

COMMISSION MEETING
January 16, 2003
MINUTES

I. Call to order and roll call

Commissioners Present: Commissioner Burrows, Fraker, Hartley, Micuda, Peterson and Robinson

Commissioners Absent: Commissioner Hale

Staff Present: Lisa Gervase, Carl Martin and Maggie Vazquez

II. Call to order and roll call

Chairman Micuda called the meeting to order at 9:08 A.M.

III. Legislative Update regarding proposed amendments to A.R.S. § 3202301 et. seq. including the outcome of the Arizona Pest Management Association's Board Meeting on January 14, 2003 (Lisa Gervase)

Lisa Gervase gave an update of the AMPA meeting on January 14, 2004 Board Meeting with regards to the legislation. The meeting at AMPA on Tuesday basically the Board noted that the Structural Pest Control Commission has taken no position at the present time on this proposed legislation. They decided to go through the proposed legislation page-by-page, actually line-by-line and put each proposed change into category "A," "B" or "C." "A" being that nobody had any objections to the proposed changes, "B" being there were some objections, but overall people probably could live with it and will go with that language, but keep working on the language so that there is more of a consensus, so that anybody that had objections can provide input and we can work on that language, and "C" being there were strong enough objections that the APMA Board was willing to pull that language out. Ms. Gervase will highlight for the Commissioners what fell into not so much into the "A" category because by default if it was not in the "B" or "C" category it fell into the "A" category.

What fell into the "B" category which means that it is language that is proposed that is currently in a bill that she believes that was actually opened on the 15th yesterday, but we have time to continue to work on this language and that includes the deletion of the definition of apprentice. Commissioner Peterson asked if these were "B's." Ms. Gervase responded they were the "B" categories. Repealing the definition of apprentice is a "B" category.

Repealing the definition of Branch Office is supposed to be a "B" category, but as Carl and Lisa were just reviewing the bill that got the folder opened yesterday, this morning we see that it did not get repealed it looks like the same language, we do not know if it is a typographical error by legislative counsel because that was supposed to be in the "B" category, as well. Meaning the

proposal to repeal would still be on the table and everybody can continue to discuss it and hopefully then before a legislative committee hearing we can have some sort of consensus or can we all live with deleting that or is there strong enough objections that we need to leave branch office in but that is a “B” category.

The addition of Fungi is in the “B” category. The mold inspection report addition is in the “B” category.

The proposed new definition of qualifying party is in the “B” category although there was some discussion and a compromise to come up with a little bit of middle ground of language on a proposed new definition of qualifying party to read “Qualifying Party” means an individual who is licensed by the Commission to ensure the supervision and training of employees of a business licensed in the business of structural pest control. Rather than is licensed to supervise and train because realistically in a lot of businesses the QP cannot possibly personally supervise and train all the employees, but they can ensure that supervision and training responsibilities’ take place.

The proposed deletion of the definition of wood destroying pest or organisms is in the “B” category. Wood destroying insect report instead of wood infestation report is in the “B” category. The new definition of wood destroying insects is in the “B” category.

Changing the makeup of the Commission member, who has a bachelor’s degree, entomologist, pathologist, toxicologist, so forth. Changing medical doctor, doctor of osteopathy to health care provider that is in the “B” category. To work on the language health care provider. Since Ms. Gervase is talking about the qualifications for Commissioners jumping to the “C” category the proposed change to say that at least two of the three industry members on the Commission have at least 25% ownership that is in the “C” category. That language was taken out. The changing the two-year prohibition of being affiliated with the industry prior to appointment as a Commissioner to five years that is in the “B” category.

Having the new language pertaining to an inquiry that comes to the Commission as opposed to starting things right off as a complaint that is in the “B” category, so anywhere in here where the word inquiry that is in the “B.”

The guidelines that last year the legislature wanted the Commission to prepare for Integrated Pest Management Program that is in the “B” category, but language was added to limit that to schools because the consensus of the understanding of the purpose of having the Commission prepare guidelines for Integrated Pest Management Program was that it is limited to schools.

Issuing an identification card to each qualifying party and licensed applicator that is in the “B” category because some people questioned whether the Commission should be in the business of issuing identification cards.

