

**IFTA, INC. BOARD OF TRUSTEES
FOURTH QUARTER 2008 MEETING
OCTOBER 22 - 23
CHANDLER, ARIZONA**

Board Members:

Scott Bryer	New Hampshire Department of Safety
Scott Greenawalt	Oklahoma Corporation Commission
Julian Fitzgerald	North Carolina Department of Revenue
Rena Hussey	Virginia Department of Motor Vehicles
Edgar Roberts	Nevada Department of Motor Vehicles
Sheila Rowen	Tennessee Department of Revenue
Robert Turner	Montana Department of Transportation

IFTA, Inc. Personnel:

Lonette Turner	Executive Director
Tom King	Webmaster
Debora Meise	Program Director
Tammy Trinker	Events Coordinator

Guests:

Gary Bennion	Con-Way Incorporated
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Call to Order

Mr. Julian Fitzgerald (NC), IFTA, Inc. Board of Trustees (Board) President, called the meeting to order. Board member Andrew Foster (NB) was not in attendance due to a conflict of scheduling. Mr. Fitzgerald welcomed Mr. Gary Bennion (Con-Way Inc.), IFTA Industry Advisory Committee Chair, and thanked him for his continued support and attendance.

Approval of Minutes

Board Actions by Email

During the Third Quarter 2008, the Board corresponded by email. The purpose of the correspondence was to discuss Full Track Preliminary Ballot Proposal (FTPBP) 7-2008, committee membership, registration fees for the 2008 IFTA Managers' and Law Enforcement Seminar and 2009 IFTA / IRP Audit Workshop, as well as acceptance of the 2Q08 Board Meeting minutes. The Board offered minor corrections to these minutes.

Motion: Mr. Bob Turner (MT) moved to accept the Board Actions by Email as amended. Mr. Scott Bryer (NH) seconded the motion. The motion passed.

Conference Calls

The Board participated on several teleconferences during the third quarter. In March 2008, the Board discussed the Board sponsored ballot proposal for 2008. In June 2008, the Board discussed FTPBP 7-2008 specifically and revisited this ballot proposal, as well as FTPBP 1-2008 and other issues, during the August 2008 conference call.

Motion: Ms. Rena Hussey (VA) moved to accept the March 26, 2008 teleconference minutes as written. Mr. Edgar Roberts (NV) seconded the motion. The motion passed.

Motion: Ms. Sheila Rowen (TN) moved to accept the June 10, 2008 teleconference minutes as written. Mr. Turner seconded the motion. The motion passed.

Motion: Mr. Scott Greenawalt (OK) moved to accept the August 25, 2008 teleconference minutes as written. Mr. Roberts seconded the motion. The motion passed.

Action Items

The Board reviewed the Action Items from the 2Q08 Board Meeting as well as the Outstanding Action Items through the 2Q08. Additionally, the Board reviewed the cumulative list of completed Action Items. This list identified multiple items that the Board has been addressing since 2Q06.

IFTA, Inc. Clearinghouse Update

Ms. Lonette Turner, IFTA, Inc. Executive Director, reported that IFTA, Inc. continues to work with NLETS to provide revoked data at the roadside. Forty-two (42) jurisdictions responded to a survey asking if they would like their data to be part of the NLETS revoked license file. Thirty-six (36) jurisdictions responded favorably. The survey responses were viewed as a positive step towards providing this data to roadside enforcement. IFTA, Inc. will begin distributing communications to the law enforcement personnel identified on the Jurisdiction Communication Lists. These communications will state that the revoked license data is available at the roadside and explain the measures and steps necessary to obtain and view this information.

Clearinghouse Advisory Committee (CAC) Report

Mr. Greenawalt, Board Liaison to the Clearinghouse Advisory Committee (CAC) reported that the funds netting calendar has been revised following the July 2008 Annual IFTA Business Meeting. The CAC continues to draft rules and procedures for the clearinghouse funds netting and provided the draft document for the Board's review. Additionally, the CAC will also draft revised rules and procedures for the IFTA, Inc. Clearinghouse. The Board discussed what to do if a jurisdiction did not adhere to the rules or follow the procedures at length. It was concluded that the integrity of the clearinghouse must be maintained and that all clearinghouse participants would be required to adhere to the rules and procedures set forth. The Board will contact their jurisdictions advising them of the consequences of not complying with the rules and procedures once finalized and made available.

