

HIGHLIGHTS OF THE INTERNATIONAL FUEL TAX AGREEMENT

1983	The states of Arizona, Iowa and Washington formed a cooperative program for the reporting and payment of fuel use taxes. The cooperative agreement was known as the International Fuel Tax Agreement (IFTA).
1984	Provisions of federal legislation were implemented authorizing the formation of a working group on motor carrier procedures to review the states' methods of collecting fuel use taxes. Over a period of years, the working group drafted a model base state fuel tax agreement.
1987	The National Governors' Association recommended the adoption of the model agreement as the IFTA. In April, the membership of the IFTA (AZ, ID, IA, MN, OK and WA) voted to adopt the model.
1990	By the end of the year, sixteen (16) states had joined the IFTA.
1991	<p>On December 18, 1991, President George Bush signed into law the Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991. This Act provided the framework to develop a National Intermodal Surface Transportation System and authorized funds for highway construction, safety and mass transit programs. Title IV of the Act recognized uniform commercial vehicle registration and fuel tax reporting agreements. Specifically:</p> <p>◆ Funding was provided from the Federal Highway Administration (FHWA) to support a working group and to assist states in their participation in the International Registration Plan (IRP) and the IFTA.</p> <p>A mandate was made that, by September 30, 1996, the 48 contiguous states must collect motor fuel use taxes in conformity with the IFTA. Excepted from this mandate were the members of the Regional Fuel Tax Agreement (RFTA): Maine, New Hampshire and Vermont. If states did not participate by the deadline, they would risk the loss of revenues from trucks and buses registered in other states.</p>

<p>1991</p>	<p>The IFTA membership determined that it was necessary to incorporate an association that would conduct the business of the IFTA. The membership incorporated under the name the International Fuel Tax Association, Inc. (IFTA, Inc.). IFTA, Inc. is incorporated under the laws of the State of Arizona as a not-for profit corporation. Pursuant to the Bylaws of IFTA, Inc. a Board of Trustees is elected and meets quarterly to discuss business concerns. Currently, the Bylaws require that a nine (9) member Board must consist of at least one representative from five (5) geographic regions: Northeast, Southeast, Midwest, West and Canada. At least one representative must be from a taxing agency other than a Department of Revenue and one representative must be a woman or a minority.</p> <p>Pursuant to the IFTA, a repository will be operated. Initially, IFTA, Inc. contracted with Lockheed IMS to act and serve as the repository.</p>
<p>1992</p>	<p>IFTA, Inc. hired its first employee to act as Executive Director.</p> <p>By June, FHWA was required to establish a working group composed of State and local government officials. The working group was established and was known as the Base State Working Group (BSWG). The BSWG included jurisdiction representatives and representatives of:</p> <ul style="list-style-type: none"> •the National Governors' Association (NGA); •the American Association of Motor Vehicle Administrators (AAMVA); •the National Conference of State Legislatures (NCSL); •the Federation of Tax Administrators (FTA); •the IFTA, Inc. Board of Trustees; and •and representatives of RFTA. <p>The working group was directed to recommend procedures to resolve disputes among States participating in IRP and IFTA and provide technical assistance to States participating in IRP or IFTA.</p> <p>In August, Alberta was the first Canadian Province to join the IFTA.</p> <p>By the end of the year, 22 jurisdictions had joined the IFTA.</p>
<p>1993</p>	<p>IFTA, Inc. received federal funding through a cooperative agreement to operate the repository and to assist United States jurisdictions in the implementation of the IFTA. In addition, funding was provided to develop technical assistance training for the jurisdictions and to review the jurisdiction peer review process. Two additional employees were hired by IFTA, Inc.</p> <p>By the end of this year, 28 jurisdictions had joined the IFTA.</p>