The two issues that we discussed at the Commission meeting last Friday where we moved the Commission’s authority to approve proposed consent agreements from the “shall” category to the “may” category that was done and then deleting some of those Administrative provisions from not

being able to be delegated. The language about advisory notices for De Minimis violations that is proposed to be repealed that is in the “B” category. There was an original proposal on this bill was to delete the requirement that the Commission notify a business licensee, qualifying party or certified applicator of any requests for review of those licensees’ records within ten days of that request. That is was going to be proposed to be repealed, but there seemed to be a lot of objections to that, so that language is going to stay in and that is in the “may” category of what the Commissions duties are and not the “shall” category, so it is up to the Commission then if it is in within ten days, so if anybody is ever requesting any records of a business licensee, qualifying party, or applicator whether we are going to have a policy that we notify those licensees of that request.

The duty of the Commission to issue renewable and revokable temporary qualifying party licenses to an applicator who is the representative of a business if the current qualifying party becomes disassociated that is in the “B” category.

Going over to the section of the statute, which is 32-2307 where we require business licensees to notify of any pesticide applications at schools. The current language says public schools and the word public is being deleted in the current draft it is not deleted and it is probably a typographical error. It should be all schools according to our definition of schools a little later in that same statute and we made a couple of grammatical changes to the paragraph of 2307 because currently paragraph “A” says the Commission shall require business licensee to notify. We changed that to a business licensee shall notify we are making it a more affirmative voice rather than passive voice. Same thing with paragraph two it currently says the Commission shall also require that prior to something the application of a pesticide at a school the business licensee shall provide notice. That is more of a grammatical change. Again the categories of adding fungi and changing wood infestation report to wood destroying insect inspection those are all in the “B” category where the proposed language is on the table right now and everyone can still work on the language. The requirement that a licensed applicator who wants to work in a category for which they are not currently licensed has to be licensed within 30 days of beginning that work that is in the “B” category because there was some discussion the 30 days should be 90 days and so there may need to be more discussion on whether the 30 should be 90 to be consistent with the other 90-day requirement in the statute.

Qualifications for qualifying party. Basically the APMA Board agreed to modify that language to what we discussed at the last Friday’s Commission meeting, so currently the language on the table for qualifying party requirement is that the applicant has to present evidence of 3000 verifiable hours of practical experience in the business of structural pest control or 2000 hours of practical hours in the business of structural pest control and have completed the 12 semester hours in various subject matter. There was a consensus that the number of hours was better than putting two years or one year and practical experience is good and opened it up to the business of structural pest control rather than field experience that is the language at this time. If that language passes mostly likely than that language will conflict with our Rule for qualifying party qualifications that says that we cannot include sales and it also includes clerical. Sales experience that someone has to determine whether they can get qualifying party, so if that is a conflict, the Rule would not be enforceable and the new statute would be.

The reason why Ms. Gervase thinks it is a typo that legislative counsel did not delete the definition of branch office is because later it is in this new proposal. There is some inconsistencies in this bill that's on the table as of last night with the branch office. In some places they deleted references to branch office and some places they didn't, but the decision out of Tuesday's meeting was that should be in the "B" category for everyone to still talk about. Chairman Micuda stated it was his understanding that Bert had the biggest problem with that and that near the end of the meeting didn't he make a point that he didn't feel it was an issue anymore. Lisa Gervase commented, he did, but she thinks that Commissioner Hartley had some concerns about that and everyone thought it was still important to keep it in the "B" category to continue to discuss it so nobody felt like it was not on the table to discuss.

The other important point is that the proposed requirement that qualifying parties have a primary residence in this state that language is taken out and it ended up in the "C" category.

The Continuing Education is the next big issue that the new proposed language of the Continuing Education was actually put in the "C" category to be wiped out. As Carl and Lisa went through this latest bill they saw that it was not deleted. Again that may have been a typo which certainly can happen when people are trying to get bills introduced at the last minute. Commissioner Peterson asked that would stay as it currently is. Lisa Gervase responded "exactly." The applicators and qualifying parties would get a minimum of six hours in the preceding year in order to renew their license. Instead of the proposed 8, or 12 or 16 whatever it is because there seemed to be quite a bit of concern about the increase in hours and because it was one of the hotter topics that language is now off the table and we will have to talk to legislative counsel as to why it is actually still in this latest draft.

Already talked about the De Minimis violations for which currently Administrative Warnings can be issued. That proposal to repeal that language is in the "B" category. The Identification Card issue is in the "B" category.