IFTA, Inc. Website Update

IFTA, Inc. Webmaster, Mr. Tom King, demonstrated the modifications to the IFTA, Inc. website. The exemption database was reviewed. Once released, members will have the ability to preview the exemptions by jurisdiction, vehicle, fuel, or distance. It was recommended that the database incorporate a link back to the Jurisdiction Communication List and provide a point of contact should the viewing member have specific questions regarding a jurisdiction's listed exemptions. The database will also display only those jurisdictions indicating an exemption. The Board felt the draft shown of the Exemption Database was an excellent start.

Other initiatives taken by IFTA, Inc. to improve the website include the IFTA Focus, a quarterly newsletter, and the continuation of minutes from IFTA committee teleconferences posted to the corresponding committee web pages. Mr. King continues to work on the navigation of the website and will work on posting all surveys previously conducted so that membership can review the results. It was also recommended that IFTA, Inc. draft a navigational training manual for the IFTA Commissioners so that they might become more familiar with all that is available at their disposal on the website.

IFTA, Inc. Meetings Update

Mrs. Tammy Trinker, IFTA, Inc. Events Coordinator, reviewed the 2008 IFTA program attendance. The 2009 IFTA / IRP Audit Workshop registration has been posted on the IFTA, Inc. website. The 2009 IFTA Attorneys' Section Meeting will be at the Crowne Plaza San Marcos in Chandler, AZ, and is being held in conjunction with the 2Q09 Board Meeting in April. A hotel contract has been signed with the Sheraton Imperial Hotel and Convention Center in North Carolina for the 2009 IFTA Managers' and Law Enforcement Seminar. The dates of this seminar are September 9 - 11.

In reviewing the 2010 programs, proposals have been distributed for the IFTA / IRP Audit Workshop and negotiations have begun for the IFTA Managers' and Law Enforcement Seminar as well as the quarterly

Board Meetings. Discussions are also underway for the Annual IFTA Business Meeting to be held in the Canadian region. The Board has asked IFTA, Inc. to begin the process of securing a host jurisdiction and hotel location for the 2011 Annual IFTA Business Meeting as well.

IFTA Audit Committee (AC) Report

Mr. Bryer, Audit Committee Board Liaison, presented this report. Following the resignation of Mr. Arthur Gumbs (ON), Committee Chair, Ms. AnnMarie Chamberlain (MA) assumed the Chair position and left the vice chair seat vacant. The committee presented Ms. Dawn Lietz (NV) as vice chair of the Audit Committee. Additionally, the committee recommended Mr. Tony Dewell (BC) to fill the vacant seat in the Canadian region. With these seats filled, the committee continues to have a vacancy in the Northeast region.

Motion: Mr. Bryer moved to accept the committee recommendations of Ms. Dawn Lietz (NV) as IFTA Audit Committee vice chair and Mr. Tony Dewell (BC) as a committee representative for the Canadian region. Mr. Turner seconded the motion. The motion passed.

The committee continues to work on the presentations for the January 2009 IFTA / IRP Audit Workshop. Taping of the workshop was also briefly discussed. The Board favored the IFTA Audit Committees position of pursuing the recording of the Auditor 101 for 2010 and will discuss this issue, along with other workshop related concerns, with the IRP, Inc. Board of Directors during the 1Q09 Board Meeting.

