

SECOND QUARTER 2015 IFTA, INC. BOARD OF TRUSTEES MEETING APRIL 28 - 29

Board Members:

Cindy Arnold	Nevada Department of Motor Vehicles
Ron Hester	Ontario Ministry of Finance
Garry Hinkley	Maine Bureau of Motor Vehicles
Hugh Hughson	British Columbia Ministry of Finance
Trent Knoles	Illinois Department of Revenue
Stephen Nutter	Virginia Department of Motor Vehicles
Joy Prenger	Missouri Motor Carrier Services
Chuck Ulm	Comptroller of Maryland
Stuart Zion	Colorado Department of Revenue

IFTA, Inc. Personnel:

Lonette Turner	CEO
Jason DeGraf	Information Services Director
Tom King	Webmaster
Amanda Koeller	Comptroller
Debora Meise	Senior Director
Tammy Trinker	Office and Events Administrator

Guests:

Sandy Johnson	NorthStar Fleet Solutions
Robert Pitcher	American Trucking Associations, Inc.

Closed Session

Prior to the opening of the Second Quarter 2015 IFTA, Inc. Board of Trustees (Board) meeting, the Board met in closed session. Following these discussions the Board opened the meeting.

Call to Order

Mr. Ronald Hester (ON), Board President, called the meeting to order. All nine Board members were in attendance. Also attending were Mr. Robert Pitcher, American Trucking Associations, Inc., and Ms. Sandy Johnson, NorthStar Fleet Solutions and Industry Advisory Committee (IAC) Chair.

Approval of the Minutes

1Q15 Board Meeting

The Board reviewed a draft of the minutes from the First Quarter 2015 Board meeting. Amendments were made to the minutes as instructed by the Board. Following the amendments, Mr. Hester called for a motion to approve the minutes.

Motion: Mr. Hugh Hughson (BC) moved to accept the minutes of the First Quarter 2015 as amended. Mr. Stephen Nutter (VA) seconded. The motion passed.

Board Actions by Email

During the first calendar quarter the Board acted on several items by email including committee membership for the Law Enforcement Committee (LEC), Program Compliance Review Committee (PCRC) and the Dispute Resolution Committee (DRC). The Board reviewed the minutes of these actions. Amendments were made to the minutes as presented.

Motion: Mrs. Cindy Arnold (NV) moved to approve the minutes of the Board Actions by Email as amended. Mr. Hughson seconded. The motion passed.

Consent Agenda

A consent agenda was reviewed by the Board. This agenda included committee reports from the Agreement Procedures (APC), Attorneys' Section Steering (ASSC), Audit (AC), Clearinghouse Advisory (CAC), Dispute Resolution (DRC), Information Technology Advisory (ITAC), Law Enforcement (LEC), and Program Compliance Review (PCRC) committees. Additionally, reports were included from the Dual Fuel Working Group (DFWG) and IFTA Compliance Audit Working Group (ICAWG).

Motion: Mr. Hughson moved to accept the consent agenda. Mr. Nutter seconded. The motion passed.

Clearinghouse Update

Mr. Jason DeGraf, Information Services Director, presented this report and informed the Board that Manitoba is working toward joining the clearinghouse by July 1, 2015.

Mr. DeGraf continues to work on creating a carrier look-up screen application that does not require a user name and password. Carriers would present the IFTA license to a law enforcement officer who would then enter the license number into the application and retrieve a status update. This data would only provide a company's name and license status; it would not release any secure data or potentially confidential data. This feature would not allow access to the clearinghouse. The data would be downloaded to another server.

IFTA, Inc. will upload records to SAFER (Safety and Fitness Electronic Records) on behalf of non-CVISN member jurisdictions if the jurisdictions sign a Memorandum of Understanding allowing the upload. Nevada is currently utilizing this application on a

daily basis and that the data is flowing correctly with no concerns or issues being reported. Mr. Garry Hinkley (ME) will be working with both Georgia and New Hampshire to investigate their participation in this program.

The Board continues to maintain contact with Rhode Island following their new system installation in January 2015. There have been sporadic issues with the uploading of their data and the Board is interested in following up with the jurisdiction on their progress.

