

The Case Against TARFs

Its-Our-Turn.com
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This paper will discuss the TARFs (Termite Action Report Forms) used to track new construction termite treatments, post construction treatments of infestations, termite inspections and why the TARF laws should be repealed. There are many issues surrounding TARFs, including marginal usefulness of TARF data, little or no benefit to the general public with regards to health, safety and welfare, disproportionately higher cost for small family businesses, fraudulent use of TARF data, privacy concerns, administrative cost recovery for TARFs and use of TARF fees for general agency funding. Arizona is one of the few states that has any TARF requirements.

OPM (Office of Pest Management), which is now part of the Arizona Department of Agriculture, is in charge of regulating structural pesticide uses – that is, pesticides not used for crop production. We use the term pesticide in this paper in preference to termiticide. A termiticide is simply a pesticide intended to target termites. However, a typical termiticide may use the same active ingredients as a general purpose pesticide even though different terms are being used.

Termites are just one of a class of wood destroying insects. However, it is cumbersome to keep using the phrase “termites and other wood destroying insects.” So throughout this paper we have used the word termites by itself but we are including both termites and other wood destroying insects whenever we do so.

Finally, protecting homeowners was the original justification for the TARF laws, but the data in the TARF database applies equally to commercial and non-commercial buildings. So when we use the term house we include all buildings.

A brief history and introduction to current TARF laws

Back around 1989 a body of law was created to mandate the collection of information surrounding termite treatments and inspections. These laws were passed with the cooperation of the existing state and national trade associations, their lobbyists and Director Jack Root of Arizona’s Structural Pest Control Commission (SPCC). The laws provided for an \$8 fee with a provision to raise or lower the fee as needed.

The law was supposed to “protect” potential home buyers by allowing them to find out what pesticides had been used to treat a house for termites and to determine termite activity. As you will see, the TARF system does a poor job satisfying the

The Case Against TARFs

original objectives. More recently, the TARF database has been used to determine if a house was still under a termite warranty.

There are currently 4 laws involved with TARFs:

- 1) ARS 32-2304.A.6: Maintain a computer system for the benefit and protection of the public that includes the following information on termite treatments that are done before or during construction, initial termite corrective projects, preventative termite treatments and wood-destroying insect inspection reports: (a) The name of the individual who performed the work, (b) The address or location of the work or project, (c) The name of the pest management company, (d) The name of the qualifying party, (e) The applicator license numbers, (f) The nature and date of the work performed, (g) Any other information that is required by rule.
- 2) ARS 32-2304.A.17: Adopt a wood-destroying insect inspection report form for use by business licensees.
- 3) ARS 32-2304.E: Each completed form for a termite treatment that is done before or during construction, initial termite corrective treatment project or wood-destroying insect inspection report shall be accompanied by a fee. The initial fee is eight dollars. The acting director may: 1. Adjust the fee upward or downward to a level that is calculated to produce sufficient revenue to carry out the functions prescribed under this section, 2. Establish tiered fees according to the means of submission to encourage electronic submission of the termite action registration form, 3. Assess a penalty of not to exceed one hundred dollars per form for failing to submit the required form or fee, or both, within thirty calendar days.
- 4) ARS 32.2306: A. On or before September 30 of each year, the acting director shall submit a report regarding the number and types of termite treatments as maintained pursuant to section 32-2304, subsection E. The information shall be categorized according to the general type of treatment used, including pesticide, bait, mechanical, temperature and other methods of treatment. If pesticide treatment is used, the report shall include the active ingredient or trade name of the pesticide used, B. The acting director shall submit copies of the report to the speaker of the house of representatives, the president of the senate, the governor, the secretary of state and the director of the Arizona state library, archives and public records, C. If a buyer of real property makes a request to the acting director, the acting director shall make available to the buyer an information report listing all termite treatments reported for the property. The wood-destroying insect inspection report shall state that a buyer may obtain the information report from the acting director.

