Mexico Department of Agriculture stands in support of the state of Texas and its eradication efforts. Susan Combs (TX) voiced the importance of eradicating the pest.

Bob Balaam stated that a conference call of the technical advisory committee has been scheduled for next week to consider this request and to make a recommendation to the Governing Board. Tommy Irvin, Georgia moved the Governing Board approve the request for funding, pending such a recommendation from the advisory committee. The motion was seconded and passed.

Adjourn

Vice Chairman Kuperus adjourned the meeting at 9:15 a.m.

Financial Statement - Final (July 1, 2003 – June 30, 2004)

Highlights from Fiscal Year 2004:

- Total assets available at June 30, 2004 were \$1,056,387. An decrease of \$23,125 over the June 30, 2003, balance of \$1,079,512. This decrease was the result an insurance payment of \$60,000 to the Texas Department of Agriculture for *Diaprepes abbreviatus* (*Diaprepes Root Weevil*).
- Income on investments totaled \$10,944. There were no investment fees or expenses. The Average Yield for the year was 1.08%. This yield compared favorably with Institutional Money Market Funds (0.67%) and 91 Day T-Bills (0.98%). Investment income covers most of the administrative and operating costs (\$13,110) for the year.
- Investment Risk: The Virginia Local Government Investment Pool, in which IPCC funds are invested, follows guidelines that permit only high quality corporate investments. The IPCC investment is diversified in the following way as of June 30, 2004:

U.S. Treasury / Agency	28%
Repurchase Agreements	20%
Negotiable CDs & BAs	17%
Non-Negotiable CDs	0%
Commercial Paper*	24%
Corporate & Bank Notes*	11%
Total:	100%

* Commercial Paper is restricted to a maximum of 35% and Corporate & Bank Notes to a maximum of 25% of the entire investment pool by law. This minimizes the risk to the IPCC while attempting to maximize gains.

- Membership dues totaling \$38,842 were received from the states of Arkansas, Nebraska, and Rhode Island. Up \$32,496 from the last year.

**INTERSTATE PEST CONTROL COMPACT
BALANCE SHEET
June 30, 2004**

Assets

Operating Account	\$34,862.87	
Investments	1,021,523.96 ¹	
TOTAL ASSETS		\$1,056,386.83

Liabilities & Equity

Liabilities	\$0.00	
Equity	1,056,386.83	
TOTAL LIABILITIES & EQUITY		\$1,056,386.83

¹ Funds are invested in the Local Government Investment Pool (LGIP) through the Commonwealth of Virginia's Treasurer's Office. The average yield for the fiscal year ended June 30, 2004 was 1.08%.

**INTERSTATE PEST CONTROL COMPACT
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2004**

<i>Balance on July 1, 2003</i>		\$ 1,079,511.71
 <i><u>Add - Inflows</u></i>		
Investment Income:		
LGIP	<u>10,943.89</u>	10,943.89
Dues Income:		
Arkansas	3,954.00	
Nebraska	34,544.00	
Rhode Island	<u>344.00</u>	
		38,842.00
Operating Account Interest		<u>199.40</u>
		49,985.29
 <i><u>Deduct-Outflows</u></i>		
Operating Expenses:		
Executive Director	8,734.39	
Travel	1,752.22	
General Administration Fee	1,230.35	
Bank Service Charges	191.68	
Conference Registrations	750.00	
Printing	451.53	
		<u>13,110.17</u>
Insurance Claims		
Texas: <i>Diaprepes abbreviatus</i>	<u>60,000.00</u>	
		<u>73,110.17</u>
 <i>Balance on June 30, 2004</i>		 <u><u>\$ 1,056,386.83</u></u>

INTERSTATE PEST CONTROL COMPACT
STATEMENT OF REVENUES, EXPENDITURES, & CHANGES IN
FUND BALANCES/EQUITY
For the Year-Ended Ended June 30, 2004

<i>Revenues</i>		
Investment Income	\$10,943.89	
Dues Income	38,842.00	
Operating Account Interest	<u>199.40</u>	
Total revenues		\$49,985.29
<i>Expenditures</i>		
Operating Expenses	\$13,110.17	
Insurance Claims	<u>60,000.00</u>	
Total expenses		<u>73,110.17</u>
<i>Excess of revenue over expenditures</i>		(\$23,124.88)
<i>Fund balances/equity July 1, 2003</i>		<u>1,079,511.71</u>
<i>Fund balances/equity June 30, 2004</i>		<u>\$1,056,386.83</u>

