



**Minutes of the Conference Call
Of the Board of Directors
Of
The Gypsy Moth Slow the Spread Foundation, Inc.**

**January 21, 2003
10:00 a.m. – 11:28 a.m. EST**

Proper notice having been duly given to each Board member, a Board of Directors' conference call was held on the above date.

President Esther Chapman called the meeting to order and asked Secretary Charlie Coffman to call the roll.

BOARD MEMBERS

Esther Chapman, Wisconsin, President	present
Gene Cross, North Carolina, Vice-president	present
Charlie Coffman, West Virginia, Secretary	present
Frank Fulgham, Virginia	present
Bob Waltz, Indiana	present
Scott Frank, Illinois	present
Ken Rauscher, Michigan	present

OTHERS PARTICIPATING IN THE CALL

Bill Pound, Ohio
Carl Harper, KY
Phil Marshall, Indiana
Jim Cavanaugh and Mark Cinnamon, Illinois
Ron Rowland, Iowa and Mark Hollister, USDA-APHIS-PPQ (Iowa)
Geir Friisoe, Anne Sellness and Vicky Cook, Minnesota
Linda Ellefson, Wisconsin
Philip Bell and Weyman Fussell, USDA-APHIS-PPQ
Donna Leonard, USDA Forest Service
Ed Holloman, Southeastern Association Services

Whereas, the above noted directors constitute a quorum, and there is no objection to this proceeding, the following business was conducted:

Approval of the Minutes

The minutes of the Gypsy Moth Slow the Spread Foundation Board of Directors' November 12, 2002 conference call were approved and ratified by unanimous vote and shall be filed in the Minute Book. Approval and ratification of the September 10, 2002 conference call minutes was deferred until the February 6 meeting due to a problem with transmission of the file. Charlie Coffman will reformat and re-distribute the September minutes prior to the February 6 meeting.

Update – 1st Draft of the 2003 Budget for Trapping and Treatment

1. **Status of USDA Forest Service (FS) funds for STS:** FS normally allocates \$8 million for the trapping and treatment functions of STS. In FY 2002, STS requested and received \$2 million in supplemental funding, which brought total FS funding for STS to \$10 million. In FY 2003, STS has again requested \$2 million in supplemental funding from the FS budget. However, we will not receive any feedback from the FS on the request for the extra \$2 million until much later this spring. For planning purposes, it is probably safe to assume that STS will receive a minimum of \$8 million and there is a reasonable chance that STS may receive the full \$10 million from the FS. The FS will require a **minimum** of \$2.4 million in matching funds from the cooperators.
2. **Initial Budget estimates:** Initial recommendations for treatment exceeded 800,000 acres and initial budget estimates for FS funding were more than \$11 million. After low priority blocks were eliminated and block boundaries were refined, treatments now total about 690,000 acres (mating disruption - 580,000 acres, Gypcheck - 8,000 acres and Btk - 102,000 acres). Initial budget estimates submitted by cooperators in preparation for the Operations Committee meeting (January 6 and 7) totaled approximately \$10.7 million in FS funding and approximately \$2.2 million in matching funds to accomplish the above outlined work
3. **First Draft of the Compiled Budget:** In preparation for the Operations Committee meeting, the initial budget estimates were edited by Donna Leonard as noted in the spreadsheet distributed prior to this call (worksheet titled “state details” in the excel file named “03 budget plan all sts.xls”). In general, the edits had to do with calculation of indirect charges and changes in proposed treatment acreage, but some miscellaneous expenditures were eliminated as well. Proposed changes in the cooperator budgets were discussed with respective state program managers at the Operations Committee meeting and additional updates are ongoing. At present, the total budget is about \$9.970 million.
4. **Potential for Further Budget Cuts:** If we get the full \$10 million we have requested, we are in fairly good shape. If funding is only \$8 million, further cuts will be difficult and will include the following options (maximum dollar amounts are noted):
 - a. Trapper gadget hardware - \$250,000 – This was earmarked in the FY 2002 budget for purchase of hardware and could be deferred; those funds could be used to fund FY 2003 purchases of mating disruption supplies (racemic lure or flakes).
 - b. FS flake treatment contract - \$375,000 – A maximum of 87,000 acres can be eliminated from the flake application contract without having to re-offer the entire solicitation.
 - c. Racemic disparlure - \$0.5 to \$1.2 million – The racemic disparlure order could be substantially reduced from 4,400 kg to 2,600 kg without critically endangering future treatments (preferred, save about \$500,000) or the entire purchase could be deferred until FY 2004 (save \$1.2 million).
 - d. Treatments other than mating disruption - \$500,000 – Elimination of additional acreage from the state issued treatment contracts. This can be problematic once the solicitations hit the streets, because most contracts have to be re-offered or re-negotiated if the acres of treatment vary by more than a stated percent of the original quantity offered. Please alert your program managers to the potential for further cutbacks in this arena and ask them to research the contract implications.

