

2011 Annual IFTA Business Meeting

Virginia Beach, Virginia August 16 – 17, 2011

Call to Order

Mr. Scott Greenawalt (OK), IFTA, Inc. Board of Trustees (Board) President, called the meeting to order and welcomed everyone to the business meeting. The Virginia Beach Police Department Honor Guard presented the colors of the United States and Canada as well as those of Virginia. Following the singing of the National Anthems by Ms. MaryAnn Rayment (VA), Mr. Greenawalt introduced the Honorable Sean T. Connaughton, Virginia Secretary of Transportation.

Welcome

The Honorable Sean Connaughton welcomed the delegates of the 28th Annual IFTA Business Meeting on behalf of Virginia Governor Bob McDonnell. As Secretary, Mr. Connaughton oversees seven state agencies with more than 9,700 employees and combined annual budgets of \$5 billion. Prior to joining the McDonnell administration, he served as Corporate Vice President, Government Affairs for the American Bureau of Shipping, one of the world's leading ship and marine classification societies.

Secretary Connaughton explained the large military and naval presence in the area and reminded everyone of why flags were flying at half-mast. He asked for a moment of silence for those who died in a recent helicopter crash. Many were members of a Navy SEAL team based in the area. Secretary Connaughton thanked the membership for coming to Virginia.

Roll Call

Mrs. Tammy Trinker (IFTA, Inc.), Events Coordinator, called the roll of the membership. Following the roll call, Mrs. Trinker announced a quorum of the membership was present to conduct the business of the association. Fifty-three (53) jurisdictions were present either in person or by proxy.

President's Report

Mr. Greenawalt gave the President's report. The focus of his report was the importance of jurisdiction participation in the activities of the membership through participation on the Standing and Special Committees. He recognized eight (8) jurisdictions that participate on four (4) or more committees: Indiana, Nevada, Kansas, Kentucky, Missouri, North Carolina, Saskatchewan, and Virginia. He thanked each of these jurisdictions for their commitment to the membership and the association. He stated that sixteen (16) jurisdictions do not participate on any committees or on the Board. He stated that IFTA, Inc. is a living and breathing association and stressed the importance of getting involved to show and share ideas.

IFTA, Inc. Strategic Plan

Mr. Hester presented an update on the IFTA, Inc. strategic plan. He reviewed several projects that were underway or had been completed to meet the goals of the association. Some of these projects are webinars for the clearinghouse and audit, developing a complete history of IFTA,

combined training opportunities with IRP, developing a commissioner training, quality control reviews of the clearinghouse data, the development of electronic reviews and the establishment of the Re-Audit and Re-Examination Working Group.

Approval of the 2010 Minutes

Mr. Greenawalt asked for changes or corrections to the minutes of the 2010 Annual IFTA Business Meeting. Hearing none, Mr. Greenawalt asked for a motion to approve.

Motion: Mr. James Poe (IN) moved to accept the minutes as written. Mr. Roland Marr (IL) seconded. The motion passed with no opposition.

Election Committee Report and Board Election

Chair of the Election Committee, Mrs. Platt presented this report. Each year, the Board president selects an Election Committee to seek nominations for election to the Board. Mrs. Platt reported that four (4) current Board members were seeking re-election: Mr. Greenawalt, Mr. Hester, Ms. Sheila Rowen (TN), and Mr. Stuart Zion (CO). Due to term limitations, Ms. Rena Hussey (VA) could not seek re-election. In order to meet the Bylaws requirement of a single board member region, the Election Committee sought a nominee from the Northeast Region. Mrs. Platt announced that Mr. Chuck Ulm (MD) was included in the slate of nominees with the four current Board members. Mrs. Platt then asked for nominations from the floor.

Motion: Mr. Julian Fitzgerald (NC) moved to close the nominations. Mr. Bill Kron (MS) seconded. The motion passed without objection.

Motion: Mr. Garry Hinkley (ME) moved to approve the nominations of Mr. Greenawalt, Mr. Hester, Ms. Rowen, Mr. Zion, and Mr. Ulm by acclamation. Mr. Gary Frohlick (SK) seconded. The motion passed without objection.

Proposed Bylaws Changes

Ms. Lonette Turner (IFTA, Inc.), Executive Director, presented a proposed amendment to the IFTA, Inc. Bylaws. The purpose of the proposed amendment was to change the provision that requires the Election Committee to follow a particular regional rotation for the single board member region. The problem arises when there are mid-term resignations. The proposed amendment would also require the Election Committee to determine the single board member region in a fair and equitable manner.