**INTERSTATE PEST CONTROL COMPACT
OPERATING BUDGET
July 1, 2003 to June 30, 2004**

<u>Description</u>	<u>2003-2004</u>		<u>2002-2003</u>	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
Personnel				
Executive Director Wages	15,000	8734.00	10,000	10,890.65
Travel and Registration	4,000	2502.00	3,500	664.66
Bond	100	0.00	100	0.00
Facilities and Administrative Costs				
Overhead	2,000	988.00	2,000	1,329.96
Equipment	0	0.00	0	0.00
Supplies	0	0.00	0	0.00
Postage	200	242.00	150	146.34
Printing	400	452.00	500	272.00
Bank Charges	200	192.00	0	187.72
Contractual Services				
Audit	100	0.00	150	0.00
Special Purpose				
Technical Advisory Committee	500	0.00	0	0.00
Special Committee	0	0.00	500	0.00
TOTAL	22,500	13110.00	16,900	13,491.33

Claims History

Fiscal Year	Project	Claim Amount (\$)	Recipient State
1969	Golden nematode eradication	6,000	Delaware
1972	Tourist vehicle check for gypsy moth	10,000	Pennsylvania
1972	Tourist vehicle check for gypsy moth	5,000	Delaware
1972	Tourist vehicle check for gypsy moth	5,000	Virginia
1974	Gypsy moth disparlure trial	1,500	North Carolina
1977	<i>Scleroderris</i> canker control	900	Vermont and New Hampshire
1979	White fringed beetle control	5,400 ^[1]	Maryland
1980	Gypsy moth control	3,000	Illinois
1980	Gypsy moth control	20,000	Washington
1980	Winter moth control	2,000	Oregon
1981	Apple maggot control	20,000	Oregon
1983	Grape nematode control (Polar nematode)	45,000	Michigan
1983	Corn cyst nematode	93,000	Maryland
1992	Gypsy moth control	23,000	Georgia
1992	Africanized honey bee management	44,500	Texas
1995	Tropical soda apple management	95,355	Florida
1996	Apple Ermine moth regulatory control research	8,000	Oregon
1997	Corn cyst nematode survey	19,170	Virginia
1997	Tropical soda apple biological control	70,000	Florida
1997	Asian longhorned beetle eradication	100,000	New York
1998	Grecian foxglove control	12,093	Kansas
1999	Asian longhorned beetle eradication	100,000	Illinois
1999	Tomato yellow leaf curl virus	75,167	Florida
2001	Clover broom rape survey	20,000	Oregon
2002	Citrus longhorned beetle establishment prevention	50,000	Washington
2002	Gypsy Moth eradication	50,000	Minnesota
2004	Citrus root weevil eradication	60,000	Texas
Total	27 claims	944,085	

Claim Reports

Citrus Root Weevil (*Diaprepes abbreviatus*) Eradication (Progress Report)

Recipient Party:	Texas
Claim Year:	2004
Claim Amount:	\$60,000

The project is proceeding according to plan. A contract has been made with Texas A&M University Kingsville Citrus Center, under which regular sampling is done to determine periods and levels of adult activity in and around the quarantine area. Under a two other contracts (one for grove and one for residential areas), the first of two sets of sprays has been applied to both the grove and residential areas in the quarantine; the second set of sprays will be timed in reference to trap activity, as determined by TAMUKCC. The Region 5 office of the Texas Department of Agriculture has hired a part-time technician, who regularly patrols the quarantine area, collects data, interacts with the public to assure compliance with the quarantine, interfaces with spray applicators and homeowners to assure clear communication, and who submits regular brief reports on activities relevant to the project.

Dr. Victor French (Professor and Citrus Research Entomologist, TAMUKCC) reported on July 9, 2004, reported having modified 'Teddies' traps at both groves (average 16 traps per site) and in 18 residential dooryards (average 6 traps per site). Delimiting surveys for *Diaprepes* outside the quarantine zone are also being made in two nearby groves (average 15 traps per site). GPS coordinates were taken for all traps placed at each grove or residential site. Trap sites within the quarantined zone were monitored weekly, while sites outside the zone were monitored bi-weekly, except when weather would not permit. To date, no *Diaprepes* have been detected outside of the quarantine area.

