IFTA®
International Fuel Tax Association Inc.

International Fuel Tax Association, Inc.
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IFTA, INC. BOARD OF TRUSTEES CHARGE TO THE ALTERNATIVE FUELS COMMITTEE (AFC)

EXTENDED TIMELINE

1. **History**:

As part of IFTA, Inc. future strategic plan and IFTA, Inc's goal of being proactive and prepared for inevitable changes that will occur to the current system of funding our infrastructure through fuel use tax, a new standing committee was created.

The Alternative Fuels Committee is a newly created standing committee approved by membership. The purpose of this committee is to assist IFTA, Inc. and the IFTA Board of Trustees with researching, studying, and developing a clear direction on different ways in which the IFTA Cooperative Agreement will need to change to incorporate alternative fuel vehicles including commercial vehicles propelled by electric and hydrogen.

Both the federal government and various jurisdictions are currently in the process of studying alternative means for sustaining a revenue stream to maintain infrastructure. The major studies are focused on replacing fuel use tax with a pay-per-mile fee/tax that would apply to both passenger vehicles and commercial vehicles (greater than 10,000 lbs.). IFTA, Inc. continues to work with many of these study groups and with other organizations as we try to be proactive and involved in any future transitions.

In addition to the sustainability issues with the continued loss of fuel use tax revenue, there are pending mandates by jurisdictions, and possibly future federal mandates, as well as targets levied internally by many manufacturers, that will result in a proliferation of both passenger and commercial electric vehicles which will have a dramatic effect on fuel tax revenue requiring a change to the way in which we source and collect revenue dedicated to maintaining infrastructure.

For our cooperative agreement to stay relevant and not jeopardize our unified approach to the collection of revenue dedicated to mainlining our infrastructure, IFTA, Inc. and our members must work together to develop a clear plan and direction that will align our methodologies for taxing alternative fuels and/or replacing fuel use tax with the collective consensus of our membership and with the movement of other governing bodies.

2. **Purpose of Charge**:

The purpose of this charge is to supplement the newly created Charter for this new standing committee with a Charge to immediately begin the process of developing a plan of action. The plan of action will include gathering input from IFTA community representatives including jurisdiction representatives, industry representatives, various study group representatives, service providers and other stakeholders.

3. **Charge**:

3.1 Develop a plan of action (project plan) for the steps needed to research alternative means of generating a sustained source of revenue for infrastructure using the IFTA Clearinghouse platform and cooperative agreement, plan for gaining membership consensus, tasks needed to change the IFTA Agreement, and projected timeline for implementation.

3.2 Develop a detailed outline on the best methodology for IFTA to add electric and hydrogen as a fuel type on the IFTA return as a basis for a short-term solution until a more detailed plan is developed for the long term sustainability of revenue dedicated to infrastructure (must be completed before 1/1/2024).

3.3 Develop the long-term solution outline with all tasks needed for sustainability that will include transitioning to a mileage-based tax using the IFTA platform and cooperative agreement.

3.4 Outline steps and tasks that would be needed in the event both passenger vehicles and commercial vehicles transitioned to a mileage-based tax using the IFTA platform and cooperative agreement.

4. **Timeline for Completion of Project**:
   - Provide updates to the IFTA, Inc. Board of Trustees at each IFTA, Inc. Board Meeting.
   - Provide an initial report on the project status at the 2024 ABM.
   - Provide a Preliminary Draft Report at the 4th Quarter 2025 meeting of the IFTA, Inc. Board of Trustees.
   - Provide the Final Report with a preliminary outline of the options and methodologies for charge 3.3 above at the 2026 IFTA Annual Business Meeting.

President
IFTA, Inc. Board of Trustees

1-17-25
Date