Funds Netting

Mrs. Amanda Koeller, Comptroller, reported that, in addition to working with Manitoba on the funds netting aspect of the clearinghouse, IFTA, Inc. is also working with Alberta and Quebec. Both jurisdictions are investigating the requirements of becoming full clearinghouse participants. Neither Newfoundland nor Oklahoma are able to become full members of the clearinghouse in the near future, but continue to work toward this goal.

IFTA, Inc. will begin working on the funds netting calendar for 2017 following the Board meeting.

IFTA, Inc. Website Update

Mr. Tom King, Webmaster, walked through the updates to the website. In addition to revamping THE IFTA NEWS web page, IFTA, Inc. is currently working on a series of changes to the website itself. These changes include a search function for electronic versions of the IFTA manuals and adding URLs for easier sharing and locating the online data. Mr. King previewed the Jurisdiction User feature which currently is available only on the administrative side for IFTA, Inc. personnel. This feature lists all those with password access to the website. It was thought that by adding an additional layer of security Commissioners could have access to this feature and search for duplicate accounts that might be able to be deleted at the jurisdiction level.

Committee Chairs Conference Call

The Board held a conference call with the committee chairs. Eleven committee chairs participated on the call:

- Agreement Procedures Committee – Ms. Marie Stark (MT)
- Audit Committee – Mr. David Nicholson (OK)
- Clearinghouse Advisory Committee – Mr. Randy Boone (IN)
- Dispute Resolution Committee – Mr. Mark Byrne (NE)
- Industry Advisory Committee – Ms. Sandy Johnson (NorthStar Fleet Solutions)
- Information Technology Advisory Committee – Mr. Scott Miller (KS)
- Law Enforcement Committee – Inspector Andrew Markle (ON)
- Program Compliance Review Committee – Mr. Richard Wagner (NV)
- Dual Fuel Working Group – Mr. Hughson
- Electronic Credentials Working Group – Mr. Hinkley
- Compliance Audit Working Group – Mr. Nicholson

1. *Agreement Procedures Committee (APC)*

Ms. Stark presented the report. Ms. Cindy Swanson (CA) was recently approved as the new vice chair. Currently the APC has a vacancy in the Canadian region. The committee drafted four ballots for 2015 which are now available for comment on the IFTA, Inc. website. Additionally, the committee completed the update of the New Members Guide which was submitted for the Board's approval. They are also continuing their work on the Best Practices Guide, emailing jurisdictions for recommendations that they would like to include in the guide. The APC plans to submit its updated committee charter by May for the Board's consideration.

2. *Audit Committee (AC)*

Mr. Nicholson reported that FTFBP #03-2014 is out for vote. Committee vacancies were also discussed. It was noted that the AC has vacancies in the Northeast and Western regions. Mr. Joel Foreman (NE) filled the Midwest region vacancy.

3. *Clearinghouse Advisory Committee (CAC)*

Mr. Boone reported that, with the recent approval of Mr. Bill Blum (MD) to the committee, the CAC has no vacancies at this time. All committee members are participating on subcommittees. Some of these subcommittees are the Quality Control, Best Practices Guide, Dual Fuel, and the Electronic Credentialing Working Group subcommittees. These subcommittees are drafting purpose statements and plans that will assist them in meeting objectives. Mr. Boone also recognized that some member jurisdictions have been very helpful in volunteering on the committee without becoming formal members of the CAC.

4. *Dispute Resolution Committee (DRC)*

Mr. Byrne informed the Board that the DRC is currently at full membership and has no Board charges or pending business at this time.

5. *Industry Advisory Committee (IAC)*

Ms. Johnson offered this report and commented on how times have changed over the course of the past thirty years. She expressed the industry's opinion that the IFTA needs sincere changes to update the program and ensure that the agreement is working as well as it can. Industry is in full support of the Audit Committee ballot FTFBP #03-2014 and requests that membership votes in favor of this ballot.

Ms. Johnson also spoke about non-IFTA and adjustment fuel which is being met at the industry level but still has some issues at the jurisdiction level. She explained that a carrier that has a current IFTA decal does not always indicate a carrier is in good standing and vice versa, those that do not have the current IFTA decal do not always indicate serious problems.