What data is in the TARF database?

TARF reports are only required for: 1) termite treatments before or during

construction – so called pretreatments, 2) initial corrective actions, and 3) termite inspection reports. ARS 32-2304.A.6 includes the phrase “preventative termite treatments” while ARS 32-2304.E does not.

All construction-related termite treatments are preventative by their very nature. And no one treats for termites before beginning construction because there is nothing to treat until construction begins.

The initial corrective action is the first treatment for termites: 1) after the pretreatment warranty has expired or 2) by any company that does not have a warranty obligation. So this creates two major categories of termite treatments that are not reported: 1) all termite treatments performed under warranty and 2) all on-going termite treatments by the same company following the initial corrective action. Because there is no reporting requirement for these treatments, there is also no reporting requirement for the pesticides used during these treatments.

A brand new house with an ongoing history of termites may have exactly two entries in the TARF database – one of the pretreatment and one for the first corrective action 5 years later when the mandatory warranty expires. Anyone looking at the database would draw the wrong conclusion that the house has only had one post-construction termite treatment, when in fact the house may have been treated many times over that period, and may even have a current on-going termite infestation.

Clearly, the data in the TARF database provides a potential purchaser with a false sense of security because it will rarely be an accurate record of what termite treatments have been done on the house or the current state of infestation. This false sense of security does nothing to foster the public health, safety and welfare.

The TARF database also includes WDIRs (Wood Destroying Insect Reports). We will cover the issues related to WDIRs along with related questions of real estate transactions in a later section.

Public health, safety and welfare concerning pesticides

One argument for establishing TARFs was to protect the public by recording the amount and types of pesticides used in termite pretreatments and post treatments. A few decades ago, the termite industry regularly used restricted pesticides that were harmful to people.

Organochlorine compounds (e.g., Cloridane, Heptachlor) were very popular for termite treatments. Once these were banned due to environmental toxicity, organophosphate compounds (e.g., Dursban) were used. These were also banned under most conditions.

The Case Against TARFs

So the industry has now turned to the new synthetic pyrethroids and wide-spectrum insecticides, all of which interfere with an insect's nervous system. In addition, new classes of reduced risk insecticides are now coming to market. For instance, one new insecticide targets a specific enzyme that only kills the targeted insect. As long as only the targeted insect has the targeted enzyme, nothing else is harmed.

There are also alternatives to soil treatments that are applied directly to wood such as borates and silicates for new construction. Both systems are most effective if applied to the lumber prior to construction. However, the borates are also effective when applied to the wood and concrete penetrations during construction. In addition, these systems do not apply any pesticides to the soil and thus there are no ground water contamination issues. Finally, the total volume of applied pesticide is much smaller compared to soil treatments – compare 5 gallons of borates to hundreds of gallons for soil treatments.

Today there is almost no need to use restricted use pesticides. The pesticides used for termite treatments use the same active ingredients used for many other insect pests. Thus your monthly pesticide treatment for general insect pests – both indoors and outdoors – may be using the same pesticide used to treat a termite infestation.

Clearly, the information in the TARF database does very little to help the consumer know what pesticides have been used in their home and is more likely to mislead the consumer than to benefit the consumer. The consumer cannot be expected to understand the limitations of the database because no effort has been made to inform the consumer about the limitations of the data.

Further, the average homeowner or potential homeowner does not even know that the TARF database exists.

You can argue that restricted pesticides need to be tracked and otherwise tightly regulated – and we agree with that sentiment. However, most of these restricted pesticides have been banned and are no longer in use. Further, these banned pesticides dissipate over time and are washed from the soils around a house. Thus there is no long-term need to keep track of this data. Once 10 years has passed, the data can be considered obsolete and purged. In this case, continuing to keep the old data past a certain point cannot improve the public health, safety and welfare.