Submitted August 27, 2004

By Robert Croker, Coordinator for Pest Management and Citrus Projects, Texas Department of
Agriculture
Austin, TX

Claim Report

Gypsy Moth Eradication (Final Report)

Recipient Party:	Minnesota
Claim Year:	2002
Claim Amount:	\$50,000

During the 2001 gypsy moth trapping survey program high moth counts were found at two Twin Cities metro areas and an egg mass survey of the areas revealed hundreds if not thousands of egg masses. Due to these high numbers and the finding of reproducing gypsy moth populations the state of MN began a campaign to eradicate these populations before gypsy moth could take a foot hold in the State. At that time funding was solicited from the Interstate Pest Control Compact and the amount of \$50,000 was granted to help combat this devastating pest.

A total of 2,261 acres were proposed for treatment, the State's largest treatment acreage in history. An intensive public outreach/educational campaign was initiated. Several meetings were held between city, county, and federal officials to discuss the impacts of this devastating pest, control options, and outreach options. Public meetings were held and several notices were mailed to residents discussing meeting dates and times. Individual meetings were held with school officials, and golf course managers within the treatment blocks and a toll free gypsy moth hotline and website was set up to answer public concerns. Several media interviews were conducted and press releases distributed. It was the goal of the Department of Agriculture to make sure the public was informed about the upcoming treatments.

On May 20, 2002 the first round of two Btk (Foray 48F) treatments were conducted by helicopter, starting at 5:00 a.m. Over 25 staff were on site to help the public within the spray blocks, answer media inquiries, ensure public and staff safety, direct spray aircraft and record necessary weather data. Treatments were shut down between the hours of 7:00 and 10:00 a.m. to avoid over spray of school buses and children at bus stop locations. The entire first round of treatments took several hours over 2 days due to weather conditions and bus route shut down times.

On May 28, 2002, eight days after the first initial round of treatments a second round of treatments was conducted. The treatments again spanned over two days due to weather and the necessary shut down times to avoid school buses and children at bus stops.

After the treatment the core of the infestations at both the sites received burlap banding around several of the trees to help determine the initial success of the treatments. Gypsy moth caterpillars will migrate down the trunk of the tree to find shelter from predators and the hot sun during the day and will rest under the burlap giving managers an early indication of treatment success. Two larvae were found at one of the sites two weeks apart. These initial finds caused some concern but looking at the population that was established, the weather conditions that occurred during the spring, and the susceptible host species available for gypsy moth defoliation it would not be surprising for a small percentage of larvae to survive the treatments. We were

concerned whether any remaining larvae would make it through development to become mating moths.

In June, the two treatment areas received intensive pheromone trapping. The core of the two infestations, where egg masses were found, were mass trapped at 3-9 traps per acre with the surrounding treatment area receiving 36 traps per square mile for a total of 761 traps. The survey program resulted in no moths being found in the area in which larvae were found and only 3 single male moths being found in the second site. Data and results are still being analyzed by state and federal cooperators but early speculation is that the 3 moths found within the treatment are in too few of numbers spread out across a large geographical area to sustain a reproducing population. However, both sites will again be trapped at a high rate during the 2003 trapping season to guarantee complete eradication.

Submitted September 17, 2002

By Geir Friisoe, Section Manager, and Kimberly Thielen Cremers, Gypsy Moth Program Coordinator, Plant Protection Section, Division of Agronomy and Plant Protection, Minnesota Dept. of Agriculture, St. Paul, MN

Membership and Committees

Officers 2003-2004

Chair	Charles Sharpe, South Carolina
Vice Chair	Charles Kuperus, New Jersey
Secretary	William Lyons, California A.G. Kawamura, California ^(a)
Treasurer	Carlton Courter, Virginia
^(a) Kawamura of California was elected Secretary at the 2004 mid year meeting to fill the vacancy created by the departure of Lyons.	