6. *Information Technology Advisory Committee (ITAC)*

Mr. Miller spoke about the activities of the ITAC. He briefly mentioned the pilot project request regarding electronic credentialing. Referencing vacancies, the ITAC has vacancies for both a Law Enforcement and Audit Committee representative.

Additionally, the ITAC has a vacancy for the vice chair position. The committee is asking for someone with an IT background to be considered for this position.

7. *Law Enforcement Committee (LEC)*

Inspector Markle offered this report. The LEC has undergone a transition period for committee representation and the members have all settled into their new positions. Several of the committee members are serving on subcommittees. The committee continues to work on the Best Practices Guide and has finished phased 1 of the March and May Blitz. Twenty jurisdictions participated in March. All committee members are working on making jurisdiction contacts for the second phase in May and anticipate an increase of the number of participants.

8. *Program Compliance Review Committee (PCRC)*

Mr. Wagner provided this report. The PCRC has a vacancy in most of the regions except of the Southeast. Mr. Tim Ford (CA) had been approved by the Board as the new vice chair.

The PCRC drafted two ballots for 2015. FTPBP 06-2015 addresses auditing on behalf of all member jurisdictions. FTPBP 07-2015 will require the “Interest Charged Through Date” on the Audit Report and Interjurisdictional Audit Report generated at the completion of audits. In addition to these ballot proposals the committee is preparing the 2016 letters that will be sent to the Canadian jurisdictions indicating how far along they are on their audit counts, based on the year end 2014 data. The PCRC is also updating the Review Guide.

9. *Dual Fuel Working Group (DFWG)*

Mr. Hughson announced that the working group would again be submitting ballot language establishing a standard unit of measure for LNG reporting and transmittal purposes between IFTA members. The working group will be producing a webinar for educational purposes so that membership will better understand the urgency of this proposal.

10. *Electronic Credentials Working Group (ECWG)*

Mr. Hinkley offered this report. In 2014 the working group was created and charged with researching, analyzing and documenting the issues surrounding the administration, issuance, and enforcement of an electronic credential which could take the place of either or both the IFTA license and decal. While it was observed that not all the data is in place to go completely electronic, the working group would like to continue working towards this objective. He mentioned that licenses could be distributed and displayed electronically but it would be at the discretion of each individual jurisdiction to either accept or reject the electronic credential, making paper credentials still necessary.

The working group continues to research the issue of electronic credentials and believes that there is more work needed to get accurate electronic information to the roadside.

11. IFTA Compliance Audit Working Group (ICAWG)

Mr. Nicholson informed the Board that this working group meets during the Audit Committee teleconferences. Responses were provided to the concerns outlined in the document created by the ASSC. This information was then disseminated to the Commissioners and Assistant Commissioners.

Subtle changes were made to IFTA FTFBP 03-2014 following the March 2015 webinar. At the time of the Board meeting, this ballot had gone out for vote.

12. Committee Vacancies

Mrs. Debora Meise, Senior Director, reviewed the issue of committee vacancies and reported on the procedures adopted by the Board during the 1Q15 Board meeting. A procedural document is currently being finalized and, once completed, will be provided to all the committee chairs on the message board.

Mrs. Meise stated that a list is currently maintained by IFTA, Inc. of individuals that complete an online volunteer form. Per the new policy, notification of a committee vacancy will be sent to jurisdiction contacts in the region where the vacancy occurs. At a minimum the notification will be sent to the Commissioner and Assistant Commissioner. It was determined that the volunteer list be updated to include a short biographical section.

Mr. Hester thanked all of the committee chairs for their participation on the call. He acknowledged their hard work and commended them on their activities and accomplishments. Following the conclusion of the conference call, Mr. Hester asked for suggestions to improve the value of the call. It was recommended that the Board should share with the chairs what the Board's recent activities include. It was thought this could also enhance the Annual IFTA Business Meeting chair luncheon.

Program Compliance Review Update

Mrs. Meise reported on the status of the 2015 program compliance reviews. Thirteen reviews were scheduled. Four reviews have been completed, and three more are underway.