<p>1994</p>	<p>The IFTA membership ratified a new peer review process. This process, now termed program compliance review, ensures uniformity and consistency in the review process. An IFTA, Inc. staff member leads a review team which includes 2 jurisdiction representatives. A Program Compliance Review Committee was established to oversee the review process.</p> <p>The first Technical Assistance Training was held for member jurisdictions.</p> <p>On June 1, IFTA, Inc. opened its own office and began providing services formerly provided by Lockheed IMS.</p> <p>By the end of this year, 38 jurisdictions were members of the IFTA, including 2 more Canadian provinces.</p>
<p>1995</p>	<p>A second Technical Assistance Training was held for the jurisdictions.</p> <p>IFTA, Inc. hired a new employee.</p> <p>By the end of this year, 53 jurisdictions had joined the IFTA, including 6 additional Canadian provinces.</p>
<p>1996</p>	<p>Federal funding was provided to IFTA, Inc. for an information clearinghouse project. In addition, federal funding was provided to IFTA, Inc. to assist the states in implementing the State On-Line Enforcement Network (STOLEN).</p> <p>Two additional employees were hired by IFTA, Inc.</p> <p>Five (5) additional jurisdictions joined the IFTA bringing the membership total to 58, which included 10 Canadian provinces. During this year, twenty-two of the member jurisdictions implemented their IFTA programs.</p> <p>A dispute resolution process was presented to the membership at the Annual Business Meeting for discussion. The process was ratified by the membership. A 1996 ballot proposal passed, making the dispute resolution process effective July 1, 1997.</p> <p>A ballot passed to adopt a Recodification of the IFTA Articles of Agreement, Procedures Manual and Audit Manual effective July 1, 1998.</p>
<p>1997</p>	<p>The new four-year program compliance review cycle was implemented.</p> <p>IFTA, Inc. received federal funding to contract with NCSL to conduct a State Legislation and Constitutional Provisions Project to review issues raised by the IFTA and enabling statutes of the various member jurisdictions.</p>

<p>1998</p>	<p>IFTA, Inc. hired another employee. This brings the staff to a total of 7.</p> <p>In October, a Dual Fuel Vehicle Subcommittee was formed to review the issue of dual and alternative fuel use vehicles.</p>
<p>1999</p>	<p>Staffing changes at IFTA, Inc. occur and another employee is hired. By December, IFTA, Inc. employs 6 persons:</p> <ul style="list-style-type: none"> ■ Executive Director ■ Deputy Executive Director ■ Information Systems Administrator ■ Program Compliance Officer ■ Meetings Coordinator ■ Administrative Assistant <p>The IFTA, Inc. Clearinghouse Project continues the testing phase of demographical and transmittal data with the pilot jurisdictions including IL, MD, MT, NH, NC, VA, VT and WI.</p> <p>Participation in the STOLEN program increases from the original 4 pilot jurisdictions (MO, NC, OK, UT) to a total of 11 jurisdictions. Actively participating jurisdictions include CT, KS, LA, ME, MS, MO, NC, ND, OK, UT and WV.</p> <p>Web design was updated to allow jurisdictions to update quarterly fuel tax rates, to allow IFTA Commissioners to vote on ballots on-line, and to provide on-line IFTA meeting registration.</p>
<p>2000</p>	<p>The IFTA, Inc. Clearinghouse was implemented. Maryland was the first jurisdiction to upload data into the Clearinghouse.</p> <p>IFTA, Inc. began its design of a jurisdictional Annual Report database that will allow jurisdictions, through the IFTA, Inc. Web site, to enter and edit the annual report information due by March 1st of each year.</p> <p>The first two (2) disputes were filed pursuant to the IFTA Dispute Resolution Process.</p>
<p>2001</p>	<p>IFTA, Inc. implemented the Annual Report database.</p> <p>23 jurisdictions are actively participating in the IFTA, Inc. Clearinghouse. A frame relay connection was added to the Clearinghouse for the participation of the jurisdictions utilizing the Regional Processing Center (RPC).</p> <p>IFTA, Inc. purchased and began the build out of two buildings in February. These buildings were connected. One building structure, including the portion connecting the two buildings will house the offices of IFTA, Inc. The other building contains two (2) suites for lease.</p>