The newer pesticides have been shown to be safe enough to be classified as unrestricted. They are available at the local garden shop or do-it-yourself store and anyone can purchase them. Some manufacturers are even offering free web classes to teach homeowners how to apply their products. Thus, the risk to the original homeowner is very low and in any case, the original homeowner will receive the pretreatment information along with the house warranty. The pesticide risk to someone purchasing the house some years later is just about non-existent as the

pesticides have dissipated, decomposed or washed from the soil. In all cases, adding this information to the TARF database will not improve public health, safety and welfare.

There is no reporting requirement for wide-spectrum pesticides when used to treat crickets, spiders or roaches. The reporting requirement only applies if you use the same pesticides to treat for termites and actually call it a “termite” treatment. So all of those regular monthly treatments to control other insects around the house are never reported in the TARF database – even though the same pesticide has been used. Again, the data in the TARF database provides a potential purchaser with a false sense of security because the date implies that no pesticides have been used for long periods of time. A potential purchaser with a pesticide sensitivity may try to rely on the TARF database for an accurate history of pesticide applications. Again, the public health, safety and welfare is not being served.

OPM was asked to do a search for any harm caused by pesticides reported by consumers. OPM was only willing to go back through three years of data. OPM was not able to find a single case of pesticide harm – not one. This includes both pesticides applied by pest control operators as well as pesticides applied by homeowners and gardeners. Remember, homeowners and gardeners are exempt from all training requirements.

Another potential argument for TARFs has to do with newer unrestricted pesticides. What if one of the newer pesticides is discovered to be harmful to the environment at some point in the future and is banned? This argument does not hold up because it only applies to “termite” treatments. It completely ignores all of the pesticides for general use and the pesticides that are sold over the counter to the general public – for which no records are kept. There is very little benefit in tracking just the termite treatment information while not tracking all other pesticide uses. The benefit does not justify the cost.

So how can we promote public health, safety and welfare? Start by ending the false sense of security – get rid of the TARF database. The data is hopelessly incomplete and no one should be encouraged to rely upon it.

Then implement outreach programs. Promote professional and public education about termites. Promote public education about proper drainage away from structures, removing wood scraps from around the house, preventing at or near grade wood contact and keeping cracks and holes filled to prevent termites from entering a house. Promote the use of environmentally appropriate pesticide treatments and methods. Promote the use of permanent termite treatment systems such as borates and silicates for new construction. An ounce of prevention is worth a pound of cure.

WDIRs (Wood Destroying Insect Reports)

The TARF database also includes WDIRs – sometimes referred to as Wood Destroying Insect Inspection Reports (WDIIRs). A WDIR is a report used by the real estate industry on the buyer/lender side of the transaction to determine if the house has an active termite infestation or significant termite damage.

During a real estate transaction, the buyer and lender want to know that the house being purchased is in sound condition. The buyer does not want to purchase a house with unknown defects and the lender does not want to lend money for a house if there is insufficient value to justify the loan. Hence, in any real estate transaction, a prudent buyer/lender will always have a house inspected prior to concluding the transaction.

A house inspector has been trained to evaluate the physical structure of a house, including the structural integrity of the foundation, floor, walls and roof. The inspector also evaluates the electrical system, plumbing system, air conditioning and heating system, ventilation system, doors and windows.

OPM does not allow a house inspector to make a determination relative to termite infestations and damage without having a separate set of termite pesticide licenses – even though the inspector will never be treating an infestation. Further, OPM requires a special OPM form for reporting termites and termite damage. Only a brief summary of the OPM WDIR data is entered into the TARF database.

A house inspector generates a detailed report about the house being inspected. There is no reason why the additional information relative to termites cannot be included in the already detailed inspection report. The only three things the house inspector cares about in an inspection relative to termites is: 1) is there evidence of damage to the house – structural, superficial or aesthetic, 2) is there evidence of an active infestation and 3) are there conditions that are likely to lead to a future termite infestation. The house inspector has no on-going interest in the house once the inspection has been completed.