Mrs. Meise informed the Board that the webinar, Jurisdiction Review Expectations, has been completed. There are two more webinars in development. The first is the Reviewer Training and another is the Step-by-Step Procedures for Conducting a Review. Three webinars are anticipated to be released in June for e-review training. One will be for the 2016 Canadian jurisdictions being reviewed, another for the 2016 administrative reviewers and a third for the 2016 audit reviewers.

Mrs. Meise informed the Board of a jurisdiction's request to have an onsite review in 2016. The Board discussed the expense of an onsite review. The Board will charge the PCRC with drafting ballot language requiring all member jurisdictions to upload data into

the secure clearinghouse for the purpose of their review. This would be regardless of whether the review is onsite or electronic.

Dual Fuel Working Group Report

Mr. Hughson presented this report to the Board. A mini-survey of the 17 jurisdictions which voted against STFBP 05-2014 had been conducted by IFTA, Inc. The survey suggested that there was either a lack of awareness or perception of the problems should there be no conversion rate. The ASSC drafted a response explaining the ballot was valid and did not impact a jurisdiction's right to set their own tax rates. The working group is drafting a presentation to better explain the challenges to membership without adopting the conversion rate method presented by the working group. Additionally, the DFWG is creating a webinar to further educate membership on the best reporting practices.

IFTA Meeting Update

Mrs. Tammy Trinker, Office and Events Administrator, presented the proposed registration fees for the 2015 IFTA Attorneys' Meeting: \$340 for members, \$365 for public and private sector, and \$700 for exhibitors. This meeting will be held October 6 – 7 at the Holiday Inn San Antonio Riverwalk in San Antonio, TX.

Motion: Mr. Stuart Zion (CO) moved to accept the registration fees for the 2015 IFTA Attorneys' Meeting as presented. Mrs. Arnold seconded the motion. The motion passed.

During discussion of the 2016 Board meetings, the Board determined that face-to-face meetings were best and that they would hold three Board meetings in 2016. IFTA, Inc. will work with hotels to schedule these meetings in February, mid-May and in October. After further discussion, the Board decided to meet in February in Las Vegas in conjunction with the IFTA/IRP Audit Workshop.

CVSA Workshop

Mrs. Meise, Mr. Tim Adams, IRP, Inc. CEO, and Mr. Frank Hernandez (NV), LEC 2nd Vice Chair, traveled to Jacksonville, FL and offered presentations at this workshop. It was a very interactive session that lasted approximately four hours.

Industry Advisory Committee Report

Mr. Pitcher spoke on behalf of FTFBP 03-2014. This ballot is out for vote following a third comment period. Mr. Pitcher urged industry to support this ballot as it reorganized, clarified, and updated the language on audits and record keeping.

IFTA, Inc. had distributed a survey regarding decals and related costs for Mr. Pitcher. It was noted that only a few jurisdictions responded. IFTA, Inc. will send a reminder to complete the survey following the Board meeting. The results of a similar survey issued to industry show that for a large carrier, decal costs are approximately \$8 per vehicle.

Mr. Pitcher informed the Board that a best practices manual had been drafted by a service bureau agency. This manual would rate jurisdictions interacting with their clients,

customers and carriers. This manual is being provided to the service bureau clientele and the results could be shared upon request. The manual outlines five areas including:

- Letting your mission govern your practices
- Knowing and serving your customer
- Facilitating voluntary compliance
- Regulating wisely by removing unnecessary requirements, and
- Simplifying the procedures through the use of modern technology

Electronic Working Group Report

Mr. Hinkley presented this report. The Board discussed the application being developed to check license status at roadside. Concern was expressed regarding IFTA, Inc. releasing this data due to the confidentiality provisions in the Clearinghouse Access Agreement entered into with the member jurisdictions. It was explained that right now this is simply a website link provided by email to specific requesting individuals. Once the user has access to the link they can then input a license number and view the current status of the carrier in question.

It was thought that a demonstration should be provided during the Annual IFTA Business Meeting to show more clearly where the data is being stored, what type of data is available, and whether or not membership would agree to the sharing of this type of data.