<p>2001 (Continued)</p>	<p>Staffing changes at IFTA, Inc. occur and another employee is hired. By July, IFTA, Inc. employs 7 persons. The latest position filled is Webmaster.</p> <p>At the request of the Federal Highway Administration, the National Governors Association Center for Best Practices, in cooperation with IFTA, Inc. and IRP, Inc. convened a Fuel Tax and Registration Working Group composed of state officials to recommend strategies for collecting appropriate taxes and fees from Mexican carriers as they begin operations under provisions of the North American Free Trade Agreement (NAFTA). The working group consisted of two representatives from each U.S. border state (Arizona, California, New Mexico, and Texas), and one representative each from IFTA, Inc, IRP, Inc., the U.S. Federal Highway Administration, Transport Canada, Mexico SCT, and the American Trucking Associations; with support from the and the National Governors Association Center for Best Practices and the North American Driver Safety Foundation.</p> <p>The IFTA, Inc. Board of Trustees held a hearing of the two (2) complaints filed and issued its Findings on both complaints in October 2001.</p>
<p>2002</p>	<p>The Fuel Tax and Registration Working Group held three meetings to continue its efforts toward the licensing of Mexican motor carriers pursuant to IFTA and IRP.</p> <p>25 Jurisdictions are now participating in the Clearinghouse.</p> <p>The IFTA Managers' Workshop and the IFTA Law Enforcement Training Seminar were held together for the first time. The IFTA, Inc. Board of Trustees voted to continue this practice in the future.</p> <p>The Law Enforcement Committee created and the Board approved the Charles M. Mills Award of Excellence. This Award honors the memory of Charlie, who perished in the tragedy of September 11, 2001. Charlie was a valuable member of the IFTA Law Enforcement Committee.</p>
<p>2003</p>	<p>IFTA celebrates its 20th year!</p> <p>IFTA, Inc. experiences staffing changes as first Executive Director retires. Positions are restructured and now include:</p> <ul style="list-style-type: none"> ■ Executive Director ■ Program Director ■ Information Services Administrator ■ Webmaster ■ Events Coordinator ■ Executive Assistant <p>Two complaints (2) were filed pursuant to the IFTA Dispute Resolution Process. One was the first ever filed by an IFTA licensee.</p> <p>32 Jurisdictions are now participating in the Clearinghouse.</p> <p>The NAFTA working group holds two meetings.</p>

<p>2004</p>	<p>IFTA, Inc. Board of Trustees holds another Strategic Planning session to update its plan for the future. Focus moves to technology and education.</p> <p>IFTA, Inc. hires its 7th employee, a Program Compliance Administrator (part-time) to participate as a lead reviewer in all Program Compliance Reviews.</p> <p>The IFTA, Inc. Board of Trustees created the Clearinghouse Advisory Committee and issued the Charter for this Committee. The Committee was established by the IFTA, Inc. Board of Trustees to provide technical guidance as well as recommendations from users regarding structure and components of the Clearinghouse. It is anticipated that the Committee will work to enhance membership in and use of the IFTA, Inc. Clearinghouse in the administration of the International Fuel Tax Agreement. This committee held monthly meetings and worked with the Board to establish uniform and consistent field definitions for transmittal data and summary totals.</p> <p>The Board began an effort to improve the Dispute Resolution Process and to look at allowing the Program Compliance Review Committee to bring an enforcement action against a jurisdiction that remained out of compliance following a reassessment or follow-up. This issue was discussed at the Annual Business Meeting, where the membership seemed in favor and wanted some participation in the process by industry representatives.</p> <p>The membership amended the IFTA, Inc. Bylaws to require a two-thirds (67%) majority vote by membership and the IFTA, Inc. Board of Trustees on general business issues.</p> <p>For the first time, IFTA, Inc. paid the Annual Business Meeting registration fees for the Voting Commissioners.</p> <p>The IFTA, Inc. Board of Trustees held a hearing on the two complaints filed and issued its findings on both in March 2004.</p> <p>36 jurisdictions are now participating in the Clearinghouse.</p>
<p>2005</p>	<p>Clearinghouse Advisory Committee moves its efforts toward improving the Demographic Data field definitions and looking to the future at the possibility of funds netting as part of the Clearinghouse.</p> <p>The IFTA, Inc. Board of Trustees continues its efforts to formulate action plans to meet the goals and objectives of the revised Strategic Plan.</p> <p>Efforts continue to improve the Dispute Resolution Process which will be presented at the 2005 Annual Business Meeting for ratification.</p> <p>Efforts continue to improve the Program Compliance Review Guide which will be presented at the 2005 Annual Business Meeting for ratification.</p>