In any real estate transaction the inspection report is making a representation about the condition of the house on a specific date. The inspection report is good for a limited period of time – typically 3 to 6 months. After that, the data is too old to be deemed reliable and so a new inspection must take place. The more time since the inspection was completed, the more likely conditions are to have changed.

The WDIR summary in the TARF database will never be used by a prudent buyer/lender in lieu of a proper inspection. There is insufficient detail to be useful. As a result, adding a summary of the WDIR to the TARF database serves no purpose in the real estate transaction. Nor does the WDIR summary serve any legitimate purpose from the standpoint of the public health, safety and welfare.

The Its-Our-Turn.com white paper “The Economics of Termite Inspections to Support Real Estate Transactions” discusses the details of termite inspections from the perspectives of the termite industry, the home inspector industry and the buyer.

Inappropriate use of TARF data

Anytime you collect information, you can use it for both good and bad purposes. We have already seen that the intended good uses of this data can lead the public into a false sense of security because the data is too spotty to draw any useful conclusions. We will now show you how the data can be abused to the detriment of the public and to the benefit of large termite companies.

To set things up, let's say company A did all of the pretreatments for a new subdivision. Let's say you run company B and want to take away the warranty contracts from company A. Here is how you do that.

The TARF database contains all of the new construction pre-treatment data. You can go into the database address-by-address for an entire subdivision and extract the pretreatment information for each house in the subdivision. The data tells you who did the pretreatments and what pesticides were used to perform the pretreatments. Arizona mandates a 5-year termite warranty period so the data even tells you when the warranty expires.

Once you know who performed the original pretreatment and when the warranty period ends, you can easily figure out how much the extended termite warranty contract will be from company A and what services company A will include. You even know when company A is likely to start soliciting homeowner for new termite contracts. Now you have everything you need to start marketing your company B to each homeowner in the neighborhood. You may offer an introductory price that is below the extended termite warranty for company A, effectively under pricing company A. You may even choose to offer a lower level of service to cover the difference in price. The customer may never figure out what happened.

There are many shady high-pressure sales practices that are commonly used with this type of termite contract sale. You will imply to the homeowner that you are company A or that you are a division of company A or that you are somehow the rightful affiliate. Another ploy is to imply that the law requires you to have a termite contract, or perhaps that your mortgage requires you to have a termite contract.

Or you can use the database to search for houses that have had a termite treatment in the last few years and go after those homeowners.

We requested data from OPM on the TARF database access. From January 30,

The Case Against TARFs

2012 to February 4, 2012 – four days – there were 721 queries from IP 70.166.111.210, that's 180 per day – 422 times on just one of those days. The nine-day period prior and the 22 days following, there were only 4 accesses per day from the same IP address. You cannot tell me that this is a legitimate homebuyer checking to see what pesticides were used on potential houses the buyer is interested in. Someone was clearly fishing for data.

OPM, who must answer public inquiries is only averaging about 10 queries per day.

From the perspective of a homeowner, the TARF system is nothing less than an invasion of privacy and generates unwanted solicitations. From the perspective of a termite company, it is data to be mined for potential customers or a way to spy on your competition.

The TARF system also generates aggregate data reports available on the OPM web site. On the OPM web site is a monthly breakdown of all TARFs filed by company. These reports are available here:

<http://www.sb.state.az.us/TarfActivityReports.php>

The monthly listing provides you with current month for this year and last, year-to-date for this year and last as well as the current month and year-to-date differences. By analyzing the data, you can get monthly, seasonal and annual trends for your competition. This data has been used in the past to target growing small companies.

Now let's discuss a fraudulent use of the TARF data. Let's say you just bid \$28 for a house termite inspection. For \$28, it is not even worth the gas to drive over to look at the house. Instead, you go to the TARF database to look up the house and view the history. You had already talked to the realtor and the realtor did not see any termites. Based on the history you find in the TARF database and your conversation with the realtor, you write up the WDIR and send it over to the realtor. This fraudulent type of inspection is sometimes called "passing paper" or a "drive by" inspection, and has become so prevalent that insurance policies now have provisions to cover them.