The ECWG is continuing to focus on the data quality entered into the clearinghouse. There have been errors, such as incorrect USDOT numbers, that are not immediately identified by the system. The Board decided to present a Town Hall topic during the Annual IFTA Business Meeting regarding a possible amendment to the transmittal forms requiring the correct USDOT number so that it would upload accurately into the clearinghouse.

Additional projects for the working group were considered by the Board. These projects included pursuing license bar codes and permitting searches of jurisdiction data through an IFTA application. During these discussions, Mr. Hinkley volunteered to contact Mr. Tom Kelley, a Coordinator with CVISN, and Mr. Adams regarding the IFTA application project and the potential for linking additional information in an effort to make it a multi-functional application.

Agreement Procedures Committee Report

Mrs. Arnold, Committee Board Liaison, reported that Ms. Cindy Swanson (CA) was previously approved by the Board as Vice Chair of the APC. Additionally, the committee submitted the nomination of Ms. Belinda MacKinnon (MB) to fill a vacancy in the Canadian region.

Motion: Mrs. Arnold moved to approve the nomination of Ms. Belinda MacKinnon (MB) to the Agreement Procedures Committee. Mr. Hughson seconded the motion. The motion passed.

The APC is continuing to work on the agenda for the October IFTA/IRP Managers' and Law Enforcement Workshop. The committee has also worked diligently on the New Members Guide and has asked the Board to review the guide for approval. The Board offered changes to the guide. Following the committee's changes to the guide, it will be resubmitted to the Board for approval.

IFTA/IRP Board Subcommittee Report

Mr. Zion reported on the IFTA/IRP Board Subcommittee. Participating on this subcommittee's conference call in April were Mr. Hester, Ms. Lonette Turner, IFTA, Inc. CEO, Mr. Zion, Mr. Scott Greenawalt (OK), Mr. Adams, Mr. Robert Ide (VT), and Ms. DeAnn Williams (KS).

The IRP, Inc. Board of Directors requested more time to review the two-year period during which IRP, Inc. hosted the IFTA/IRP Managers' and Law Enforcement Workshop and IFTA, Inc. hosted the IFTA/IRP Audit Workshop. IRP, Inc. will review the trial period following the conclusion of the 2015 IFTA/IRP Managers' and Law Enforcement Workshop this October.

Closed Session

On the second day of the Board meeting, Mr. Hester called the meeting to order. The Board then went into a closed session for the purpose of reviewing the fiscal year budget. During these discussions the Board made amendments to a new financial policy proposed by IFTA, Inc.

Motion: Mrs. Arnold moved to accept the amended IFTA, Inc. Financial Policy. Mr. Trent Knoles (IL) seconded. The motion passed.

Annual Business Meeting

Following the conclusion of the closed session, Mr. Hester re-opened the Board meeting. The Board reviewed the registration fees for the upcoming Annual IFTA Business Meeting: \$350 for non-voting members, \$410 for public and private sector representatives, and \$700 for exhibitors.

Motion: Mr. Hughson moved to accept the registration fees for the Annual IFTA Business Meeting as proposed. Mrs. Arnold seconded. The motion passed.

The agenda for the business meeting was then reviewed in depth. The registration packet for the meeting will be posted to the IFTA, Inc. website following the conclusion of the Board meeting.

2015 Ballot Update

Mrs. Meise reviewed the seven ballot proposals for 2015. These ballots are:

- FTPBP 01-2015 sponsored by the APC
The intent of this ballot is to amend the IFTA Procedures Manual to remove the