Program Compliance Review Update

IFTA, Inc. Program Director, Mrs. Debora Meise, informed the Board that two of the twelve Southeastern reviews remain for 2008. In 2009, sixteen jurisdictions will be reviewed from the Northeast region. Due to travel restrictions facing most member jurisdictions, the pool of volunteers has decreased in comparison to prior review years. Mrs. Meise informed the Board that changes are going to be initiated beginning with the 2009 reviews in order to allay some of the concern and costs incurred. On-site reviews will be reduced from three to two days and require much more prep work in advance to the on-site review to better streamline the process. Additionally, membership will be reminded of IFTA Procedures Manual, Section P1200 requiring their participation in the program compliance review process to maintain compliance. As in the past, IFTA, Inc. will continue to reimburse review team members for their travel and expenses.

Program Compliance Review Committee (PCRC) Report

Committee Board Liaison, Ms. Hussey, provided the Program Compliance Review Committee (PCRC) report. The combined IFTA and IRP reviews were discussed. The committee recommends that the Board consider changing from a four year review to a five year review period to coincide with the IRP Peer Review schedule. This request was made in recognition of the changes IRP is considering such as switching to regional reviews vs. implementation date reviews.

Following a survey conducted on membership, the responses showed that 33 of the 38 responding were in support of a change to the IFTA Clearinghouse Access Agreement allowing the clearinghouse to be used as a tool during the program compliance reviews. Four jurisdictions opposed this concept. Based on the overwhelming support, the committee is asking that the Access Agreement be revised to allow the clearinghouse to be a data source for the program compliance reviews as outlined by the PCR Guide.

The committee then detailed their concerns regarding the IFTA, Inc. clearinghouse funds netting project. Primarily, their concerns focused on controls for the funds netting such as bonding, reconciliation, and audit procedures of the funds and accounts. Another concern outlined by the committee was the transmittal data being reflective of the necessary detail to support funds netting. In reviewing the ballot language recommended by the PCRC for ballot 1-2008, the Board supported the language revisions.

It was the position of the Board that the Board liaisons work with IFTA, Inc. to communicate with the PCRC as to the development and status of the IFTA, Inc. Clearinghouse funds netting project. This decision was made following concerns fielded by the committee regarding the security of the system.

IFTA, Inc. will contact their accountant to inquire about an SAS 70 audit as to its expense and when such an audit should be conducted.

During discussion of the combined IFTA and IRP reviews, the Board decided to review more closely the IFTA and IRP review schedules during the Strategic Planning Session and the January 2009 Board Meeting being held in conjunction with the IRP, Inc. Board of Directors.

Dispute Resolution Committee (DRC) Report

Mr. Turner, Board Liaison, provided the Dispute Resolution Committee (DRC) report. A dispute was held the day prior to the 4Q08 Board Meeting at the Mission Palms in Tempe, AZ. Following the conclusion of the hearing, the DRC went into deliberations. Should the decision be disputed, it was explained that Board members would have to consider the appeal request. Both Board members Ms. Patricia Platt (KS), former DRC member, and Mr. Edgar Roberts (NV) would recuse themselves from any further discussions surrounding the dispute based on a conflict of interest.

Industry Advisory Committee (IAC) Report

Industry Advisory Committee (IAC) Chair, Mr. Bennion, informed the Board that his term would expire January 2009. At that time, the committee Vice Chair, Mr. Mahlon Gragen (ATC Leasing) would assume the Chair position. Following the end of his term, Mr. Bennion anticipates to remain as an active committee member for a limited time. The IAC continues to work with the Audit Committee in preparing for the 2009 IFTA / IRP Audit Workshop.

Agreement Procedures Committee (APC) Report

Mr. Greenawalt, Board Liaison to the Agreement Procedures Committee (APC), presented this report. The Best Practices Guide was amended and is being presented to the Board for their review and approval.

Motion: Ms. Hussey moved to approve the APC Best Practices Guide as amended. Ms. Rowen seconded the motion. The motion passed.

Committee vacancies were addressed. The APC has two vacancies in the Northeast and one in the Midwest Region. Filling the Midwest seat, the committee recommended Ms. Trina Kluever Pauli (WI). Recognizing the difficulties in securing volunteers from the Northeast Region, the committee recommended Ms. Deborah Polizi (OK), a volunteer from the Midwest Region, to fill one of the remaining two vacancies. The committee will continue to reach out to the Northeast Region for support and volunteers. Mr. Bryer agreed to investigate a possible volunteer for the APC vacancy as well.