We currently have language in our regulatory section that allows the Commission to impose disciplinary action on a business licensee if the business licensee has committed a prior violation of the same type including any violation of an employee of the business licensee. Ms. Gervase stated if you recall from Friday's Commission meeting that Mike Denny raised the question of well that language should be changed, this language has never been on the table to be amended. Mr. Denny raised that issue on Friday and at Tuesday's meeting that the business licensee should not be on the hook for a prior unless the business licensee has been found culpable in that prior. The language is in the "B" category for people to discuss and for a consensus to propose a change to that language.

The proposed new language for the business licensee is that they can be disciplined if they fail to notify of a change of name or majority ownership status or sells all or part of the business and there was a decision to slightly modify that proposed new language to be that the business licensee can be disciplined if it changes its name or majority ownership of the business and fails to report it to the Commission. Rather than adding the selling or part of the business that was not necessary. That whole notification of business ownership is in the "B" category to discuss that language.

Currently the Commission only considers complaints filed within three years of the date of the alleged act or omission. The proposed new language was going to increase that to five years and there was a big concern and so that language is back to the current three years.

In the treatment proposals section of the statute 32-2323 there is proposed new language that the treatment proposal shall have a statement describing a treatment or alternative treatments. That language was rewritten to say a statement describing a treatment or repair method including the name. That is not the current language. There was a proposal to say that in the treatment proposal the applicator had to list all alternative treatments and methods to alleviate the pest's problem and this proposed language was deleted because there was a lot of concern that we should not mandate what a business licensee puts in its treatment proposals as far as alternative treatments to alleviate pests and if that sort of thing is necessary we can put it in a Rule.

Commissioner Peterson asked for clarification of what it says. Ms. Gervase responded the proposed new language used to be in the treatment proposal we were going to add the requirement that there be a written statement of alternative treatments and methods. The language that was going to be proposed has been deleted. Because there was some concern that why should the Commission be requiring a business licensee to put alternative methods and treatment in their treatment proposal that is really between the business licensee and their customers. Chairman Hartley brought up a point and a good point it can probably be handled in Rule. The reason that whole thing came about years ago because it had to do with fumigation had to do with companies telling consumers that the only way their house could be treated was by tent fumigation for a lot of money. The University of Arizona got involved in that because of the consumer issues that it raised and that is why that issues became a hot topic. Commissioner Hartley stated it can be addressed in Rule, but it still would need to be reviewed. Ms. Gervase commented it probably falls back on the consumers would talk to more than one business licensee especially if they are going to do an inexpensive treatment and there is only so much protection and hand holding we can do, but she thought there is enough concern and the consensus is just take that language out for now and revisit it in either another legislation or in Rule. Commissioner Fraker stated Commissioner Hatley made a good point. In relative to fumigation, the concern in normal sub-work we are doing a regular job that is probably where you make a certain recommendation for treatment to be mandated to make an alternate treatment as far as that proposal. Ms. Gervase stated the need to only focus on fumigation only. Commissioner Hartley stated it could probably be done in Rule and that Commissioner Fraker brings up a good point about sub all anybody ever put in that when we had that. At one time it was in Rule at one time everybody put no alternatives in the subcategories.

That last "B" category issue is we proposed deleting the language that prohibits a business licensee from issuing a guarantee for subterranean termites relating to spot treatments of a structure for sale or involved in refinancing unless the licensee has first treated the entire structure. That paragraph is proposed to be repealed and it is still on the table as proposed to be repealed, but it is in the "B" category for further discussion. Carl Martin stated we might say there is still rule language that would still be applicable on this and would require the Commission to come back because what this legislation doesn't do is prohibit the Commissioner from establishing that as a Rule it just takes it out of Statute and allows it be handled in Rules at the Commission's discretion. Ms. Gervase stated that is a summary of what happened at the APMA meeting in terms of what is still in there as you

last saw it, but in the “B” category and the real objectionable items are off the table, and the “C” category any inconsistencies is the Branch Office that Ms. Gervase and Carl noticed five minutes to nine this morning. We will follow up on that with legislative counsel or Barry Aarons. Everyone is pulling together and everyone is listening and trying to make compromises in order to hear those concerns and give those people more opportunity time to work on the language. At this point, if you want Carl to give any explanation as to maybe where we are right now and the timing of things. Ms. Gervase’s understanding is that we are not likely going to have a committee hearing with Representative Regan who is sponsoring this bill with her committee until probably Monday, February 3rd, or Monday, February 10th. Most likely it will be the 10th because of late submission. Both Carl and Ms. Gervase certainly will be there and anyone else who would want to be there. If the Commissioners are so inclined and give us some marching orders where you feel comfortable voting on endorsing this proposed legislation as it stands right now or not, but Ms. Gervase will leave that up to the Commission.