Motion: Mr. Scott Bryer (NH) moved to accept the amendment to the IFTA, Inc. Bylaws. Ms. Hussey seconded the motion. The motion passed 51:7. Jurisdictions not voting were counted as dissenting votes.

Clearinghouse Update

Ms. Turner reported that there are fifty (50) full participating members and three (3) jurisdictions that have signed the non-participating member agreement to view transmittals and demographic data. For the 2010 funds netting year, IFTA, Inc. collected and distributed over \$325,600,000 USD and nearly \$2,600,000 CAD. Through the first six (6) clearinghouse transmittal periods of 2011, IFTA, Inc. had collected and distributed almost \$180,000,000 USD and over \$1,200,000 CAD.

Ms. Turner showed a comparison of the first six (6) clearinghouse transmittal periods in 2010 to 2011. For those periods in 2010, IFTA, Inc. transmitted \$159,971,156 USD. In 2011, the amount for the same time period was \$179,927,949 USD. For those same periods, IFTA, Inc. transmitted \$1,385,837 CAD in 2010 and \$1,225,470 CAD in 2011.

Ms. Turner stated that issues were faced during the implementation year. These issues included checks being inadvertently sent by the jurisdictions; payments not received timely resulting in two prorate periods; payments not received timely resulting in checks being required from a jurisdiction; other types of payments being sent to the funds netting accounts; and data not being uploaded timely. In 2011, the number of issues has reduced and it appears the funds netting process is working.

Ms. Turner also reported that the AICPA had changed its requirements regarding SAS 70 audits. No longer are these types of audits being conducted for services such as those provided by the IFTA, Inc. Clearinghouse and funds netting processes. IFTA, Inc. will have an audit completed in which its auditors will utilize Statement of Standards for Attestation Engagements or SSAE 16. In an attestation report, a CPA attests to subject matter or an assertion about something other than the fairness of the presentation of financial statements.

The SSAE 16 is applicable when an entity (like the member jurisdictions) outsources a business task or function to another entity (IFTA, Inc.) and the data resulting from that task or function is incorporated into financial statements. So, IFTA, Inc. is the service organization and the jurisdictions are known as user entities. Based on the review of these documents with IFTA, Inc. auditors, these requirements for IFTA, Inc. were identified.

- ✓ Establishing a Funds Netting System
- ✓ Timeliness of the Funds Netting Process
- ✓ Confidentiality Requirements
- ✓ Assignment of Clearinghouse Users
- ✓ Reporting to Jurisdictions
- ✓ Monitoring the Funds Netting Account and Tracking Funds
- ✓ Distribution of Funds
- ✓ Controls (security of data, backups, etc.)

The required description of the IFTA, Inc. funds netting system has been written and includes examples of each type of record kept.

Ms. Turner also presented the new screens designed by Jason DeGraf (IFTA, Inc.), Information Systems Administrator.

Program Compliance Review Update

Mrs. Debora Meise (IFTA, Inc.), Program Director gave an update regarding program compliance reviews. No reviews are being conducted in 2011 due to the five-year review cycle. During 2011, the on-site review procedures were revised and the e-review procedures were written, the volunteer database was updated, preparations are underway for the 2012 reviews, assistance has been given to the Program Compliance Review Committee (PCRC) with revisions to the Review Guide, and training is being developed for e-review volunteers. In 2012, eleven (11) jurisdictions have elected to undergo e-reviews and 4 will be reviewed on-site.

Membership was reminded of the requirement to participate in reviews. A list of all volunteer jurisdictions is maintained at IFTA, Inc. If jurisdictions do not participate on a review they could be found out of compliance when their jurisdiction is reviewed.

Committee Reports

Agreement Procedures Committee

Mrs. Cindy Arnold (NV), Chair of the Agreement Procedures Committee (APC) presented a list of the APC members and reported on the activities of the committee since the 2010 ABM: the committee hosted the 2010 IFTA Managers' and Law Enforcement Workshop, has held monthly teleconferences, has reviewed the 2011 ballots, and the committee ballot sponsored in 2010 passed and was effective July 1, 2011. On the APC's action item list are reviewing the Best Practices Guide, its charter, the committee member terms and a new APC Member Guide. Mrs. Arnold then reviewed the agenda for this year's workshop.