Note that this fraudulent type of inspection would be essentially impossible if a house inspector had done the termite inspection as part of the house inspection instead of termite inspections happening separately. It would also be less likely if the real estate industry paid a reasonable fee for a separate termite inspection.

The TARF data can also be used against your company by OPM. For instance, let's say someone notices a drop in your TARF filings. Someone may assume or imply that you are being non-compliant instead experiencing a drop in termite business. That can result in an audit. And it can also go in the opposite direction. Your

competition may notice that your company has started performing more termite work and make a false claim about your company that gets you audited or even worse.

The bottom line is that TARF data should not be coerced from companies and published on a public web site. It serves no legitimate purpose and can be easily abused.

Can the TARF system actually protect consumers?

What consumer protection does the TARF database offer consumers? History shows us the TARF database has done little to protect the consumer when an inspector or applicator does shoddy work. A few case studies should illustrate this.

Northwest Pest Control pretreated the Laos residence for termites. Northwest was called back 12 times over 2 years to treat for visible termites and still failed to resolve the termite problem. It took a complaint filed by an independent pest control company to launch an investigation. In the end, Northwest had to do a complete retreat, Northwest was not fined and there was no compensation for two years of termite damage on a brand new structure. Laos was not refunded the money charged for the 12 prior treatments even though the house was still under warranty. The TARF system did nothing to help the Laos residence. Case 2007-006.

5-Star Termite and Pest Control was contracted to inspect the multiple buildings on a property prior to being purchased by Brown. The filed termite report failed to report the extensive damage from termites. An earlier report was done just 2 months earlier and reported extensive termite damage. Not only was the 5-Star report bad, 5-Star failed to carry the required insurance to cover a faulty inspection. In the end, the SPCC essentially let 5-Star off. Brown took Shelby Hawkins (owner of 5-Star) to court and received a judgment against her – case CIV-2004-6805, Brown vs 5-Star. The TARF system did nothing to help Dr. Brown. Case 2004-121.

John's Termite and Pest Control was contracted by McKenzie in 2004 to inspect a house. The report failed to disclose termite damage to roof structural members that was clearly visible. Further, the TARF report is filed under the wrong address, making the report impossible to find using normal methods available to a potential buyer. The TARF system did nothing to help Ms. McKenzie, nor would it help any other potential buyer. It is not known if Ms. McKenzie filed a formal complaint with the SPCC but John's Termite worked it out with Ms. McKenzie.

Strike Force Pest and Termite Control was contracted by Ms Collins to inspect a house. The report failed to disclose termites and termite damage. Even the SPCC Board admitted that protecting the consumer was outside of their jurisdictions and that the consumer needed to file a civil case. The best that the SPCC could do was

to issue a warning to the business license. Case 2004-155.

As you can see from the above cases, the TARF system did nothing to prevent an incompetent or fraudulent inspection from taking place. The TARF system did nothing to protect a consumer against an incompetent or dishonest applicator. And the TARF system did nothing to compensate the consumer for the damages done. In other words, the TARF system did nothing to help the public health, safety or welfare and is nothing more than a cash cow for OPM and bureaucratic overhead for all termite businesses.

The issue is that the regulatory agency has refused to hold the company and the individuals responsible – especially when the company clearly knew it was doing wrong. In the enforcement, there is no real distinction between de minimis violations and serious violations that result in significant damages. Instead, the agency does nothing and the customer is forced to file a civil law suite to recover damages. Again, there is no consumer protection.

Groundwater protection

The latest justification to keep the TARF database is groundwater protection. The Department of Environmental Quality publishes a list of pesticides that must be tracked when used for crop production when sprayed directly on the bare ground to stop weeds or subsurface insects and incorporated into the soil.