Executive Committee 2003-2004

Chair	Charles Sharpe, South Carolina
Midwestern Region	Fred Dailey, Ohio
Northeastern Region	Michael Scuse, Delaware
Southern Region	Gus Douglass, West Virginia
Western Region	William Lyons, California A.G. Kawamura, California ^(a)
^(a) Kawamura of California was elected to the Executive Committee at the 2004 mid year meeting to fill the vacancy created by the departure of Lyons.	

Technical Advisory Committee – 2004 (Selected by Regional Plant Boards)

<u>Central Plant Board</u> Geir Frisoe, Minnesota Thomas Harrison, Ohio	<u>Eastern Plant Board</u> Dick Bean, Maryland Faith Kuehn, Delaware
<u>Western Plant Board</u> John Caravetta, Arizona Richard Wilson, Utah	<u>Southern Plant Board</u> Benny Graves, Mississippi Mike Evans, Georgia
<u>USDA APHIS PPO</u> Mike Stefan	<u>USDA Forest Service</u> Thomas Hofacker

Governing Board

(35 Member States as of July 1, 2004)

Member	Administrator	Year Joined	Member	Administrator	Year Joined
Arizona	Don Butler	1994	North Dakota	Roger Johnson	1973
Arkansas	Daryl Little	1999	Ohio	Fred Dailey	1974
California	William Lyons	1969	Oklahoma	Terry Peach	1999
Colorado	Don Ament	2001	Oregon	K. Coba	1981
Delaware	Michael Scuse	1969	Pennsylvania	Dennis Wolff	1968
Florida	Charles Bronson	1995	Puerto Rico	Luis Rivero Cubano	1994
Georgia	Tommy Irvin	1984	Rhode Island	Kenneth Ayars	1999
Illinois	Charles Hartke	1968	South Carolina	Charles Sharpe	1972
Kansas	Adrian Polansky	1996	Tennessee	Ken Givens	1969
Maine	Robert Spear	1986	Texas	Susan Combs	1994
Maryland	Lewis Riley	1976	Utah	Cary Peterson	1985
Michigan	Dan Wyant	1968	Vermont	Steve Kerr	1978
Minnesota	Gene Hugoson	1969	Virginia	J. Carlton Courter	1974
Nebraska	Merlyn Carlson	2004	Washington	Valoria Loveland	1999
New Hampshire	Stephen Taylor	1968	West Virginia	Gus Douglass	1968
New Jersey	Charles Kuperus	1970	Wyoming	John Etchepare	1996
New Mexico	I. Miley Gonzalez	1981			
New York	Nathan Rudgers	2002			
North Carolina	W. Britt Cobb, Jr.	1975			

Officers History

Term of Office	Date of Election	Chairman	Vice Chairman	Secretary	Treasurer
1968-69	1968 ^(a)	California	Michigan	Illinois	Illinois
		Lyng	Ballo	Larkin	Larkin
1969-70	Feb-69	Michigan	N. Hampshire	California	Illinois
		Ball	Buckley	Fielder	Lewis
1970-71	Mar-70	N. Hampshire	Tennessee	California	Illinois
		Buckley	Moss	Fielder	Lewis
1971-72	Mar-71	W. Virginia	Delaware	California	Illinois

*Interstate Pest Control Compact and
Pest Control Insurance Fund
2004 Annual Report*

