

<p>FIRST QUARTER 2010 IFTA, INC. BOARD OF TRUSTEES MEETING JANUARY 28 – 29</p>

Board Members:

Julian Fitzgerald	North Carolina Department of Revenue
Scott Bryer	New Hampshire Department of Safety
Scott Greenawalt	Oklahoma Corporation Commission
Ron Hester	Ontario Ministry of Revenue
Rena Hussey	Virginia Department of Motor Vehicles
Patricia Platt	Kansas Department of Revenue
Sheila Rowen	Tennessee Department of Revenue
Doug Shepherd	California Board of Equalization

IFTA, Inc. Personnel:

Lonette Turner	Executive Director
Jason DeGraf	Information Systems Administrator
Jessica Eubanks	Executive Assistant
Tom King	Webmaster
Debora Meise	Program Director
Tammy Trinker	Events Coordinator

Call to Order

The IFTA, Inc. Board of Trustees (Board) held its First Quarter 2010 meeting on January 28 – 29. Mr. Julian Fitzgerald (NC), Board President, called the meeting to order. Mr. Robert Turner (MT) was unable to attend. Mr. Scott Bryer (NH) attended the meeting by conference call.

Closed Session

The Board went into closed session for the purpose of electing the 2010 Executive Committee. The current Executive Committee members were re-elected: Mr. Fitzgerald, President, Mr. Scott Greenawalt (OK), First Vice-President, and Mr. Scott Bryer (NH), Second Vice-President. Following this closed session, the Board resumed open discussions for the financial report.

Financial Report

Ms. Lonette Turner, IFTA, Inc. Executive Director, provided the financial report. IFTA, Inc. continues to remain financially sound and the organization’s investments continue to recover from the previous year’s economic instability. It is projected that IFTA, Inc. will reduce future expenditures based upon the type of projects currently being pursued such as the electronic program compliance reviews (e-reviews). IFTA, Inc. is also researching webinars as opposed to holding actual meetings that impact travel budgets of jurisdictions, industry representatives, and IFTA, Inc.

IFTA, Inc. has been researching SAS 70 audits and has determined two types of audits for consideration. One type of audit provides a review of the system at the time of the audit while the other type reviews the system over a period of time. IFTA, Inc. continues to search for a local third party that can conduct these types of audits.

Following the financial report, the Board resumed their closed session. During this session, the Board discussed travel expenses for Board members for the 2010 Annual IFTA Business Meeting.

Motion: Ms. Rena Hussey (VA) moved that travel costs be paid by IFTA, Inc. for the member representing the Board and presiding over the 2010 Annual IFTA Business Meeting. Ms. Sheila Rowen (TN) seconded the motion. The motion passed.

Motion: Mr. Greenawalt moved that the registration fees be paid by IFTA, Inc. for the presiding officer, if not the voting member for a jurisdiction, during the 2010 Annual IFTA Business Meeting. Ms. Patricia Platt (KS) seconded the motion. The motion passed.

Assignment of Committee and Jurisdiction Board Liaisons

Board Liaisons for the Standing and Special Committees were reviewed and assigned accordingly:

Agreement Procedures	Audit	Dispute Resolution
Scott Greenawalt (OK), Lead	Scott Bryer (NH), Lead	Bob Turner (MT), Lead
Ron Hester (ON)	Bob Turner (MT)	Pat Platt (KS)
Doug Shepherd (CA)		
Industry Advisory	Law Enforcement	Program Compliance Review
Sheila Rowen (TN), Lead	Julian Fitzgerald (NC), Lead	Rena Hussey (VA), Lead
	Doug Shepherd (CA)	Scott Greenawalt (OK)
	Bob Turner (MT)	
Attorneys' Section Steering	Clearinghouse Advisory	Information Technology Advisory Committee
Rena Hussey (VA), Lead	Scott Greenawalt (OK), Lead	Scott Bryer (NH), Lead
Sheila Rowen (TN)	Pat Platt (KS)	Ron Hester (ON)