- requirement for clearinghouse members to notify all “read only” members of the number of transmittals that have been sent that calendar year.
- FTPBP 02-2015 sponsored by the APC
The intent of this ballot is to remove the confusing verbiage related to the reporting of the number of accounts cancelled, suspended or revoked and replaced with the IFTA processing system utilized by the jurisdiction.
 - FTPBP 03-2015 sponsored by the APC
The intent of this ballot is to amend the IFTA Procedures Manual to include a requirement to upload full demographic information on a nightly basis for accuracy and timely information.
 - FTPBP 04-2015 sponsored by the APC
The requirement to send cancellation, revocation and reinstatement reports shall be a requirement for those read-only Clearinghouse jurisdictions,
 - FTPBP 05-2015 sponsored by the Board
The intent of this ballot is to establish a standard unit of measure for LNG reporting and transmittal purposes between members.
 - FTPBP 06-2015 sponsored by the PCRC
The intent of this ballot is to amend the IFTA Articles of Agreement to require the PCRC to recommend to membership that a dispute be initiated against a member jurisdiction that has been found non-compliant on the subject of Licensee Audits by not auditing on behalf of all member jurisdictions.
 - FTPBP 07-2015 sponsored by the PCRC
The intent of this ballot is to amend the IFTA Audit Manual to require jurisdictions to include the “Interest Charged Through Date” on the Audit Reports and Interjurisdictional Audit Reports generated at the completion of audits.

IRP currently has one ballot, 2015.01. This ballot is sponsored by the IRP Audit Committee and regarding the full reciprocity plan (FRP) and audit distance.

Mrs. Meise reminded the Board that short track ballot proposals can be presented at the Annual IFTA Business Meeting. At this time, she explained that the full track ballot submissions have closed.

IFTA, Inc. Contingency Plan

Ms. Turner presented the amended Contingency Plan for the Board’s review and approval. The Board made amendments to the Plan.

Motion: Mrs. Arnold moved to accept the Contingency Plan as amended by the Board. Mr. Knoles seconded. The motion passed.

Strategic Plan

The Board reviewed the amended IFTA, Inc. Strategic Plan. A copy will be forwarded to the Board following the Board meeting to allow ample time to review the Plan. It was also the decision of the Board that the complete Strategic Plan be distributed to membership prior to the Annual IFTA Business Meeting in order to encourage interaction and raise awareness.

New Business

Clearinghouse Report Request

A request was presented to the Board from Vusion for a report that includes total miles, total gallons, and updates to the report following the end of each quarter. The Board discussed this issue and it was determined that IFTA, Inc. is not in a position to share this type of data due to the confidentiality agreed to by the jurisdictions and IFTA, Inc. through the Clearinghouse Access Agreement. This request will also be presented to membership for additional discussion during the Annual IFTA Business Meeting. IFTA, Inc. will respond back to Vusion informing them of this decision.

Annual Report Spreadsheet

Mrs. Arnold brought up the Annual Reports and the number of decals not being reported. It was explained that not reporting the issuance of decals is not a compliance issue. If a jurisdiction does not report this it would be noted during their program compliance review, but it would not be cited as a non-compliance issue.

The Board also inquired about what happens when errors are made on the Annual Reports. It was explained that the data provided was supplied by the jurisdiction and it is their responsibility to ensure the accuracy of the reported data. IFTA, Inc. is not liable for any errors reported on an Annual Report. However, IFTA, Inc. will research the ability of adding a pop-up window asking the user if they are sure the data entered is complete and accurate before they close their report.

Attorneys' Section Steering Committee

Committee vacancies and membership were addressed by the Board. Mr. Ed Beaudette (MT), Chair, had submitted a list of nominations for Board approval. The list of nominations included Ms. Frances Vandenberg (ON), Mr. David Poore (BC), Mr. James Clark (IN), Ms. Jenny Deters (KS), Mr. Paul Nilson (WI), and Mr. James Cook (TX).

Motion: Mr. Zion moved to approve the nominations of Ms. Frances Vandenberg (ON), Mr. David Poore (BC), Mr. James Clark (IN), Ms. Jenny Deters (KS), Mr. Paul Nilson (WI), and Mr. James Cook (TX) to the Attorneys' Section Steering Committee. Mr. Chuck Ulm (MD) seconded. The motion passed.

Adjournment

Following the conclusion of the Second Quarter 2015 IFTA, Inc. Board of Trustees meeting, Mr. Hester called for a motion to adjourn.

Motion: Mr. Hughson moved to adjourn the Second Quarter 2015 IFTA, Inc. Board of Trustees meeting. Mrs. Arnold seconded the motion. The motion passed.