

## IFTA EVOC DISCUSSION BALLOT EXPLANATION

### In General

As its name suggests, this **DISCUSSION BALLOT** is submitted to the IFTA Board of Trustees to assist the IFTA community in determining what concepts might be appropriate for IFTA, if the members of the Agreement chose to implement the Electronic Verification of Credentials. *Neither the concepts nor the language presented here are not to be considered final.*

The general intent of the **DISCUSSION BALLOT** is to replace the physical IFTA license and the IFTA decals with electronic records of, respectively, a base jurisdiction's authority (license) for a licensee to report qualified motor vehicles under IFTA, and the VINs of qualified motor vehicles in a licensee's IFTA fleet. All of the amendments to the IFTA Manuals here are suggested only toward the achievement of that goal.

### Specific Amendments

#### Articles of Agreement

#### ARTICLE II

**R201** This is added as a precaution. Since IFTA currently refers to an account number in several different ways, and since that number will be more significant if the ballot is adopted, it seems advisable both to conform all the other references to "account number," and to add a definition of the term.

**R235** IFTA doesn't currently have a definition of "license," but the language sometimes refers to a physical cab card or its copy, to the privilege of operating under IFTA, or to the grant of the privilege. This definition and some of the other amendments should make it plain that "license" means the privilege and not any document.

**R263** Deleted as no longer necessary.

**R268** Adds a definition of VIN, since that will now be a significant term.

#### ARTICLE III

Much of IFTA's Article 600, on Vehicle Identification, is about the current IFTA license. Since the IFTA license will no longer serve the function of a cab card, and will essentially be reduced to an electronic record, the relevant language has been moved here, to IFTA Article 300, on Licensing.

**R330** These changes clean up the language somewhat and make specific the requirement for the base jurisdiction to assign account numbers to its licensees.

**R337** Moves R605 here to the licensing article, deletes the reference to decals, and alters the reference to a license.

**R338** A new section specifying what an IFTA license is. Note that a licensee may request that a document be issued evidencing the fact that the licensee is in fact licensed. This will be important in rental situations, among others.

**R339** Essentially part of the current R610, moved to the licensing article.

**R345** New .150 is from current R610, moved to licensing, where it belongs. New .400 is current 660.300, moved here.

**R350** Changes “license numbers” to “account numbers.”

**R355** Deletes the reference to decals.

**R360** Conforms the language concerning license issuance to the altered meaning of license, deletes the reference to the display of credentials, and adds a reference to the requirement for a licensee to submit its VINs to the base.

**R365** Removes the references to physical credentials.

#### **ARTICLE IV**

**R410** Removes the reference to physical credentials, and changes “accounts” to “licenses” for consistency.

#### **ARTICLE V**

**R510** Amends the reference to a rental lessee’s “license” to “license document.” (See above, under R338.) It also provides an exception in the case of certain rentals to the rule that the party reporting and paying fuel use tax on qualified motor vehicles under IFTA must submit VIN data on those vehicles.

#### **ARTICLE VI**

Most of the significant changes to the Agreement are here in Article 600, Vehicle Identification.

**R605** The current language on physical credentials is deleted, and the rest of existing 605 is moved to Article 300, Licensing. New language is added prohibiting all requirements to display any IFTA credentials.

**R610** In general, this section is amended by moving the essence of current language on license as privilege to Article 300, and by deleting the references in current language to decals.

What is added concerns the new requirements (1) for a licensee to submit the VINs of its QMVs to its base, and to keep that information updated, and (2) for a jurisdiction to provide a secure means for its licensees to do this. Both requirements require on-line VIN submission only.

**610.100** Requires the jurisdictions to enable their licensees to submit VIN information to them – securely and on-line.

**610.200** Requires each licensee, both at the time it's licensed and whenever it has additions or deletions to its IFTA fleet, to notify its base with the relevant VIN information on-line and within two business days. Timeliness is critical if enforcement is to rely on VIN records for IFTA enforcement.

**610.300** Provides that the VIN data a licensee submits is to be associated with its account number (or numbers).

**610.400** Provides that a jurisdiction may allow a renewing licensee just to certify that its VIN data is correct, rather than having to submit the whole list annually.

**610.500** Requires the jurisdiction to provide the licensee a time-stamped receipt when the licensee changes its VIN information.

**610.600** Requires jurisdictions to transmit their updated VIN data to the clearinghouse daily.

**610.700** Allows licensees access to their own records as maintained by the base jurisdiction, so that a licensee may verify the information for which it will be held liable.

**610.800** Provides that if the clearinghouse undertakes the direct acceptance of licensees' VIN information, a jurisdiction may fulfill its requirement under 610.100 by an appropriate agreement with the clearinghouse.

**610.900** A reminder of the point of all this.

**R615** Deletes or moves to Article 300 the current language on license and decal content.

**R620** Deletes current language on display of the license. Substitutes new language on the consequences for a licensee if it doesn't comply with the VIN requirements:

**620.100** Says that the failure of a licensee to let its base know of a VIN change doesn't alter the licensee's reporting requirements; that is, all QMV fuel and travel.

**620.200** This and the following paragraph, on penalties on a licensee for failure to comply with the VIN requirements of section R610, have been left blank, pending further discussion.

**620.300** See under R620.200.

**R625** Deletes the requirement to display decals, substitutes advisory language to the effect that a single vehicle may occasionally be used by and assigned to more than one IFTA fleet at once.

**R630**, **R635**, **R640**, **R650**, **R655**, and **R660** all have to do with decals, and are deleted.

## **ARTICLE VIII**

**R840** Makes conforming changes to the provisions on the inclusion of intra vehicles.

## **ARTICLE IX**

**R950** Adds language prohibiting any requirements for a licensee to report any vehicle-specific information on its IFTA return.

## **ARTICLE XI**

**R1100** Adds language that the failure of a licensee to report VIN data on a vehicle does not allow a jurisdiction to deny fuel credits associated with the licensee's operation of that vehicle. This is duplicated in P1070, the other IFTA provision that guarantees bona fide fuel credits no matter what.

## **ARTICLE XXI**

**R2110** Provides that VIN data is an element of the information that jurisdictions must upload to the clearinghouse every day, and provides that the clearinghouse may undertake to accept licensees' VIN data directly.

## **Procedures Manual**

**P105** Conforms language on the term “account number.”

**P135** Substitutes a list of the fleet’s VINs for the number of decals the applicant wants.

**P145** Deleted.

**P160** Conforms the language to other changes.

**P310** Provides that the record of a license maintained by a jurisdiction must include at least the information currently required to be on the IFTA license as cab card.

**P320** Concerns decal specs, and is deleted.

**P910** Concerns the records a jurisdiction must maintain on its licensees, and adds the VIN data the licensees submit to it.

**P1070** Adds the guarantee (as in R1100) that a licensee is not to be denied a fuel credit just because it hasn’t notified its base of the VIN of the vehicle that consumed the fuel.

**P1110** Conforms the list of items a jurisdiction is to include in its annual report to IFTA to other changes made.

## **Audit Manual**

**A320** An added requirement that an IFTA auditor evaluate the internal controls that the licensee under audit maintains for submitting VIN data to its base timely and accurately.

No other changes have been made to the Audit Manual. An IFTA audit assesses the compliance of a licensee’s systems for accounting for its fuel and travel; it has nothing to do with the presence or absence of decals on a licensee’s vehicles, nor will it have anything more to do with VIN notifications than is required by the change to A320.