Commissioner Peterson had a question if we want to provide feedback on this who do we provide that to, as this point could we still provide that to Carl and you. Ms. Gervase responded, absolutely the appropriate channel is to provide it to Carl, since Ms. Gervase she is not official, both are working together communicating with the Association and they have been very cooperative in listening to any concerns and potential language changes. If there are things right now the Commission as a whole after a vote just absolutely cannot live with you probably need to tell her and take a vote on it. If you feel ok with it the way things are now being the “B” and “C” category maybe you can vote to endorse this, but everybody comments it really is productive if they go to Carl and Ms. Gervase and then they would probably need to discuss it as a full Commission because we cannot bring a Commission position to legislature or anybody if it is not voted on by the full Commission.

Commissioner Burrows asked if they do not take a position on this will they have any leverage on this bill or will they be left hanging out. Ms. Gervase stated we will have less input than if we were an active participant. Ms. Gervase stated Representative Regan who has been asked to sponsor this will probably feel less inclined to even move the bill forward if there is not some endorsement by the Regulatory Agency, it is possible that because it was introduced fairly late that if there is not some endorsement that her committee will feel less inclined to even move it along and it is possible she would feel that we don’t have as much credibility. Commissioner Burrows stated if we don’t get involved there is a good chance the APMA language they want they will get unless we as a Commission or a lot of people individually go down and oppose it during any hearing.

Chairman Micuda stated he talked with Scott Richardson and Barry Aarons after the meeting and Barry made it very clear that he envisions the process being open as it should be and that whether we take a position or not although it is critical that we do take a position and endorse this, if we do as a group or a majority feel that certain amendments need to be authored or rebutted or whatever or even individual members on their own behalf anybody in the state is going to have an opportunity when this goes to hearing to go down there and explain why you think something is good or it is not good. Chairman Micuda was concerned about this, he just wanted to confirm this with Barry that there isn’t anything to be taken out of the bill or added to it without people having an opportunity to take a look at it and address the Committee on it and that is how the process is going to work.

Chairman Micuda had a question if language is added there to take care the applicant qualification issue that was brought up last Friday. If the language is not there then we need to have an amendment. Commissioner Burrows had a question on the credibility issue with us as a Commission if we take no position, he would hate to have the legislature thinking that we do not care. If there is certain language object able to any of us then we need to address that and we can address that through amendments through the bill once the process starts. If we take no position now and lose our credibility and if we do argue against anything later it will lessen our positions. Chairman Micuda stated that is why he called this meeting and it is important that we take a position.

Lisa Gervase stated to answer your question and that reminds me there were two issues she forgot to mention to update the Commissioners on is in light of the issue that came up at Friday's Commission meeting with the applicator who was caught stealing the exam, since we don't have a specific statute and rule to address that we will certainly be addressing from a practical standpoint, so last chance of it ever happening again. It made sense to have in our applicator's qualification section of the statute which is 32-2312 mirror language to what we already have in the qualifying party licensing qualifications statute which is a sentence that says: "an applicator should be of good moral character a felony conviction may demonstrate a lack of good moral character." Currently those two sentences are in our qualifying party statute licensing language, but not in the applicator, so that new proposed language is now in this and we could have denied that person their applicator license for lack of good moral character.

There has been some discussion over the past year by the Commissioners in terms of this agency not having had a final strategic plan in place, now certainly that is something that should be and all you need to do is Order your director to do it and there is a draft and that is something Ms. Gervase will be working on, but under the Commissioners' duties under the "may" category language saying that the Commission may prepare an annual strategic plan has been is the exact language in the whole "may" category. Commissioner Fraker wanted to say a couple of things on several of these improvements and changes in the last year because of the insurance clauses has been resolved. Then in addition, all of Commissioner Hartley's issues were brought to the table and they were all discussed and several of those items were reviewed and accepted for instance 25% ownership, continuing education for the applicators, out-of-state issue for QP's. There was a good discussion on the branch offices, what he noted that they decided to accept your position on that and that the branch offices stay, but what he is hearing now that is still in the "B" category.