Jurisdiction Liaison assignments were also reviewed and assigned accordingly:

S. Bryer	J. Fitzgerald	S. Greenawalt	R. Hester	R. Hussey
CT	AL	AR	AB	DE
MA	FL	MO	BC	MD
ME	LA	NE	MB	NJ
NH	MS	NM	NB	OH
NY	NC	OK	NL	PA
RI	SC	TX	NS	VA
VT	WV		ON	
			PE	
			QC	
			SK	

P. Platt	S. Rowen	D. Shepherd	R. Turner
IL	GA	AZ	ID
KS	IA	CA	MT
MI	IN	CO	UT
MN	KY	NV	WA
ND	TN	OR	WY
SD			
WI			

Responsibilities of the committee chairs were discussed by the Board. During the October 2009 Board Meeting, the committee chairs expressed a desire to be provided with a more defined chain of command and direction from the Board. The liaison's role was viewed as being supportive and to guide the committee without taking control. IFTA, Inc. will draft a document describing Board Liaison responsibilities for the committees.

IFTA / IRP Board Subcommittee

IRP, Inc. hosted the most recent IFTA/IRP Board Subcommittee conference call in December 2009. Several topics were discussed by the subcommittee including an update on the IRP Compliance Audit Working Group (CAWG). The CAWG is working on a draft document with recommendations regarding the IRP Audit Manual and will present this document to its membership for comments. Auditor 101 webinar sessions have been well received by membership. Topics for future webinars are being considered.

Joint compliance reviews were also discussed. The subcommittee felt that even if IFTA utilizes full e-reviews, it would be beneficial to hold both the IFTA and IRP reviews simultaneously. The IRP, Inc. Board will discuss the recommendation of changing to a regional rotation during their January Board meeting. Addressing the issue of combined IFTA/IRP Managers' Workshops, the IFTA Agreement Procedures and Law Enforcement Committees were asked to consider including pertinent IRP topics this year. Ms. Rowen and Mr. Greenawalt have volunteered to remain as active members of this subcommittee. The next teleconference will be hosted by IFTA, Inc.

Approval of Minutes

4Q09 Board Meeting Minutes

The Board reviewed the minutes from the Fourth Quarter 2009 Board meeting and offered minor corrections.

Motion: Mr. Greenawalt moved to accept the Fourth Quarter 2009 Board Meeting minutes as amended. Mr. Ron Hester (ON) seconded the motion. The motion passed.

Board Actions by Email

The Board then reviewed the minutes of the Board Actions by Email. These minutes encompassed activity from September 16 to December 31, 2009.

Motion: Ms. Rowen moved to accept the minutes of the Board Actions by Email as written. Mr. Greenawalt seconded the motion. The motion passed.

December 3, 2009 Conference Call

Minutes from the December 3, 2009 teleconference were reviewed. Minor corrections were offered by the Board.

Motion: Ms. Rowen moved to accept the minutes of the December 3, 2009 Conference Call as amended. Mr. Doug Shepherd (CA) seconded the motion. The motion passed.

Clearinghouse Advisory Committee Update

Board Liaison Mr. Greenawalt presented the Clearinghouse Advisory Committee (CAC) report. Membership passed IFTA Full Track Final Ballot Proposal (FTFBP) 4-2009 making the CAC a Standing Committee. With this change, and the implementation of funds netting, the committee has asked the Board for a review of the committee membership. Committee Chair, Mr. Garry Hinkley (ME) has agreed to continue his term.

Motion: Mr. Greenawalt moved that Mr. Garry Hinkley (ME) be approved as Chair of the Clearinghouse Advisory Committee. Ms. Platt seconded the motion. The motion passed.

Motion: Mr. Greenawalt moved to adopt the committee members as detailed in the Clearinghouse Advisory Committee report identifying Mr. Bill Kron (MS), Mr. Randy Boone (IN), Mr. Scott Miller (KS), and Mr. Gary Frohlick (SK) as committee members. Ms. Rowen seconded the motion. The motion passed.