There are two classes of pesticides used by the structural pest control industry – pre-emergents and termite soil treatments – that are similar in character to the pesticides used for crop production. The difference between crop production and structural pest control is the amount of pesticides applied and the number of different applications. Crop production is characterized by a small number of applications over large areas. For instance, a field may be tens or hundreds of acres in size and may be treated at multi-week intervals. Structural applications are characterized by hundreds of applications to small plots (fractional acre size) with the small plots spread over wide geographic areas.

The thought was to force structural pest control to start reporting all applications – just like crop production. Filling out one form every few weeks for a large field is much different than filling out hundreds of forms a month for a bunch of tiny disjointed plots. It is a huge overhead for any business, especially a small business. Even if you only file a composite report once a quarter, there is still a huge amount of recordkeeping required which represents a huge burden on a small business.

This is where the TARF database comes in. Termite pretreatments are already entered into the database. Just require all soil treatments to be entered. Then you can expand the TARF database to include herbicides. Can you say regulation creep? On a typical pre-emergent application, you spend 30 minutes applying

pesticide and 5 to 10 minutes filling out the forms or doing the data entry. This is simply impractical.

Then you must ask what to do about homeowners and gardeners (yardman) who can purchase these products at any garden supply shop and have no reporting requirements. You will never get homeowners or gardeners to fill out the paperwork or do the data entry.

All this to justify a bureaucratic process that only serves big government and helps large corporations by putting the small companies at a severe disadvantage. And what is the benefit to public health, safety and welfare? Where is the cost benefit? There is none.

Administrative cost recovery for TARFs

All 4 of the laws noted above address the TARF database. ARS 32-2304.E.1 says: "Adjust the fee upward or downward to a level that is calculated to produce sufficient revenue to carry out the functions prescribed under this section." In the narrowest interpretation of "functions prescribed under this section", the phrase refers only to ARS 32-2304.A.6, ARS 32-2304.A.17, 32-2304.E and ARS 32.2306. The obvious intent of ARS 32-2304.E.1 was in reference to the expenses needed to carry out the administration of the TARF database - and nothing else.

The clear intention of the legislators is to make the TARF system self-funding and self-supporting. That is, the fees should be high enough to cover the cost of creating the forms, setting up and maintaining the database, processing the forms when they came in and processing potential buyer requests for data. Obviously, this has to include the required personnel, benefits for the personnel, any equipment and building space to house the people and equipment.

It can be argued that in the first year or two, the fees had to be higher to amortize the startup costs that included writing or buying the needed software, hardware procurement, testing, procedural changes and the like necessary to get the TARF system up and running smoothly. During that period, perhaps the original \$8 per TARF report was appropriate. But after everything was up and running smoothly, the fees should have been lowered to reflect the actual cost of operating the TARF system – as is prescribed by law. The cost of administering the TARF database has recently been estimated in the \$2 to \$3 range per filed TARF report and much less if the termite company does the data entry. Thus the current TARF fees are much higher than needed to cover the cost of the program.

Use of TARF fees for general funding

As soon as the TARF laws were enacted, SPCC Director Jack Root interpreted the laws quite differently from the obvious meaning discussed above. Jack Root

The Case Against TARFs

interpreted "functions prescribed under this section" very broadly, to include all parts of ARS 32-2304 - especially ARS 32-2304.A.2: "Administer and enforce this chapter and rules adopted pursuant to this chapter." This interpretation gives the administrator the ability to change the TARF fee to match any amount of general operating expense, without restriction.

All subsequent administrators of structural pest control regulations have continued to use this interpretation. Instead of lowering the fee for filing a TARF, the fee has been kept the same and the excess revenue has been added to the general fund.

The broad interpretation of the law leaves us with the current situation that the TARF fees have become an agency cash cow that funds most of the regulation of the structural pest control industry. This gives rise to two problems. The first problem is that the agency has no incentive to downsize and become more efficient or more responsive to the needs of the regulated industry. The second problem is that the burden of funding has shifted disproportionately to one section of the industry. Although the ratio changes depending on the year, in recent years, agency funding typically shows 75% of funding coming from TARF fees.