Commissioner Hartley has read the house bill seven times and there are some things he is willing to compromise on some things look very good in here. A couple of things from a business stand point, but he also looks at it from a Commissioner's standpoint and there are a couple of things he feels really strongly about as a Commissioner only and not even as a member of the industry. They have to do with some of the classifications that we are getting ourselves into, we want to be as far away from mold as we can possibly be, we don't have the expertise, we don't have any testing, we don't have anything. We have a new director with a lot of things on her plate and for us to jump into something that nationally is just immensely a controversial subject and to open a category this will be a major mistake on part of the Commission, we will live to regret.

Another thing that no one spoke about was something that we have discussed at the Commission

meeting and thought it was a dead issue at the time, but the idea that we are going to stop construction under the "may" category on a Pre-treat if we know it has not been done, it opens us up to problem areas. Number one the contractors won't like that, two it puts us in a position down the road of being sued as a body for not having taken that action if it is allowed under law. It is a wonder the Registrar of Contractors does not get sued because it is in their law and they refuse to evoke it, so we have discussed that at the Commission meeting and Commissioner Hartley thought it was dead and then all of a sudden it appeared in here and he has not heard anybody comment on it and he does not know what happened at the meeting on Tuesday concerning this matter.

Lisa Gervase stated she would like to comment on both of those, as for the mold category, she could handle either way as your Executive Director that is up to the Industry and to the Commission. The Stop Construction language is in the "may" category which doesn't make us halt construction it is discretionary and she has a guess that it is not going to fly and the Home Builders Association will probably jump all over that language which is probably ok because another purpose of that language or at least the attempt to get that language in is to satisfy the Auditor General because in their 93 or 96 audit of this Agency that was a big issue for them which was stopping construction if a proper Pre-treat was not done and essentially although they don't have the authority to mandate us to do things they can certainly do others things to this Agency that we don't like them to do, so by at least making the attempt to get language through if it fails or if it stays in the "may" category and we never use that authority we satisfied that very significant regulatory hurdle that we as an Agency has. Even if that language passes it would need so much work to ever implement.

Chairman Micuda stated he does not see the Commission being sued for not exercising its discretion in the "may" category, so that is a nonissue. The other thing regardless, let say it stays in we would have to figure something out, but one of things that he considered when the idea was proposed to leave that language in there, so the builders do get wind of it because then it is going to raise the issue. Chairman Micuda's understanding from staff is to get the ROC to talk with us because it has always been rebuffed, so he hopes there is some discussion about it because maybe people will realize that the ROC is already mandated to do something here and it has not. Chairman Micuda does not care if it stays in there or not, but hopefully it will encourage some discussion. As far as the mold, respectfully Commissioner Hartley, Chairman Micuda totally disagrees and he thinks this is something that is already ambiguous as to whether or not we have involvement in this matter. The reality that this isn't regulated by anybody in the state. It seems to him that if we "step up to the plate" and take it on we are accomplishing a couple of things, one we are bailing the legislature out of this predicament that they are going to be faced with once they get out of the budget crisis. By stepping up to the plate, we gain some creditably and standing with them because we are taking it on and we have some control over how we take it on, we set up the category, the test, and nobody ever gets licensed in it what do we care, but at least the mechanism is there so that people can get involved in it. The other thing, Chairman Micuda does not want to lose site of is the legislature considering merging us particularly with Agriculture, he does not buy it and the Governor has consistently been talking about reviewing things, consistently talking about mergers and he does not want us getting merged into Agriculture there is a benefit from that, but if we take on mold he thinks we are untouchable. Chairman Micuda has talked with a number of legislators and the mere fact that we are going to take that on, we have gotten their attention and he does not feel there is any interest at all about merging us with Agriculture. Chairman Micuda states that this is still on the

table and he has been told that, so it does not matter if people do mold or not, but it will land on someone and we are one of the top pick, if it is going to land on us we might as well have some control over how it is going to land on us and then to the extent of how we are going to take it on and it isolates us and so when they go through and start cutting budgets and consolidate different state agencies, he does not feel this agency will be on the table and those are his reasons why he is supporting it.