Clearinghouse Advisory Committee

Mr. Kron, Chair of the Clearinghouse Advisory Committee (CAC) reported on the committee's activities and announced the committee members. The CAC holds monthly teleconferences which include an update from the Information Technology Advisory Committee (ITAC) and review of enhancement requests. Two subcommittees were created this year; one for quality control review of the clearinghouse data and the other to establish the 2013 funds netting calendar for the Board's approval.

Richard L. Reeves IFTA Leadership Award

The presentation of the 2011 Richard L. Reeves IFTA Leadership Award was made. Ms. Turner, Ms. Donna Burch (Ryder, Inc.), Mr. Dan Eisinger (Supervalu, Inc.), Chair of the Industry Advisory Committee (IAC), and Mr. Robert Pitcher (ATA), presented this unique award. This year's recipient was Mr. Gary Frohlick (SK) who accepted the award graciously.

Attorneys' Section Steering Committee

Ms. Carolee Johnstone (CA), Chair, gave the report of the Attorneys' Section Steering Committee (ASSC). Ms. Johnstone reported that the ASSC members had contacted the member jurisdictions requesting they update their Jurisdiction Communication List to include a current legal contact. Several jurisdictions have done so. The committee is planning to create a newsletter for distribution to these contacts. The ASSC also plans to conduct two webinars in the near future. Additionally the committee hopes to hold another face-to-face meeting as it has been a few years since the last one.

Audit Committee

Mrs. Meise gave a report on behalf of the Audit Committee (AC) Chair, Ms. Dawn Lietz (NV). The AC is working with the IRP Audit Committee to organize the agenda for the 2012 IFTA / IRP Audit Workshop. The focus of the workshop will be "Auditing in the 21st Century". The committee has created a subcommittee to review the Audit Manual; has conducted webinars with IRP; and has representatives serving on the ITAC and the Re-Audit and Re-Examination Working Group (RRWG).

Mrs. Meise also reported that the Audit Committee has sponsored Full Track Preliminary Ballot Proposal (FTPBP) #2-2011 which is a proposed amendment to A310 and changes the term

“registration” year to “license” year. During discussion a suggestion was made that a definition of license year be added to the Articles of Agreement to coincide with this proposed change.

Motor Carrier Technology Demonstration

Mrs. Hussey then announced the Motor Carrier Technology Demonstration. The Virginia Department of Motor Vehicles presented six (6) different stations. They provided “MO”, a mobile DMV office that provides driver and vehicle services. This gives the DMV the ability to journey out to remote locations and customers. There was also a vehicle weighing station. The DMV was also showing IRIS. This is an infrared inspection technology which identifies vehicles running with bad brakes and other problems such as under-inflated tires. A station was also set up so the attendees could look at the ARS – Automated Routing Service. This is a tool for oversize and overweight permits. Carriers can get these permits instantaneously on line. A review station was provided for the traffic crash database, an evaluation of road service. Registrants were also given the opportunity to review Virginia’s IFTA and IRP on-line services which includes tax reporting.

CBI 62-11

Mr. Zion then presented CBI #62-11. The issues for interpretation were received by the Board from the jurisdiction of Connecticut. Connecticut was seeking clarification of language that was approved in Full Track Final Ballot Proposal (FTFBP) #2-2010. This language is effective July 1, 2013:

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. Interest shall accrue monthly at 1/12 this annual rate. The Repository shall notify Jurisdictions of the new rate by December 1.

Connecticut’s questions were:

1. Is it the Board’s interpretation that it (the Board) has the discretionary authority to assign the duty of calculating the interest rate?

Connecticut pointed out that Ballot #2-2010 does not establish who is responsible for determining the effective interest rate. Therefore, it would seem that the responsibility rests with each member jurisdiction. They also stated that the Bylaws of the International Fuel Tax Association, Inc. do not appear to provide for such authority to be exercised by the Board of Trustees. Article Four, Section One (1) of the Bylaws defines the General Powers of the Board of Trustees. The language is very general (“The affairs of IFTA, Inc. shall be managed by the Board”) and does not seem to include the calculation of an interest rate to be implemented by the member jurisdictions.

2. What consequences exist if the member jurisdictions are not notified on or before December 1? If the member jurisdictions are not notified timely, what is their obligation to impose the correct rate (there are provisions in Section P1120.300 which relieve jurisdictions from taking extraordinary measures to implement a change of tax rate when the rate is not reported timely)?

3. How will interest be imposed, for example, in the following situation? The taxpayer is audited for the periods of October 1, 2010 through September 30, 2013. The audit is completed in late December 2013. Interest is being calculated through January 31, 2014.