5. Action Items

- a. **Final Draft Budgets:** Final draft budgets are due to Donna on **January 31, 2003**. These will be compiled and presented to the Board at the February 6 meeting in Bloomington, IL. Our target is to fit within the \$10 million funding level and to identify priorities for further cuts.
 - i. To date, Donna has final drafts from Indiana, Ohio and Virginia.
 - ii. She needs final drafts from Wisconsin, Illinois, West Virginia and Minnesota.
 - iii. She is still waiting on first draft budgets from Michigan, Iowa and North Carolina (estimates based on 2002 were plugged into the spreadsheet).
- b. **Assessment of Impact Associated with Further Cutbacks in Treatments:** A summary of the constraints associated with further cutbacks in state-issued treatment contracts is due to Donna by January 31. This summary should include, at a minimum, the approximate date the contract(s) will be offered and awarded, the maximum allowable variation in quantity (%), and their assessment of what options they have if an additional cut of approximately 20% had to be implemented.

Final Arrangements for the February 6 Meeting

The annual meeting is being held in Bloomington, Illinois as an add-on to the end of the Central Plant Board (CPB) meeting at the Chateau Bloomington Hotel (309-662-2020). The meeting will start at 8:00 a.m. and, to facilitate return travel, will end no later than 3:00 p.m. Non-CPB members must make their hotel reservations no later than January 24. Room rate should be \$60 + tax.

The main purpose of the meeting will be to report the 2002 accomplishments, present the plan of work for 2003 and to finalize budgets for 2003. Frank Fulgham (VA) and Wes Nettleton (FS) will not be able to attend the meeting. The agenda and any handouts will be distributed by January 31.

Status of Plans for the STS Regulatory Meeting

1. **Travel Costs:** There is a need for stronger leadership and more clearly defined standards and criteria in the regulatory component of STS that is funded by APHIS. As such, the Board has asked APHIS to facilitate a meeting between the STS regulatory staff members, state program managers and any others (such as APHIS SPHDs) that are interested. Potential meeting sites include Indianapolis or the NCDA training facility on the Outer Banks of North Carolina. Philip Bell reported the meeting could be scheduled at any time if attendees could pay their own travel out of existing grant funds. If the Board wants APHIS to cover the travel costs, the meeting will have to be postponed until the federal budget situation is resolved. Members should be prepared to address this topic at the February 6 meeting.
2. **Purpose and Need for the Meeting:** A debate ensued about the purpose and need for a meeting that involves regulatory field staff. Some feel that the Board should be responsible for resolving this issue by providing leadership and clear direction while others feel the Board has already provided the necessary oversight and guidance. However, despite the debate about who should take on the responsibility, most agreed the program needs stronger leadership, better communication across borders and increased standardization. When the STS regulatory component was conceived and funded five to seven years ago, it was

designed to incorporate maximum flexibility in funded activities and reporting. APHIS has had quite a bit of turnover in staff since then and Weyman and Philip have inherited a program that lacks the open communication and clearly defined criteria and guidelines, which are a hallmark of the STS Program. Philip noted that he would appreciate some guidance from the Board regarding its expectations for the regulatory component.

3. Action Items:

- a. Donna Leonard will distribute copies of the original STS Regulatory Program Policy and Guidelines.
- b. Philip Bell will distribute copies of the 2002 accomplishment reports from each of the funded states, the standard data reporting form and the amended reporting form used by Wisconsin.
- c. Time will be set aside for discussion at the February 6 meeting with the intent of reviewing the original policy document and clearly articulating expectations to APHIS.

Status of 2003 Regulatory Grant to the Foundation

In order to shift the funding period from the federal fiscal year to a calendar year, the 2003 regulatory grant was split into two time periods:

1. Oct. 1, 2002 through January 11, 2003 (approved).
2. January 12, 2003 through December 31, 2003 (pending).

APHIS has approved and funded #1 and the Foundation will issue award letters to each of the affected states. APHIS anticipates full funding of #2, but, due to the federal budget uncertainties, it has not yet been awarded to the Foundation. Gene Cross has discussed the potential need for a Letter of Cost Incurrence (LOCI) for #2 with APHIS and will follow-up to get one issued. The Foundation will then issue LOCI's to the states for #2.

Update - Hercon Disrupt II (pheromone flakes) Registration Issue

In the late 1970s, when Hercon originally registered Disrupt II with EPA, the registration package covered the entire product (inerts + active ingredient) regardless of where the active ingredient was synthesized. In the interim, EPA has changed the registration process to require a separate registration for technical grade active ingredients that are formulated off-site from the registrant's facility. Somehow, when Hercon's Disrupt II product went through the re-registration process in the early 1990s, both EPA and Hercon overlooked this change in requirements. As a result of a recent submission to EPA by Hercon to amend their statement of confidential formulation, this oversight was identified and must be rectified before Hercon can formulate or ship this year's product.

There are two main suppliers of active ingredient (gypsy moth pheromone) to Hercon and each is scheduled to deliver approximately 4,000 kg of material to Hercon this spring. Both have submitted registration packages for the technical grade pheromone to EPA. ShinEtsu submitted two years ago and ISP a few months ago. Hercon, ShinEtsu and ISP are working closely with EPA to expedite the process. We are confident that ShinEtsu's active will receive approval in time for this year's formulation and are cautiously optimistic about the ISP approval. Even if ISP's material has not been approved, the ShinEtsu material should be enough to formulate sufficient product to treat all of the acres with only minor changes in doses.

The foregoing resolutions and actions, by unanimous consent, are to have full force and effect and are approved as of March 11, 2003.

Conference call adjourned at 11:28 a.m.

Charles Coffman, Secretary
STS Foundation