Commissioner Hartley has some concerns. The ROC has had this in law for ten years and they have never invoked it, it does not matter how many times we have told them about pre-treats that is Arizona Revised Statute. Does not want something to fly through and when it gets to the Governor that is when the Home Builders say wait a minute, this can stop construction in the state do all kinds of damage and may stop construction what is the criteria where you wouldn't stop construction. What is the criteria your Commission uses at a Pre-treat where only 85 gallons is on and it should be 3000 and on this one you stop construction and on this other one you did not stop construction. That is a big "may" and Commissioner Hartley does not like answering those "may" question when you are called in front of the court. Chairman Micuda made a statement that the language is too open and we deal with these issues of discretion at every meeting we go to. We should inform the builders and ROC about that language and hear from them early. If it is something that they really strongly oppose then all you need to do is take it out. Commissioner Fraker commented that the industry and the Commission has to stand up to the builders because they are the contributors of why we have the problems we have. Commissioner Hartley stated it is in law already and nobody has done anything to them and it has never been invoked. Chairman Micuda sated the ROC must have discretion of what we are proposing to deal with the provisions. We do have some leverage here and that is we have the Auditor General's report. Commissioner Fraker commented to Commissioner Hartley he made a good point on the mold issue and that is one reason why in changing the verbiage to insects and eliminating the organisms, so that people who don't want to be in the mold business which is probably 99 or 98 percent of the people in our business would provide reports and do inspections for insects and by leaving the organism out it takes the onerous out of that group of people and then for those people who want to be in the mold business for whatever reasons and who want to follow that course there would be an avenue for them to do that by certification or through a different category and not subject the whole industry to that interruption if mold falls under organisms as it does now. Commissioner Hartley would like to see wood destroying insects and get rid of that fungus in another context, but what he is saying the home inspectors have been certified to do mold inspections by the state. It is the raydon, asbestos, lead paint of the 21st century and there is going to be lots of room for rip offs, complaints, theft, and fraud. Anything we can do to stay away from that and there is nothing more embarrassing for the Commission to be spending a lot of time on mold and not a single company would inspect for mold. If the home inspectors want to do that and if they are certified by the State the smart thing for the Commission to do is let them do the inspections. Chairman Micuda stated he has not doubt it will explode or it already has since it is a huge issue. If the Legislature did not have the budget this would be on their plate because when Chairman Micuda brings it up to the people he talks to they know all about it or they think they know and it is a pressing matter. One way or another the Legislature will plant it on somebody. Chairman Micuda's analysis's with it is we are going to end up with it one way or another and the only question is when and how and it seems to me that we want as much control over this as we can get. By setting up a proposal and we have control of how

we are going to take it on, how we are going to do this. It insulates us from the budget. Apparently there are people out there that are really interested in the inspections and the remediation. Scott Richardson told Chairman Micuda there are a number of clients who are interested. Chairman Micuda stated this will be hard and difficult on all of us and he stated "yes" because it will be our responsibility to come up with a regulatory scheme that will protect people. Chairman Micuda stated that is why Commissioner Hartley and Commissioner Fraker who are in the industry are so critical to the Commission because you know the pitfalls and he does not know anything about this stuff and he would prefer that the Commissioners make policy on how someone can inspect and remediate mold than the Board of Technical Registration which does not know anything about it. Agriculture does not want it and they are probably not in a very good position to take it on and DEQ forget them. Commissioner Hartley asked about Commissioner Micuda about Raydon, it was the scare thing of the mid-90's and some of the people in our industry wanted the Commission to be involved and they refused. Some people went out and did Raydon inspections and there was some fraudulent activities. That is where mold will be in the next couple of years, it is going to arrive, it is going to be blown up and a lot of litigation and then it will go away. Commissioner Burrows stated that mold is visible.

Commissioner Hartley stated what they are talking about is the mold the fungus that we talked about wood destroying organisms that is visible that is "wood rot." That is not the mold they are talking about, the mold they are talking about is not visible it is almost always invisible that is in the walls. We can go ahead and start writing mold tests, we don't even have tests for some of the categories that we have right now, but if we want to write mold tests and we have the resources and time available, if that is what the Commissioners want to do, Commissioner Hartley will not oppose it.

