

International Fuel Tax Association, Inc.

May 2012
Volume 12, Issue 5

THE IFTA NEWS

912 W. Chandler Blvd., #B-7
Chandler, AZ 85225
480.839.IFTA (4382)
www.iftach.org

TAX RATE CHANGES FOR 2Q12

Thus far, only one member jurisdiction has changed tax rates for 2Q12. To view these changes, please visit:

<http://www.iftach.org/taxchangeq.php>

THE IFTA, INC. STAFF

To contact a member of the IFTA, Inc. staff, please click on a name below.

[Lonette L. Turner, CEO/CFO](#)

[Debora K. Meise, Senior Director](#)

[Jason DeGraf, Information Services Director](#)

[Amanda McNally Koeller, Program Administrator](#)

[Tammy Trinker, Office and Events Administrator](#)

[Tom King, Webmaster](#)

[Richard O. Beckner, Program Compliance Administrator](#)



IFTA Committees Welcome...

Clearinghouse Advisory Committee (CAC):

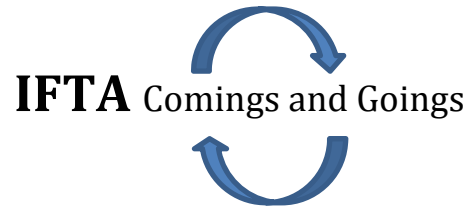
- Ms. Natalie Wendell (MN)
- Ms. Sherry McKinley (ME)

Program Compliance Review Committee (PCRC):

- Ms. Joy Prenger (MO)

Dispute Resolution Committee (DRC):

- Mr. Doug Miller (MI)



IFTA Comings and Goings

Comings:

California IFTA Commissioner
Mr. Lou Feletto
Phone: 916.323.9401
Email: lfeletto@boe.ca.gov

Comings:

New York IFTA Commissioner
Ms. Diane O'Donnell
Phone: 518.457.7592
Email: diane.odonnell@tax.ny.gov

Comings:

Ohio IFTA Commissioner
Mr. William B. Ditto
Phone: 614.728.4381
Fax: 614.728.8085
Email: william_ditto@tax.state.oh.us

If your jurisdiction has had IFTA staff changes please let us know!



NEXT IFTA MEETING

Annual IFTA Business Meeting
July 18 – 19, 2012
Grand Rapids, MI

To Share or not to Share...



IFTA, Inc. has received several questions regarding the requirement to “share” IFTA Decals within the IFTA community. There is NO

requirement to “share” decals. This practice was started many years ago when there were few jurisdictions in IFTA. As a courtesy, decals were shared among the members. If you’d like to see the other jurisdictions decals they are displayed on the IFTA, Inc. website under the One Stop Shop tab. And don’t forget, if there is no decal for a jurisdiction, it means they have yet to send us a current decal sample.

IMPORTANT NOTES FROM LONETTE

We have a couple of policy changes for this year’s Annual Business Meeting.

First, we will not be accepting credit card payments for registration fees. While preparing the budget for FYE13, we took a very close look at the fees associated with accepting credit cards. They have increased considerably over the past couple of years. In an effort to ensure that we keep registration fees as low as possible, for this meeting, we will accept payment from the jurisdictions in two ways: check and ACH credit.

We encourage our member jurisdictions to utilize the ACH credit process you currently have in place for funds netting to submit registration fees for the meeting. For those jurisdictions that do not yet have the capability to submit US funds electronically, please contact Amanda Koeller at akoeller@iftach.org or by calling 480.839.4382 for assistance.

To our industry partners, please send us a check or bring one with you to the ABM.

You will also see a change at this year’s ABM. We will soon be seeking sponsors for our morning and afternoon breaks at the meeting. When you submit your on-line evaluation of the

meeting, please let us know what you think about having sponsors.

Look for preliminary meeting materials to be posted on our website approximately 30 days prior to the ABM.

Last week, on behalf of the Board Election Committee, I forwarded to our member jurisdictions a Memorandum of information regarding nominations for the upcoming Board Election. If you have interest in serving as a member of the Board, please be sure to contact Sheila Rowen (TN), Chair, Election Committee. Sheila’s contact information can be found in the Memorandum as well as in Tennessee’s Jurisdiction Communication List.