Term of Office	Date of Election	Chairman	Vice Chairman	Secretary	Treasurer
		Douglass	Caulk	Felder	Ropp
1972	Jan-72	Delaware	California	Minnesota	Illinois
		Caulk	Felder	Dennistoun	Ropp
1972-73	Nov-72	California	New Jersey	Minnesota	Illinois
		Christensen	Alampi	Dennistoun	Ropp
1973-74	Sep-73	New Jersey	Ohio	Minnesota	Illinois
		Alampi	Abercrombie	Dennistoun	Williams
1974-75	Sep-74	Ohio	S. Carolina	Minnesota	Illinois
		Abercrombie	Harrelson	Dennistoun	Williams
1975-76	Oct-75	S. Carolina	Ohio	Minnesota	Illinois
		Harrelson	Stackhouse	Dennistoun	Williams
1976-77	Nov-76	Ohio	Virginia	Minnesota	Illinois
		Stackhouse	Carbaugh	Dennistoun	Block
1977-78	Sep-77	Virginia	N. Carolina	Minnesota	Illinois
		Carbaugh	Graham	Dennistoun	Block
1978-79	Sep-78	Virginia	N. Carolina	Minnesota	Illinois
		Carbaugh	Graham	Dennistoun	Block
1979-80	Sep-79	Virginia	N. Carolina	Minnesota	Illinois
		Carbaugh	Graham	Dennistoun	Block
1980-81	Nov-80	N. Carolina	California	Minnesota	Illinois
		Graham	Rominger	Dennistoun	Block
1981-82	Sep-81	California	Vermont	Minnesota	Illinois
		Rominger	Dunsmore	Dennistoun	Block
1982-83	Sep-82	Vermont	Michigan	Minnesota	Illinois
		Dunsmore	Pridgeon	Dennistoun	Werries
1983-84	Sep-83	Tennessee	Ohio	Minnesota	Illinois
		Walker	Locker	Dennistoun	Werries
1984-85	Sep-84	Ohio	California	Minnesota	Illinois
		Locker	Berryhill	Dennistoun	Werries
1985-86	Oct-85	Oregon	Delaware	Minnesota	Illinois
		Kunzman	Chandler	Dennistoun	Werries
1986-87	Sep-86	Delaware	Georgia	Minnesota	Illinois
		Chandler	Irvin	Dennistoun	Werries
1987-88	Oct-87	Delaware	Georgia	Minnesota	Illinois
		Chandler	Irvin	Dennistoun	Werries
1988-89	Sep-88	Georgia	Ohio	Michigan	Illinois
		Irvin	Maurer	Cardwell	Werries
1989-90	Sep-89	Ohio	Utah	Michigan	Illinois
		Maurer	Ferry	Cardwell	Rundquist

Term of Office	Date of Election	Chairman	Vice Chairman	Secretary	Treasurer
1990-91	Oct-90	Utah	Pennsylvania	Michigan	Illinois
		Ferry	Wolff	Cardwell	Rundquist
1991-92	Sep-91	Pennsylvania	South Carolina	Michigan	Illinois
		Wolff	Tindal	Cardwell	Doyle
1992-93	Sep-92	South Carolina	West Virginia	Michigan	Illinois
		Tindal	Douglass	Cardwell	Doyle
1993-94	Sep-93	Ohio	West Virginia	Michigan	Illinois
		Dailey	Douglass	Cardwell	Doyle
1994-95	Sep-94	West Virginia	New Jersey	South Carolina	Illinois
		Douglass	Brown	Tompkins	Doyle
1995-96	Sep-95	New Jersey	Arizona	South Carolina	Illinois
		Brown	Kelly	Tompkins	Doyle
1996-97	Sep-96	Arizona	Virginia	South Carolina	Illinois
		Kelly	Courter	Tompkins	Doyle
1997-98	Sep-97	Virginia	Maine	South Carolina	Illinois
		Courter	McLaughlin	Tompkins	Doyle
1998-99	Sep-98	Arizona	Maryland	South Carolina	Virginia
		Jones	Virts	Tompkins	Courter
1999-00	Sep-99	Maryland	Minnesota	California	Virginia
		Virts	Masso	Lyons	Courter
2000-01	Sep-00	Minnesota	Maine	California	Virginia
		Masso	Spear	Lyons	Courter
2001-02	Sep-01	Maine	Oregon	California	Virginia
		Spear	Ward	Lyons	Courter
2002-03	Sep-02 ^(b)	Maine	Oregon/ So. Carolina	California	Virginia
		Spear	Ward/ Sharpe ^(c)	Lyons	Courter
2003-04	Sep-03	South Carolina	New Jersey	California	Virginia
		Sharpe	Kuperus	Lyons/ Kawamura ^(d)	Courter

^(a) First meeting of the Compact was January 1969. Records indicate that officers had been elected or selected prior to this meeting, as meeting was chaired by Lyng of California.

^(b) Due to absence of an Executive Director, no elections were held. Existing slate of officers agreed to serve until next annual meeting.

^(c) Sharpe of South Carolina was elected Vice President at the 2003 mid year meeting to fill the vacancy created by the departure of Ward of Oregon.

^(d) Kawamura of California was elected Secretary at the 2004 mid year meeting to fill vacancy created by the departure of Lyons of California