Motion: Mr. Greenawalt moved to accept the nomination of Ms. Trina Kluever Pauli (WI) and Ms. Deborah Polizi (OK) as members of the APC. Ms. Hussey seconded the motion. The motion passed.

Law Enforcement Committee (LEC) Report

The Law Enforcement Committee (LEC) report was presented by Mr. Fitzgerald, committee Board Liaison. The federal grant previously submitted by North Carolina on behalf of the law enforcement committee had been rejected. Despite the failed grant, the committee continues to concentrate on means to boost awareness regarding law enforcement of the IFTA. The committee is researching several means of education and training. Some of the projects being considered include an IFTA Annual Fuel Check, a one-day blitz to check for dyed fuel and IFTA compliance, and an IFTA 101 in-service training. The LEC has also confirmed that the law enforcement personnel identified on the Jurisdiction Communication Lists are all current.

A brochure for roadside use has also been drafted by the committee. The brochure, A Quick Reference for Roadside Enforcement of IFTA Requirements, reviews some basic IFTA facts such as what IFTA is and the importance of enforcement of IFTA. Additionally, the brochure poses and answers key questions such as a qualified motor vehicle, inspections and stops, strengthening IFTA in a jurisdiction, and a brief overview of the LEC charges.

The Board reviewed the Best Practices Guide of the LEC as revised by the committee following their previous comments. Grammatical and clerical amendments were proposed to the guide.

Motion: Mr. Bryer moved to approve the LEC Best Practices Guide pending clerical and grammatical corrections. Mr. Greenawalt seconded the motion. The motion passed.

In reviewing the Chair's term, the Board discussed extending the term of current Chair, Ms. Jennifer Brown (AZ). It was noted that her term expires October 31, 2009. Based on the Committee Charter language, the Board has the authority to extend a committee member's term. Through discussions, it was decided that Ms. Brown should be offered the ability to extend her term on the committee as Chair, if she wanted to stay.

Motion: Mr. Fitzgerald moved to approve an extension of Ms. Jennifer Brown's (AZ) term upon her agreement to continue serving as Chair of the LEC following her upcoming term roll off. Mr. Greenawalt seconded the motion. The motion passed.

Attorneys' Section Steering Committee (ASSC) Report

Committee vacancies were reviewed for the Attorneys' Section Steering Committee (ASSC). Following the April 2008 Attorneys' Section Meeting, the committee is recommending Mr. Jack Frehafer (PA) and Ms. Janice Davidson (NC) as Chair and Vice Chair respectively. The committee is also working to organize a teleconference to begin preparations for the 2009 IFTA Attorneys' Section Meeting.

Motion: Ms. Hussey moved to accept the nominations of Mr. Jack Frehafer (PA) and Ms. Janice Davidson (NC) as Chair and Vice Chair of the ASSC respectively. Ms. Rowen seconded the motion. The motion passed.

In reviewing committee membership, the committee has presented both Ms. Ellen Marie Hess (VA) and Mr. Brock Cole (VA) as committee representatives.

Motion: Ms. Hussey moved to accept the nominations of Ms. Ellen Marie Hess (VA) and Mr. Brock Cole (VA) to the ASSC. Mr. Fitzgerald seconded the motion. The motion passed.

Information Technology Advisory Committee (ITAC) Report

Reporting on the activities of the Information Technology Advisory Committee (ITAC), Mr. Bryer, Board Liaison, informed the Board that the committee is focusing on the NLETS project. The ITAC is also reviewing the FTA uniformity project in consideration to assimilate this type of project for IFTA. Jurisdictional representatives are also being sought for committee participation. Volunteers do not need to have technological prowess to participate on the ITAC.

Alternative Fuels Committee (AFC) Report

Ms. Turner reported that the database subcommittee continues its work and is preparing to schedule another teleconference. They continue to work with IFTA, Inc. on building a biodiesel database.