We look forward to seeing you in Grand Rapids.



Upcoming Compliance Reviews

California (E)
June 25-29, 2012
Heather Villeme (WV) Kathryn Randall (LA)

Important Dates

Monday, May 28, 2012
Memorial Day

IFTA, Inc. Office Closed

Monday, May 21, 2012
Victoria Day

Canada IFTA Offices Closed

Decals (pronounced Dee-kals, dih-kals, or stee-kurs) per the Agreement

Written by:
Carolyn Evanston (IN)
Agreement Procedures Committee Representative



Having just completed the 2012 Renewal period you would think that it would be time for a much needed break, however it only means that it is time to order the 2013 IFTA license year's Decals.

As was presented in the most recent IFTA Managers' and Law Enforcement Workshop the IFTA Procedures Manual, Section P320, provides detailed information pertaining to the size of the decal as well as the requirements of serialization numbering of the credential, and the size and placement of the text to be included on the decal.

However, did you all know that IFTA Inc. publishes a handy Decal Specifications .pdf document that references P320 requirements in addition to color, material and wear specifications of the IFTA compliance decal in a detailed format that can be added on as a rider to your decal procurement requests and/or bids? If not read on and make plans to attend the 2012 IFTA Managers' and Law Enforcement Workshop where this and other helpful information is shared and discussed.

You can find this Decal Specifications file for each license year along with a quick reference list to the printing color rotation assignment (Pantone Color number) for each license year in the member section of the www.iftach.org website. Once you log-in simply scroll the Main Menu page down and select the "Decal Specifications" link (the one with the arrow).

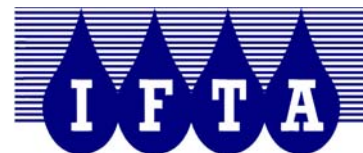
Using this Decal Specification file in your bid/purchase process will help ensure the decals you receive from your vendors for your jurisdiction are compliant with the IFTA Agreement and will help you get a passing mark in the decal section of your next Program Compliance Review.

Did you know: There is no requirement in the IFTA Agreement that requires you to send each jurisdiction a sample of your annual compliance decal? Just simply put a sample in the mail [or scan a colorized version and email it] to IFTA Inc. and you are done.

Fun Fact: Did you know that the word decal comes from shortening the French word decalcomanie?

2012 IFTA Managers' and Law Enforcement Workshop

Registration Coming Soon



Look for it 5/22/12

2Q 2012

NOTES FROM THE BOARD

On April 18 and 19 the IFTA, Inc. Board of Trustees (Board) held its Second Quarter 2012 meeting. All nine Board members were in attendance. Mr. Dan Eisinger (Supervalu, Inc.), Industry Advisory Committee (IAC) Chair, Mr. Robert Pitcher (American Trucking Associations, Inc.), and the IFTA, Inc. financial advisors, Mr. Glenn Campbell and Mr. Josh Weitz (JP Morgan Chase), were also in attendance. Following a closed session with the financial advisors, the meeting was re-opened and the Board approved the minutes of the First Quarter 2012 Board meeting, Board Actions by Email, and the Board and Committee Chairs conference call.

Mr. Jason DeGraf, Information Services Director for IFTA, Inc., provided an update on the Clearinghouse. Currently IFTA, Inc. is working with SAFER to determine the possibility of providing demographic data. At this time no actual data is being transferred and only test data is being transmitted. Once a valid connection is established and on a state-by-state approval basis, certain demographic data could be provided to SAFER. It was further clarified that unless a working agreement was obtained between the individual jurisdictions and SAFER no data would ever be provided by IFTA, Inc. to SAFER. IFTA, Inc. Program Administrator, Mrs. Amanda Koeller, informed the Board that everything was running smoothly with the funds netting program and that membership had been paying on a timely basis.

Clearinghouse Advisory Committee (CAC) Board Liaison, Mr. Garry Hinkley (ME), reported on the activities of this committee. The Board approved the amendments to the CAC charter as well as the appointments of Ms. Natalie Wendell (MN) and Ms. Sherry Conrad (NS). The committee still has vacancies in the southeastern and western regions as well as an opening among the Xerox users.