<p>2005 (Continued)</p>	<p>Efforts continue to move toward allowing the Program Compliance Review Committee to bring an enforcement action through the Dispute Process. The IFTA, Inc. Board of Trustees created the Compliance Review Requirements Committee and the Compliance Review Ballot Development Committee to work on this project with the Attorneys' Section.</p> <p>The Industry Advisory Committee creates and the IFTA, Inc. Board of Trustees approves the Richard L. Reeves IFTA Leadership Award in memory of Rick Reeves, a valued member of the Industry Advisory Committee and an industry leader in working with the jurisdictions toward implementation and the continued success of IFTA.</p> <p>The IFTA membership passes a resolution regarding blended fuels and how they should be administered in light of IFTA.</p> <p>38 jurisdictions now participating in the Clearinghouse.</p>
<p>2006</p>	<p>The newly established Dispute Resolution Committee held its organizational meeting in March. The Dispute Resolution Committee will hear disputes filed by jurisdictions or IFTA licensees. The Committee will continue to meet monthly by conference call to establish procedures and address any issues that may arise pending any disputes being filed.</p> <p>A ballot is presented at the 2006 Annual Business Meeting which would allow the Program Compliance Review Committee to bring enforcement actions regarding non-compliance issues before the Dispute Resolution Committee.</p> <p>IFTA, Inc. works with IRP, Inc. and the IRP Peer Review Committee to conduct a combined IFTA/IRP Compliance Review in Minnesota. This is the first review of its kind and is a result of a goal and action items from the IFTA, Inc. Strategic Plan. Following the review, a report will be given and the IFTA, Inc. Board of Trustees will determine the next steps.</p> <p>The NAFTA Border States Working Group begins work on training modules for Mexican motor carriers for both IFTA and IRP. In addition to training motor carriers, the training will be presented to Mexican government officials as a "train-the-trainer" which will allow the officials to continue training in Mexico. IFTA and IRP training groups were established to work on each of the training modules.</p> <p>The IFTA, Inc. Board of Trustees created and appointed members to the IFTA Technology Advisory Committee. The committee includes representatives from jurisdictions and its stakeholders and partners.</p>
<p>2007</p>	<p>The NAFTA Border States Working Group completed its training modules for both IFTA and IRP and held training sessions in AZ, NM, TX, CA and in Mexico. In March, the Border States reported that everything was in place for both IFTA and IRP should the US/Mexico border open. In September 2007, a federal Mexican Carrier Demonstration Project was announced for a limited number of carriers to receive federal operating authority to operate beyond the commercial zones in the Border States.</p>

2007 (Continued)	<p>Membership in the IFTA, Inc. Clearinghouse reached 48 jurisdictions. The IFTA Clearinghouse Advisory Committee began its work on a funds netting process for the Clearinghouse.</p> <p>Work continued on the Dispute Resolution Project. The 2006 ballot proposal failed. This amendment would have authorized the Program Compliance Review Committee to bring Final Determinations of Non-Compliance to the Dispute Resolution Committee. As a result of comments from the membership, a ballot proposal was presented in 2007. This proposed amendment would have limited the issues for which the Program Compliance Review Committee could take a jurisdiction to dispute. That ballot also failed.</p> <p>The IFTA, Inc. Board of Trustees created and appointed members to the Alternative Fuels Committee. Membership includes jurisdiction representatives as well as representatives of its industry partners. The initial focus of this committee will be blended fuels.</p> <p>The Combined IFTA/IRP Review Project continued. Additional combined reviews were completed.</p>
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