North American Free Trade Agreement (NAFTA)

Referencing NAFTA, Ms. Turner informed the Board that the demonstration project had been extended for another two years, effective August 2008. The original project was to expire in September 2008 but has since been extended to September 2010.

2008 Annual IFTA Business Meeting

In reviewing the 2008 Annual IFTA Business Meeting, the Board reviewed the preliminary minutes and provided minor amendments. It was noted that IRP, Inc. will be combining their clearinghouse fees with their membership fees effective October 2008. IFTA, Inc.'s membership dues will be combined with the IFTA, Inc. clearinghouse fees beginning July 2009, as approved by membership.

2010 IFTA Decal Specifications

Mrs. Meise reviewed the 2010 IFTA decal specifications. The Board offered amendments to the proposed draft. Pantone® 299C, blue, is the color match for the 2010 IFTA decal. Concern was expressed regarding the cost increases to match the new specification requirements, more specifically, the serial numbers. It was explained that IFTA, Inc. cannot provide a list of vendors due to the implications of providing a preferred list of vendors recommended by IFTA, Inc.

Motion: Mr. Greenawalt moved to approve the 2010 IFTA Decal Specifications as amended. Ms. Rowen seconded the motion. The motion passed.

Combined Meeting of the IFTA, Inc. Board of Trustees and the IRP, Inc. Board of Directors

Discussion of the combined meeting of the IFTA, Inc. Board of Trustees and the IRP, Inc. Board of Directors was had. The Board considered several agenda topics for discussion during this special meeting in January 2009. Some of the topics considered include:

- Making the audit process more uniform
 - Contract auditors vs. quality audits
 - Quality vs. quantity
- IRP Task Force for 3% audit requirement
- Communications between IFTA and IRP
- Joint Webinars and shared hosting
- Promoting joint collaborations benefiting both organizations

Scheduling of the combined meeting will take place on Friday afternoon, January 23, 2009.

2008 IFTA Ballots

The Board reviewed the six 2008 IFTA ballot proposals. There are four full track and two short track ballot proposals. Reviewing ballot 1-2008, sponsored by the Board, the comments indicated support from a majority of the commenting jurisdictions. The Board tasked the CAC with contacting Idaho in regards to their comments. The sponsor of the short track ballot proposal 2-2008, APC, has agreed to delay the voting until the full track ballots are ready for release.

SP II.2.A.3 – Training Committee Report

Mr. Gary Frohlick (SK) had been asked to lead a committee tasked to identify area's of training required for Committee Chairs. As a result of his efforts, a report was provided to the Board. This report outlined four areas of training for consideration. These areas include formal training opportunities, organizational issues, relationship and interaction with IFTA, Inc. Board and Personnel, and Best Practices / Orientation Guide for Committee Chairs. During discussions, the Board discussed having Committee Chairs meet with the Board, in person, once a year to touch base and present committee reports and issues directly to the Board. It was opined that the first meeting should be during a Board Meeting. Currently, the Board is considering this first meeting during the October 2009 Board Meeting.

Additionally, it was determined that a document should be drafted that outlines committee travel. IFTA, Inc. will draft this correspondence for the committee chairs and detail what expenses are paid for. This correspondence will provide a clearer policy and procedure for all committee related travel.

II.3.A – Service Measures

Service Measures were also reviewed. Meeting attendance, clearinghouse service measures, committee travel, ballot commenting and voting, and the number of non-compliance issues cited were all briefly discussed. IFTA, Inc. will continue tracking these service measures for the Board.

Strategic Plan

The IFTA, Inc. Strategic Plan was reviewed. The Board extended the DRC time frame for submitting a New Member's Guide due to the current dispute they are engaged in. It is anticipated that the Board will charge the committee with this task at the April 2009 Board Meeting. The Board decided to revisit the outstanding issues during the IFTA, Inc. Strategic Planning Session following the conclusion of the Board

Meeting. Several additional items were recommended by the Board for addressing during the planning session.