Mr. Tom King, IFTA, Inc. Webmaster, demonstrated the recent updates to the IFTA, Inc. website. A new tab, entitled "About Us", has been added to replace the informative links at the bottom of the home web page. This is an all-inclusive tab containing links to the Board, Bylaws, Articles of Incorporation, Membership Regions, Strategic Plan, and an IFTA 101 PowerPoint presentations as well as a listing of the IFTA, Inc. employees. Other updates to the website include an archive feature for the Board meeting minutes as well as minutes from the committee teleconferences, a message board for the Commissioner Training Committee (CTC), and results from the Compliance Initiative from March 2012. A link will also be incorporated that will allow interested parties to review previous years' results.

IFTA, Inc. Office and Events Administrator, Mrs. Tammy Trinker, presented the meetings update. The 2012 Annual IFTA Business Meeting registration fees were approved as presented. These fees are set at \$305 for non-voting member delegates, \$365 for public and private industry representatives and \$650 for exhibitors. The Board was updated on the progress of the 4Q 2012 Combined IFTA/IRP Board meeting. On the first day both Boards will meet separately with the IFTA Board meeting at the IFTA, Inc. offices and the IRP Board meeting at the hotel. On the second day the Boards will meet for lunch and then meet at the hotel for a combined Board meeting. The IFTA/IRP Board Subcommittee will draft an effective agenda that will be of interest to both parties.

The 2013 Annual IFTA Business Meeting (ABM) was then discussed. Mr. Stuart Zion (CO) inquired as to the possibilities of Colorado hosting this important event. It was decided that IFTA, Inc. would work with CO to determine if an affordable location could be procured before continuing the search in Nevada or Arizona. This is due in part to the fact that Colorado has not yet hosted the ABM and both Arizona and Nevada had.

Mrs. Debora Meise, IFTA, Inc. Senior Director, informed the Board of the upcoming Commercial Vehicle Safety Alliance (CVSA) meeting and the topic she and Lt. Jennifer Brown (AZ), Law Enforcement Committee (LEC) Chair, are scheduled to present. CVSA invited both IFTA, Inc. and IRP, Inc. to present half-day breakout session training topics. This meeting will be April 23 – 24.

IFTA, Inc. meeting sponsorship was then discussed. The Board was informed that forms had been drafted and that interest has already been fielded to sponsor events at the ABM. A screening and approval process will be initiated for any vendor wishing to sponsor a catered event during the business meeting.

Audit Committee (AC) Board Liaison, Mr. Ric Listella (OR), presented this committee's report. The committee is working to draft a combined document that incorporates revisions to the Audit Manual as well as the P600 revisions. This document will be presented to membership once completed for consideration and discussion. The AC continues to consider the preliminary agenda for the upcoming 2013 IFTA/IRP Audit Workshop. The committee also continues to look for volunteers from the Canadian region.

Mrs. Meise provided the Program Compliance Review update. Four reviews have been completed to date. The scheduled e-reviews have also been successful. Montana has agreed to revise their on-site review to an e-review in September. Mrs. Koeller reviewed membership rotation participation in the program compliance reviews (PCR). A chart was provided to the Board which highlighted when jurisdictions should consider volunteering for future PCR. The chart projected participation from 2013 to 2021 but does not distinguish between audit and administrative review personnel. This rotation chart is more of an informative plan to prepare jurisdictions for when they will be asked to participate on reviews. This chart will be published on the IFTA, Inc. website.

Proposed changes to the Committee Chair Guide were then reviewed by the Board. Although the document has been published to the IFTA, Inc. website the Board recommended revisions be made.

Ms. Sheila Rowen (IN), Program Compliance Review Committee (PCRC) Board Liaison, presented this report. A Final Determination Finding of Non-Compliance had been issued and forwarded to the jurisdiction as required by the Dispute Resolution Process. Committee vacancies were also reviewed. The PCRC is looking to fill vacancies in the Canadian and Western regions. In 2013, Mr. Fred Alleman (PA) will be retiring and another vacancy will be created. The Board approved the appointment of Ms. Joy Prenger (MO) to the PCRC.

