

IFTA, INC. BOARD OF TRUSTEES CHARGE TO THE CLEARINGHOUSE ADVISORY COMMITTEE

1. History:

The IFTA, Inc. Clearinghouse Advisory Committee ("CAC") is established to be responsible for advising the Board and the Executive Director of IFTA, Inc. on the business rules for the operation of the Clearinghouse, ensuring the Clearinghouse operates within the IFTA requirements, suggesting enhancements to the Clearinghouse, proposing ballots, and serving as a technical resource for membership. As part of those duties, the CAC proposed several ballots designed to enforce compliance upon member jurisdictions that fail to upload data timely to the Clearinghouse. Each ballot has failed to be ratified by membership. The consequence of not uploading data in a timely fashion affects all jurisdictions. Member jurisdictions due funds from the base jurisdiction that failed to upload data timely will not receive the full amount of the funds that they are owed or will have to pay additional funds into the process. There could be other consequences to jurisdictions in the reporting of revenue both internally to legislative bodies and, in the case of U.S. jurisdictions, to the federal government as part of the highway funding component.

It is unclear whether it is fully understood how a failure to upload data correctly and timely could result in significant errors in transmitting data and revenue. During the 2024 Annual Business Meeting, it was revealed that a member jurisdiction had failed to upload data that was accurate and complete. The consequence of this would have been measured in tens of millions of dollars not being transmitted to member jurisdictions by the base jurisdiction. IFTA, Inc. worked with the base jurisdiction to immediately correct the file and resubmit the data. A revised Settlement Report was issued to member jurisdictions. The issue of data uploads was discussed at the 4Q2024 IFTA, Inc. Board of Trustees meeting. The Board determined that the CAC should research the history of data uploads by member jurisdictions to determine what failures have occurred and what the potential financial implications would be to members.

2. Purpose of Charge:

The purpose of this charge is to assign the CAC with the task of:

1. Conducting research on the history of data uploads that were untimely transmitted and late funding to the Clearinghouse to determine how many occurrences have happened in the past and what the financial impact would have been.
2. Reviewing a selected test period of current and future untimely data uploads and late funding to determine what the effect would be for a failure to upload data and funding timely (e.g. select jurisdiction(s) and determine what the outcome would be).
3. Compile all data from the research and prepare a comprehensive report to be submitted to the IFTA, Inc. Board of Trustees.

3. Charge:

- 3.1 Create a subcommittee consisting of CAC members, the IFTA, Inc. personnel and Board Liaisons to conduct the research.
- 3.2 Collect and analyze data and prepare projections on how untimely data uploads and late funding affects member jurisdictions.
- 3.3 Prepare and issue a report on the research results, conclusion and recommendations for the Board; presented to the CAC Board Liaisons.

4. Timeline for Completion of Project:

- Creation of subcommittee and commence research by March 7, 2025.
- Provide an update on research for the Board of Trustees at the 2Q2025 Board Meeting.
- Provide an update on research at the 2025 IFTA Annual Business Meeting and the 3Q2025 Board of Trustees Meeting.
- Provide an update on research at the 4Q2025 Board Meeting.
- Provide a Final Report to the Board of Trustees for review at the 1Q2026 Board Meeting.


Rodney Richard (AR), President
IFTA, Inc. Board of Trustees

2-28-25
Date