The discussion of how to fund pest control regulation is beyond the scope of this paper. However, TARF fees should not be used to fund the regulation of the structural pest control industry. After all, the Department of Agriculture can regulate crop production pesticides already (800 certified applicators at \$35 each) and structural is no more difficult to regulate (8000 certified applicators at \$55 each).

The penalty for being late

Is it reasonable to put a company out of business because they are late in filing their TARF paperwork or fees? It has happened many times in the past. A \$100 fine per late TARF filing and/or late fee payment – without limit – seems rather Draconian. Reasons for being late often include family issues in a small family-run business or final grade complications that are no fault of the pest control operator. Even the IRS allows for scheduled payments.

Job destruction for small family businesses

The TARF system of paperwork and fees actively destroys jobs in the pest control industry. And TARF affects the small family businesses disproportionately.

Each TARF will take around 15 minutes to fill out and process when done one at a time. There is a small savings if several can be done at one time. In a small family business, the owner is the one who fills out the paperwork. When the owner is filling out paperwork, he is not making sales, providing pest control or doing other tasks that can generate revenue. So the owner's hourly cost of processing the TARF

paperwork is the value of the revenue that could have been generated – which can be in the range of \$50 to \$75 per hour. Using the lower amount, each TARF costs a small business \$12.50 plus the fee of \$8 for a total of \$20.50. Filing TARFs is even more expensive if you mail in your TARF with a check – the fee goes up to \$16, making the total a whopping \$28.50 per TARF.

In a large company that does termite work on a regular basis, a low wage office worker can be trained to process the paperwork in batches at a much lower rate. Assuming the burdened cost (hourly wage plus overhead) of the office worker is \$10 per hour and the worker can batch TARFs through at 10 minutes each, the cost of processing the TARFs drops to \$1.67 plus the fee of \$8 for a total of \$9.67 per TARF.

To cover the cost, the business must increase the amount charged to the customer – or settle for making less money. In a today's tight economy, passing this cost on to the customer can price you out of the market.

Notice that it costs the small business two to three times as much to process each TARF compared the large company – a significant cost disadvantage.

By the time you add this additional cost onto the normal pest control fees, a customer may decide you are just too expensive and call someone else. The customer may decide to go the do-it-your-self store, purchase the pesticides and do the work on his own. In either case, the small business lost the work because of the TARFs.

Summary

When the TARF laws were originally written, the termite industry was a very different industry. The industry used restricted pesticides on a regular basis. But those pesticides were banned and are no longer in use. Thus, the need to track the use of those restricted pesticides has passed.

The TARF database does not contain reliable information that can be depended upon for use by the real estate industry – most notably the buyer and lender. In fact, the only document needed for a real estate transaction – the inspection report – is entered into the TARF database *after* it's usefulness has passed. Thus, the TARF database serves no purpose in a real estate transaction – which is the only purpose of the database written into law (ARS 32.2306.C).

The TARF data can be abused for marketing purposes, generating bad inspections, spying on competitors or forcing audits. None of these help protect the consumer.

Finally, the TARF paperwork is a significant overhead on the termite industry. Countless hours are spent filling out TARF paperwork that serves no purpose. And a fee is then charged for processing the TARF paperwork. And all of these costs

The Case Against TARFs

must eventually be passed on to the consumer – which can price the pest control treatment beyond what consumers are willing to pay and encourage them to go the do-it-yourself route. Increasing the cost of pest control because of TARFs destroys jobs in the pest control industry and prevents job creation.

The TARF laws do nearly nothing to further public health, safety and welfare. These laws fail to demonstrate any cost effective return on investment. The TARF laws and their associated rules should be repealed. The TARF laws are out-dated and no longer serve a legitimate purpose.

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