The Board reviewed the charge to the Dispute Resolution Committee (DRC). The committee had presented two separate proposals regarding a good faith effort that should be initiated prior to the start of an actual dispute hearing. It was the decision of the Board that the DRC had worked diligently and hard on the charge. The issue was tabled pending additional review by the Board.

The DRC has created mock disputes. These disputes are to assist the committee in emulating what deliberations would be like in the event of a real dispute. The committee also presented Mr. Doug Miller (MI) to fill a vacancy in the Midwest region. The Board approved this nomination.

IAC Chair, Mr. Eisinger, presented this report. The committee is working with the Law Enforcement Committee (LEC) regarding the upcoming September workshop. Additionally the committee is reviewing the current ballots for comment. Mr. Pitcher then spoke to the Board regarding several issues including the collection of hazmat fees in WA, working with TX regarding audits and the operation of a clean IFTA system, natural gas prices, clean energy, LNG vehicles, and hybrid vehicles including both diesel and LNG tanks. Additionally Mr. Pitcher theorized that Mexico would probably join the IRP within five years but that they would not join IFTA at the same time. Currently only three Mexican carriers are registered to operate within the US borders.

Mr. Ron Hester (ON), Board Liaison to the Agreement Procedures Committee (APC), offered this report. The committee continues to work with the LEC and IRP to organize the 2012 IFTA/IRP Managers' and Law Enforcement Workshop. One of the breakout sessions being presented will surround "A Day in the Life" of a motor carrier. The APC also intends to establish an agenda for the face-to-face committee meeting during this year's workshop similar to last year's workshop. The committee is also drafting a ballot regarding mandatory language within IFTA. This ballot will be forwarded to the Attorneys' Section Steering Committee (ASSC) following the committee's review.

Mrs. Rowen, ASSC Board Liaison, presented this committee report. The committee continues to discuss the possibility of meeting face-to-face and include support from IFTA, Inc. personnel. Expenses of such a meeting were discussed by the Board. Alternatives to a face-to-face meeting were also discussed, such as a webinar. While the

Board was not against the ASSC hosting a face-to-face meeting, the Board determined that one would not be hosted in 2012.

Board Liaison to the Information Technology Advisory Committee (ITAC), Mr. Hester, offered this report. The ITAC has worked very hard and has completed the Board charge to identify all existing motor carrier data information systems and identify the organization/government agency that maintains the database. A whitepaper drafted by the committee concerning this charge was presented to the Board. This paper will be published on the IFTA, Inc. website.

ITAC representation was then reviewed. It was decided that the Board Liaisons would return to the committee and request a clarification regarding the committee's makeup. In addition the committee will be asked to review their charter and roll off schedule in anticipation of the 2012 ballot proposal that would change the ITAC from a Special Committee to a Standing Committee.

Mrs. Platt, the Board Liaison to the Re-Audit and Re-Examination Working Group (RRWG), presented this report. The Board's letter went to the committee in March and there has been, at this time, no response. Mrs. Platt will connect with the working group following the Board meeting to ensure that the communication has been received and that the working group is addressing the Board's additional requests.

Board Liaison, Mr. Zion, presented the Commissioner Training Committee (CTC) report. This committee has distributed a survey to membership and published the results. This survey polled the current Commissioners and Assistant Commissioners on their experience and anticipated needs. The results of this survey indicated that training was necessary and that the polled members preferred a webinar vs. a self-paced online training course. The CTC continues to develop a timeline and budget based on this need and will present it to the Board when completed.

Mr. Zion, LEC Board Liaison, then presented this committee's report. The LEC is working diligently on the preliminary agenda for the September 2012 IFTA/IRP Managers' and Law Enforcement Workshop. Committee members are also working to arrange the May Compliance Initiative for 2012. The committee is also recruiting volunteers for the committee. One of the issues the committee is currently discussing pertains to whether or not jurisdictions should, or can, collect assessments for other jurisdictions. It was noted during the Board meeting that not all jurisdictions have the authority to collect but can issue a citation for the violation.