Connecticut pointed out that under Article R1230 (effective 7/1/13), the effective rate for the year 2014 will be reported to the member jurisdictions on or before December 1, 2013. How will the member jurisdictions be able to program their systems properly to result in the correct calculation of the January 2014 interest? While the imposition of interest for a late filed first quarter 2014 return will likely have the correct interest application (the rate will have been known to the base jurisdiction on or before December 1 of the year preceding), the audit situation described above is entirely different.

As to Question 1, the Board determined that its interpretation of the language from FTFBP #2-2010 would answer Connecticut's first question. Based on that interpretation, the Board is making no assignment of duties. Therefore, this question is outside of the scope of this Proposed Consensus Board Interpretation.

The proposed Consensus Board Interpretation stated:

The rate established by the language in FTFBP 2-2010, effective July 1, 2013, is clearly stated: "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.

Per the current ballot language, IFTA, Inc. would notify the member jurisdictions, by December 1 of each year, of the calculated rate: the IRS underpayment rate + 2%. The ballot states: "Interest shall accrue monthly at 1/12 this annual rate." The calculation for the monthly rate is the responsibility of each jurisdiction.

The notification by IFTA, Inc. is provided as a convenience and does not relieve the jurisdictions from imposing the correct interest rate.

The interest rate applies for the calendar year for all deficiencies. Several interest rates may be in effect successively during the period that an underpayment remains outstanding.

Following the presentation and discussion, Mr. Greenawalt asked for a motion to accept the Board's interpretation of CBI 62-11.

Motion: Mr. Hinkley moved to accept the proposed Consensus Board Interpretation. Mr. Julian Fitzgerald (NC) seconded the motion. A roll call vote was taken and the motion passed by a vote of 49 to 9. Jurisdictions not voting were counted as dissenting votes.

Short Track Preliminary Ballot Proposal 4-2011

Mr. Zion presented Short Track Preliminary Ballot Proposal (STPBP) #4-2011. This ballot is sponsored by the Board and would remove the language approved in FTFBP #2-2011 which requires: "The Repository shall notify Jurisdictions of the new rate by December 1."

Motion: Ms. Hussey moved to accept STPBP 4-2011. Mr. Hinkley seconded the motion. Following a roll call vote the motion failed 27 to 31. Jurisdictions not voting were counted as dissenting votes. STPBP 4-2011 will not continue.

Closed Session

The second day of the business meeting started with a closed session for jurisdiction representatives only. The purpose of the closed session was for the presentation of the financial report and the discussion of a dues increase. Before the session was closed, a roll call was taken to ensure that a quorum was present to conduct the business of the association. Fifty-three (53) jurisdictions were present in person or by proxy. The session was then closed.

During the closed session the following motions were made.

Motion: Mr. Kron moved to accept the proposed dues increase as presented. Mrs. Hussey moved to second. A roll call vote was taken and the motion was defeated by a vote of 32 to 22. Jurisdictions not voting were counted as dissenting votes.

Motion: Mr. Bryer moved to raise the dues to \$18,000 per year beginning in fiscal year ending June 30, 2014. Mrs. Arnold seconded the motion.

Following discussions, Mr. Bryer rescinded his motion and Mrs. Arnold withdrew her second.

Motion: Ms. Kitty Decker (AZ) moved to increase the dues to \$18,000 per year beginning in fiscal year ending June 30, 2014. Mr. Kron seconded the motion.

Discussion followed this motion.

Motion: Mr. Kron moved to table the motion by Ms. Decker. Mrs. Arnold seconded the motion. This motion passed with no opposition.

Committee Reports

Re-Audit and Re-Examination Working Group

The open session resumed with Mr. Frohlick presenting reports on behalf of the RRWG and the Dispute Resolution Committee (DRC). Mr. Frohlick is the Chair of the RRWG and Vice Chair of the DRC. For the RRWG, Mr. Frohlick listed the committee members and reviewed the working group objectives. He stated that the committee has moved toward recommending that the “re-audit” and “re-examination” become part of a single audit process. The group will be drafting a ballot for next year and is currently reviewing the Board’s latest comments to the working group’s response to its charge.

Dispute Resolution Committee

For the Dispute Resolution Committee (DRC), Mr. Frohlick stated that there had been no disputes since the 2010 ABM. The committee is currently working on a charge from the Board. The Board gave the DRC six (6) action items to review. Three (3) have been completed and the committee continues to work on the other three (3). The remaining action items include the authority of the DRC and the Board and whether there should be an intermediate step by a third party. The committee continues to discuss whether that step is warranted.