Financial Report

Ms. Turner provided the IFTA, Inc. financial update. IFTA, Inc. remains financially sound, despite the recent investment hits due to the current economy. Ms. Turner remains in contact with the IFTA, Inc. Financial Advisor who continues to track the investments of the organization. An internal controls audit was recently conducted on IFTA, Inc. No major findings were discovered during the course of this audit. The confidential reports were provided to the Board members in attendance. The Board recommended that IFTA, Inc. consider a new auditing group once every six to eight years just for the purpose of conducting the financial audit. This would help to ensure that the appearance of a long term relationship with a single provider does not disqualify the probable findings.

Adjournment

Following the conclusion of the business discussions, the Board adjourned the Fourth Quarter 2008 IFTA, Inc. Board of Trustees Meeting. Their next meeting will be January 22 - 23, 2009, in Chandler, AZ. During this meeting, the IFTA Board will meet with the IRP Board for a special session to discuss similar interests to the organizations.

Motion: Mr. Bryer moved to adjourn the Fourth Quarter 2008 IFTA, Inc. Board of Trustees Meeting. Ms. Hussey seconded the motion. The motion passed.

ACTION ITEMS RESULTING FROM THE 4Q08 BOARD MEETING

ITEM	ACTION
1-4Q08	IFTA, Inc. will start working on selecting a host and location for the 2011 Annual Business Meeting.
2-4Q08	IFTA, Inc. will contact its conference call service provider regarding web conferencing/webinar possibilities.
3-4Q08	IFTA, Inc. will draft a form letter for committee travel including the policy that the committee member must attend the committee meeting in order to seek reimbursement for travel costs.
4-4Q08	IFTA, Inc. will make the necessary corrections to the 2010 Decal Specifications and post them on the website.
5-4Q08	IFTA, Inc. will survey the member jurisdictions regarding “all or nothing” participation in the IFTA, Inc. Clearinghouse.
6-4Q08	IFTA, Inc. will draft a charge to the DRC for a new member’s guide. The charge will be given to Bob Turner for distribution to the DRC.
7-4Q08	IFTA, Inc. will work on a presentation for using the IFTA Commissioners website.
8-4Q08	IFTA, Inc. will work with NLETS to develop information to send to the law enforcement community regarding access to the revocation database.
9-4Q08	IFTA, Inc. will redraft the Clearinghouse Access agreement for funds netting and to include a statement that the Clearinghouse data may be used for program compliance purposes.
10-4Q08	IFTA, Inc. will draft a response to the PCRC concerns regarding the Clearinghouse. The draft response will be sent to Rena Hussey and Scott Greenawalt for review, input and distribution to the PCRC.
11-4Q08	IFTA, Inc. will consult its CPA regarding an SAS-70 Audit of the Funds Netting Process once it is implemented.
12-4Q08	IFTA, Inc. will draft agenda items for the combined Board meeting with IRP, Inc. in January; once drafted, they will be sent to Julian Fitzgerald for review and then distributed to IRP, Inc.
13-4Q08	IFTA, Inc. will finalize the Clearinghouse rules for review by the CAC and the Board.
14-4Q08	Board will reach out to the Northeast Region in an attempt to secure a volunteer to participate on the Agreement Procedures Committee (Mr. Bryer offered).
15-4Q08	Board will communicate with Ms. Jennifer Brown (AZ), LEC Chair, to determine her level of interest in extending her term through to October 2012.
16-4Q08	CAC will contact Idaho in regards to ballot 1-2008 and their comments made during the Second Comment period.
17-4Q08	Board is to work towards meeting in October 2009 with the committee chairs to present their reports in person during the Quarterly Board Meeting.

ACTION ITEMS RESULTING FROM THE 4Q08 BOARD MEETING

ITEM

ACTION

18-4Q08 IFTA, Inc. is to consider a new auditing group for the next fiscal audit as requested by the Board. Financial audits are conducted every six to eight years with the most recent having been conducted 3Q08.