The Board reviewed and approved the 2011 Annual IFTA Business Meeting (ABM) minutes for release to membership for ratification at the 2012 ABM. The preliminary agenda for the 2012 ABM was then reviewed. It was decided that the New Commissioner's and Assistant Commissioner's Orientation should be held in a separate meeting room and that a different agenda will be drafted for this pre-meeting orientation. Additionally, IFTA, Inc. will look into procuring breakout rooms for possible mock dispute resolution reviews. The 2012 Election Committee was also established. Ms. Sheila Rowen (TN) agreed to Chair the committee.

Proposed amendments to the Bylaws, a review of the Strategic Plan, and the Contingency Plan were all discussed by the Board. During discussions it was the Board's decision that, following a disaster, a pre-approval process would not be necessary as immediate teleconferences could be arranged between the Executive Committee and IFTA, Inc. CEO/CFO. It was further noted that the Board might want to consider creating a new Strategic Plan in the coming year.

Ballot proposals for 2012 were reviewed by the Board. There were five full track preliminary ballot proposals submitted. These ballots are now available on the IFTA, Inc. website for the first comment period which concludes May 16. IRP, Inc. currently has two ballot proposals that were submitted for 2012. Both of these ballots are available on the IRP, Inc. website.

The Board then discussed the implementation of IFTA FTFBP 2-2010 and the validity of R1230. This ballot, which becomes effective July 1, 2013, permits in part that:

“For a fleet based in a U.S. jurisdiction, interest shall be set at an annual rate of two (2) percentage points above the underpayment rate established under Section 6621 (a)(2) of the Internal Revenue Code, adjusted on an annual basis on January 1 of each year.”

Concern had been expressed regarding the implementation of this ballot language and the Board was asked to discuss interceding and possibly halting the ballot’s implementation. The purpose of this discussion was the assertion that the provision of R1200 “imposing” the interest rate may be unconstitutional. The authority of the Board to stop a membership implemented ballot was discussed. It was unequivocally determined that the Board does not have such authority. The next question raised was what would happen if a jurisdiction decided it could not implement the new interest rate because of the issue of the unconstitutionality of the underlying provision. The majority of the Board members thought this would be a compliance issue in a program compliance review.

Because of many implementation questions regarding the upcoming new interest rate, the Board decided that a presentation should be made during the 2012 ABM showing how the Canadian jurisdiction utilize multiple interest rates for the processing of both tax returns and audits. The presentation will include information from the Consensus Board Interpretation (CBI) presented at the 2011 business meeting.

The IRP, Inc. Board of Directors report was provided by Mr. Scott Greenawalt (OK). IRP, Inc. has done a good job during its transition period. IRP, Inc. continues to work with multiple providers in regards to personnel related issues as well as continuing the search for the new CEO. Mr. Tim Adams continues to serve as the acting Executive Director and Ms. Mary Pat Paris currently serves as a consultant. The organization continues to conduct remote peer reviews and is working on refining and improving the process. Currently there is no further development for holding joint IFTA and IRP electronic (remote) reviews.

The IFTA/IRP Board Subcommittee report was then presented. The subcommittee had met by teleconference in both February and April. During discussions it was noted that Mexico is very interested in becoming a member of IRP but that there is not as great an interest in Mexico joining the IFTA.

Ms. Lonette Turner, IFTA, Inc. CEO/CFO, presented the financial report. The balance sheet for the month ending March 2012 and the income statement including year-to-date figures were presented.

Travel policies and reimbursement procedures were also reviewed for the Board’s travel. IFTA, Inc. will look into providing the expense reports on the secure website for more immediate access and ease of completing by the Board. Furthermore, IFTA, Inc. will review whether or not scanned receipts would suffice or if original receipts would still be required for auditing purposes.

The Board was informed that the government of the District of Columbia (DC) had contacted IFTA, Inc. back in March regarding membership in IFTA.

The Charles M. Mills Award of Excellence was reviewed. The Board discussed the nomination procedures. It was determined that all nominations should be reviewed by the LEC prior to the Board’s receipt of recommendation(s) from the committee for final approval. It was further proposed that the LEC cannot nominate any individual for the award but can only accept nominations for recommendation(s) to the Board whom will then determine the recipient.

Following the conclusion of the open discussions the Board then resumed the closed session for the purpose of discussing personnel and financial matters. Concluding these discussions the Second Quarter 2012 IFTA, Inc. Board of Trustees meeting was adjourned.