Industry Advisory Committee

Mr. Eisinger presented the IAC report. He reported that the committee has had extensive discussions regarding the IFTA decals and would like to see them eliminated. He also reported that the IAC has an active role in the planning of the 2012 Audit Workshop. A representative of the committee will also attend the IFTA Managers' and Law Enforcement Workshop.

Information Technology Advisory Committee

Mr. John Poole (TX), ITAC member, gave the committee report and listed the members of the committee. Mr. Poole reported that the committee continues its monthly conference calls and has also extensively used the committee message board to exchange information. The ITAC has completed its charge from the Board regarding investigating, analyzing and reporting on the current capabilities of GPS and other vehicle tracking systems as they apply to commercial trucking operations. A second charge has been received from the Board that asks the ITAC to provide the Audit Committee with support as it completes its review of the ITAC's work product regarding vehicle tracking systems and proposed revisions to P600. A third charge asks the ITAC to identify and analyze existing motor carrier data information systems to determine whether there is a viable method to provide roadside law enforcement a snapshot of all pertinent data.

Law Enforcement Committee

Lt. Jennifer Brown (AZ), Chair, gave the Law Enforcement Committee (LEC) report. Lt. Brown stated that the committee continues its monthly conference calls. Due to committee member retirements, vacancies from the Northeast, Southeast, and Western regions need to be filled. She reported that more jurisdictions participated in the March and May (M&M) enforcement activities and that a database was developed by IFTA, Inc. to allow the LEC to collect enforcement statistics from these activities. The LEC co-sponsored a ballot with the Jurisdiction of Illinois.

Full Track Preliminary Ballot Proposal 1-2011

Mr. Trent Knoles (IL), and a member of the LEC, presented FTPBP #1-2011 for discussion. This ballot proposes the addition of the issue date to the IFTA license. Mr. Knoles stated that there is a distinction between the issue date of the license and the effective date of the license. The membership discussed whether the issue date should be defined. During discussions it was explained that the issue date is important for roadside enforcement that could lead to a possible audit. Furthermore the issue date could affect post-violation actions such as possible waiving of a penalty assessment.

Program Compliance Review Committee

Mr. Jay Starling (AL), Past-Chair of the Program Compliance Review Committee (PCRC), presented this report on behalf of the current Chair, Mr. John Szilagyi (CT). The PCRC is recruiting for administrative representatives from two regions; Northeast and Southeast. Projects of the committee include reviewing the program, conference calls, a subcommittee with the APC to address electronic filing and its impact on the Agreement, and a face-to-face meeting regarding the impact of FTFBP 1-2009 and E-reviews. The committee has also updated the Program Compliance Review Guide to include and accommodate both on-site and electronic reviews (E-reviews). It was explained that the review process itself is not affected by these changes except for the initial jurisdiction review which will be revised from 90 to 120 days prior to the actual review.

Mr. Greenawalt called for a vote to ratify the PCR Guide by a show of hands. With a vote of 49 in favor membership ratified the document.

IFTA, Inc. Financial Report

Following the committee reports, the discussions returned to the financial report. Discussions then returned to the membership dues increase.

Motion: Ms. Platt moved to have the dues increase motion un-tabled. Mr. Doug Miller (MI) seconded the motion. The motion passed. Mr. Greenawalt asked for the motion to be restated.

Motion: Ms. Kitty Decker (AZ) moved to increase the dues to \$18,000 per year beginning in fiscal year ending June 30, 2014. Mr. Kron seconded the motion.

Discussion followed this motion. Following a roll call vote the motion failed by a vote of 32 to 22. Jurisdictions not voting were counted as dissenting votes.

Motion: Mr. Bryer moved to increase the membership dues to \$17,000 beginning fiscal year ending June 30, 2014, including travel costs for the jurisdictions' voting representative to attend the Annual IFTA Business Meeting. Mr. Bernie Meagher (NS) seconded this motion.

Discussion was had regarding the trust of the Board in regards to inserting the travel expenses into the motion. It was explained that the additional wording would assist members in their travel requests. Following a roll call vote the motion passed by a vote of 40 to 16 with two jurisdictions abstaining. Jurisdictions not voting were counted as dissenting votes.

2012 Invitational

Mr. Miller invited those in attendance to the 29th Annual IFTA Business Meeting in Grand Rapids, Michigan in 2012. The dates of this meeting have been set for July 18 – 19. THE IFTA NEWS will contain additional details about the business meeting throughout the coming year.