Commissioner Fraker stated he would rather be in the wood destroying insects business and not the organisms business. This is something we will have to sell to the real estate people because there are a lot of states that do wood destroying insects inspections and if we can get away with that with FHA and VA report for closing and they will accept that then he would be in favor of that and then handle the wood rot which is in the fungus family and handle that a different way. What he would not like to get into as a Commissioners for the consumers of Arizona is a total anarchy where we tell a consumer you want to sell your house you have to have a wood insect report and then that wood rot you would have to find a fungus person to do that, we can't do that, so the consumer instead of being benefitted by our law in fact, will be put into a tail spin.

Chairman Micuda asked if there were any other questions. Commissioner Hartley stated he can only support 80% of the bill, probably 85% as a Commissioner and maybe 75% of it as an industry person, so he knows how to address as an industry person, mainly his problem is with the branch office situation. Commissioner Hartley has not been told how (a branch office for a large company is a communication device with the Commissioners) records are kept at a certain place, they have a storage area, whatever. When we do away with that we create a lot of confusion as to where are things. Because we then say in law you will deliver a WIR to your business address, where is the business address. Commissioner Hartley's objection to it is the logistics of it than from any preconceived status quo, he does not understand how getting rid of it benefits the Commission or the industry. Commissioner Hartley is going to object to that one until someone explains it to him, it creates a very difficult management situation. Commissioner Fraker after reading your brief and

checking into this and having some discussions and based on what he heard at Tuesday's meeting that will be a questionable move and he does not have a problem with it at all to supporting Commissioner Hartley in that area, some valid points have been made even though they are not a branch offices and there are not a lot of branch offices for the majority of the companies, but in your situation and other larger companies, he can see where there can be some issues.

Chairman Micuda asked for questions and comments. Commissioner Burrows stated that we need to support this bill just so we will have a say in it because if we don't support it we will not have as a powerful voice, so he moves that we support this bill now and address future concerns to amendments and such. Chairman Micuda stated we have a motion do we have a second. Lisa Gervase stated by way of discussion you certainly can consider endorsing accept for and maybe that is the branch office issue. Commissioner Hartley will second it for discussion purposes. Commissioner Hartley would like to see rather than, he does not want anybody to believe that the Commission as a whole endorses this in its entirety and so he thinks we need to have some wording and he does not know how we would do this in this particular motion Mr. Chair that he would endorse it with the right of reservation in certain areas. Chairman Micuda stated that each of us have some reservations, he is construing the motion as one where the Commission is endorsing the bill for the purpose of going forward. Commissioner Burrows stated that is correct. Chairman Micuda stated we are endorsing the process perhaps than the bills itself. We are moving the process forward with the Commission and or other people or individuals can take issue with certain parts of the bill that is part of the process that is the whole point. Commissioner Hartley does not want the wording to come out where people pick-up on that and somehow walk away thinking not getting the idea that you just very nicely stated Chairman Micuda, you stated it very well because sometimes when we make motions then things get put down in writing and people read them they don't hear the additional editorial that we all make. Chairman Micuda stated perhaps before (there is going to be a record of this meeting) the Minutes of what took place here before they go out Lisa maybe you can fax each of us a copy of what it is the Motion is and what it is that we have done, so we can have a chance to look at the language, so if anyone has a problems with the language they can forward it to you. Chairman Micuda cannot imagine, he will have much problem with the language as he understands the Motion, we are saying in the most general way that we are endorsing the legislation to go forward in the process and allowing the process to work as it should which means organizations, the Commission, individuals whoever wants to have a say so about it will have the opportunity to do so. Various Commissioners agreed to this. Lisa Gervase stated you would rather do that than make any exceptions to the endorsement. Commissioner Burrows stated through the process we will be able to address.

*MOTION: Commissioner Burrows stated that we need to support this bill just so we will have a say in it because if we don't support it we will not have as a powerful voice, so he moves that we support this bill now and address future concerns to amendments and such.
Commissioner Hartley will second it for discussion purposes.*

*Roll Call Vote: Chairman Micuda - Yes
Commissioner Hartley - Yes
Commissioner Robinson - Yes*

*Commissioner Peterson - Yes
Commissioner Fraker - Yes
Commissioner Burrows - Yes*

6 - 0 Motion carried.

Adjournment - 10:25 A.M.

*MOTION: To adjourn by Commissioner Hartley.
Seconded by Commissioner Fraker.*

VOTE: 6 - 0 Motion carried.