IFTA, INC. WEBSITE UPDATES

By: Tom King, Webmaster (tking@iftach.org)

Richard L. Reeves Leadership Award

Nominations are now open for the 2012 Richard L. Reeves leadership award. You can enter that person you wish to nominate on our website or fax us. The deadline to submit the form is **June 14, 2012**.

Account Reminder

Remember if your email address has recently changed, update your IFTA, Inc. Profile to reflect the change. If you forget your password you won't be able to reset your password if the email is outdated in our database.

Voting Booth

On May 15th a special voting booth will open for the Commissioners on the secure site. Instead of voting on ballots they will be voting on the issue of Referral to Dispute Resolution Committee. The 30 day deadline to vote will end on **June 15, 2012**.

2012 Annual IFTA Business Meeting

You can now register for the 2012 Annual IFTA Business Meeting. If you log into your IFTA, Inc. account first and then click on the ABM link under the Meeting section it will automatically fill in most of the information for you.

IFTA, INC. CLEARINGHOUSE UPDATE

By: Jason DeGraf, Information Services Director (jdegraf@iftach.org)

User Registrations and Removal

Just a brief reminder, all users' registrations for the Clearinghouse are done on www.iftach.org with Level 5 access or higher. You are also given the option to remove users as needed.

SAFER

In the upcoming weeks we should have complete details for sending Clearinghouse demographic data to the SAFER systems for road side enforcement.

Testing has been completed for the proper format of XML files that are to be sent to SAFER.

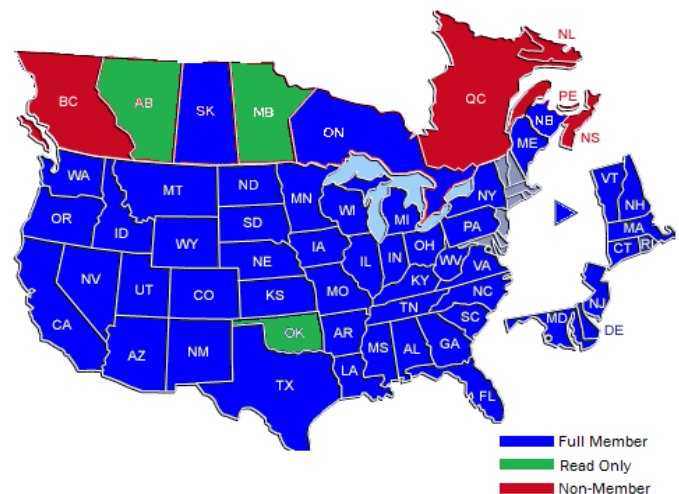
With a jurisdiction's permission, we will be able to send your demographic data, for all status types, to SAFER.

The SAFER website can be found here:
<http://www.safersys.org/>

IAR Update

On the IAR Upload screen there is an occasional issue of your IAR Reports not making it to our servers though it looks like it had. Thus a file comes to IFTA that is Zero Kb in size, an empty file.

I have added an additional check to see that that doesn't happen and properly notifies you of said error.



SAVE THE DATE!

IRP Annual Business Meeting

May 16-18, 2012
New Orleans, Louisiana

IRP, Inc. Board of Directors Meeting

May 19, 2012
New Orleans, Louisiana

Motor Fuel Northeastern Region

May 20-23, 2012
Annapolis, Maryland

Motor Fuel Uniformity Meeting

June 1-2, 2012
San Antonio, Texas

Motor Fuel Southern Region

June 10-13, 2012
New Orleans, Louisiana

FTA Annual Meeting

June 17-20, 2012
Washington, DC

Annual IFTA Business Meeting

July 18-19, 2012
Grand Rapids, Michigan

SEATA

July 22-25, 2012
White Sulphur Springs,
West Virginia

MSATA

August 26-28, 2012
St. Louis, Missouri

Motor Fuel Uniformity Meeting

October 26-27, 2012
Providence, Rhode Island

Motor Fuel Tax Annual Conference

October 28-31, 2012
Providence, Rhode Island

IFTA-IRP Managers'/Law Enforcement Workshop

September 12-14, 2012
Mesa, Arizona

IFTA, Inc. Board Meeting

October 17-18, 2012
Chandler, Arizona