Full Track Preliminary Ballot Proposal 3-2011

Mr. Meagher, Ms. Virginia Barnett (ON), and Ms. Angelina Leung (AB) presented FTPBP #3-2011 for discussion. This ballot proposes a pilot project for the sponsoring jurisdictions regarding number of audits completed. The number of audits completed would include, for the five-year pilot project period, compliance activities, roadside enforcement activities, and education and outreach activities.

The purpose of the ballot is the recognition that enforcement, educational, and compliance efforts contribute toward audit coverage. During the pilot project, the jurisdictions would consult with the IAC and the LEC ensuring alternative measures are clearly defined, consistent and measurable. The pilot jurisdictions may apply alternative measures for up to 1% of audit coverage. The remaining 2% must be traditional audits.

It was pointed out that in many jurisdictions, audit resources are allocated to higher risks, such as sales and use tax. It was also stated that audit alone is not the most efficient effort for compliance. In the pilot, the participants would calculate average hours per audit; specify alternative activities; and one hour of an alternative activity would equal one audit hour.

Those in attendance offered feedback on the ballot. It was suggested that the sponsors should consider conducting a pilot project without including it in the governing documents. It was also suggested that such a pilot need not be limited to only the sponsors of this ballot proposal. It was further suggested that only those jurisdictions currently meeting the number of audits requirement should participate.

IRP and IRP, Inc. Update

Ms. Mary Pat Paris (IRP, Inc.), CEO, presented a report concerning the activities of IRP and IRP, Inc. There were 158 in attendance at the IRP Annual Meeting in May. The IRP, Inc. Board funded one person from each jurisdiction to attend. IRP is working with IFTA for the planning of the Managers' and Law Enforcement Workshop. IRP conducted 20 webinars which included 1,500 participants. There were three (3) ballot proposals: full reciprocity, charter buses, and the audit manual rewrite. The charter bus ballot failed. IRP has many other activities and projects underway.

FHwA

Mr. Michael Dougherty, Program Analyst with the Federal Highway Administration (FHwA) gave a presentation that covered the Surface Transportation Program at the Federal level and the way that IFTA data factors into the apportionment of funds to the States. The presentation began with an overview of the current authorization (which is currently operating under an extension) and what is being proposed for the next program which would probably last about 5 years or so. The various taxes and fees that went into the Federal Highway Trust Fund (HTF) were explained and issues that are causing a reduction not only in the balance, but also future revenue were discussed. Included in the presentation was a description of what data is collected by FHwA, including IFTA gallons, and how it is used to compute the amount of fuel used on the highways in each state, so that there was a common basis for distributing funds from the HTF into several Federal programs. The presentation concluded with a review of the Congressional proposals to date for a new authorization, with some discussion as to how it may affect the reporting of IFTA data to the FHwA.

Alternative to Decals Survey

Mr. Hinkley presented the results of a survey taken of the membership regarding alternatives to decals. Forty-two jurisdictions responded, representing 170,000 accounts and 1.8 million decals. Twenty-eight jurisdictions suspend other credentials when IFTA decals are not displayed. If there was a reliable system available, twenty-three jurisdictions would give up decals. Only sixteen jurisdictions would be in favor of no decals for larger carriers only.

United States / Mexican Motor Carrier Long-Haul Pilot Project

Mr. Poole presented a report regarding the US/Mexico Cross-Border Long-Haul Pilot Program. Negotiations for this project began in March 2011. Applications are being accepted by FMCSA now from Mexican carriers. The pilot will last up to three (3) years. The IRP International Committee has established a subcommittee for this project. IFTA is participating. Two conference calls have been held and action items were established.

New Business Items

Mr. Marr announced that over the course of the following year Illinois would be contacting membership to address Agreement issues that have impacted the decisions made this year,

specifically the issue of voting and jurisdictions not in attendance at the business meeting. It is the view of Illinois that those who opt not to attend the business meeting, or not provide a voting proxy, should not have an impact on the outcome of a vote.

Adjournment

Mr. Greenawalt thanked the staff of the Virginia Department of Motor Vehicles for all of their work toward making the meeting so successful. Concluding the business discussions of the organization Mr. Greenawalt asked for a motion to adjourn.

Motion: Mr. Kron moved to adjourn the 28th Annual IFTA Business Meeting. Ms. Platt seconded the motion. The motion passed with no objections.