Additional representation needed on the committee would be from the Northeast, Southeast, Western, and Canadian regions. The CAC foresees requests to modify and improve the Clearinghouse to ensure better accuracy of the demographic data. Training may also become a necessity to ensure the success of funds netting and the Clearinghouse overall.

IFTA, Inc. Clearinghouse Update

Mr. Jason DeGraf, IFTA, Inc. Information Systems Administrator, presented the Clearinghouse update. The first funds netting settlement report was issued to membership along with a prorated table. The account is to be funded by the jurisdictions within the next five days. It was explained that the process of receiving and distributing the account funds is a process with multiple security levels that will not allow any single person to take action without approval.

An in-house User Manual for funds netting processing is in the process of being drafted by IFTA, Inc. This manual will become available by the next funds netting cycle. While the current funds netting webinar has been basic in nature, IFTA, Inc. is open for recommendations and requests as to what membership would like in future webinars.

There was much discussion about running reports and new projects for the Clearinghouse. A Clearinghouse Enhancement form is now available on the IFTA, Inc. secure website. This form must be utilized by membership to request new features, reports, or enhancements to the Clearinghouse. Once completed, this form must be submitted to the CAC for consideration.

IFTA, Inc. Website Update

Mr. Tom King, IFTA, Inc. Webmaster, provided a demonstration of the IFTA, Inc. website. An on-line archive has been created for THE IFTA NEWS so that the previous and current year issues are available on the website. Message Boards continue to be developed for the IFTA Standing Committees. The 2009 Annual Reports are posted and several jurisdictions are uploading their data. A more stringent log-in procedure has been implemented for the website and an auto-generated title was added to the Interjurisdictional E-mail exchange to clarify from where the email had been issued. The Board then reviewed the exemption and biodiesel databases. Links have been initiated on both databases that access the other. IFTA, Inc. asked for the Board's approval to release both databases on the IFTA, Inc. website.

Motion: Mr. Greenawalt moved to approve the exemption and biodiesel databases for release. Mr. Hester seconded the motion. The motion passed.

New committee member access to the website was also reviewed. It was explained that, following a new committee member's appointment, an email is sent out instructing them on how to access the committee web pages, including the committee's message board. Anyone experiencing problems with this procedure can contact IFTA, Inc. for assistance.

IFTA, Inc. Meetings Update

The IFTA Meeting Update was provided by Mrs. Tammy Trinker, IFTA, Inc. Events Coordinator. There are 95 persons registered for the 2010 IFTA / IRP Audit Workshop. The 2011 IFTA / IRP Audit Workshop will be hosted by IRP, Inc. in Orlando, FL at the Wyndham hotel, February 8 – 11. Registration fees for the 2010 Annual IFTA Business Meeting will be presented to the Board in April. The Attorneys' Section Steering Committee (ASSC) scheduled a teleconference in early February and will discuss the 2011 IFTA Attorneys' Section Meeting at that time. Both the 2009 and 2010 meetings have been canceled due to imposed travel restrictions for most jurisdictions. To defray meeting expenses, the committee is considering webinars.

Proposals are being presented from local as well as out of state hotels for the 2011 and 2012 IFTA Managers' and Law Enforcement Workshop. IFTA, Inc. continues to work with a possible host jurisdiction for the 2011 Annual IFTA Business Meeting. Following discussions, it was the Board's decision to not combine the 2011 First Quarter Board Meeting with the Audit Workshop hosted by IRP, Inc. This decision was made after confirmation that the IRP, Inc. Board meeting would not be held in conjunction with the workshop. Board Meeting hotel locations for 2011 and 2012 were then reviewed. IFTA, Inc. was authorized to proceed with hotel negotiations for these meetings in an effort to reduce expenses.

Program Compliance Review Update

Mrs. Debora Meise, IFTA, Inc. Program Director, provided the Program Compliance Review update. The Northeast region was reviewed in 2009 and the Midwest region is being reviewed in 2010. Nevada has agreed to have a combined IFTA / IRP review. IFTA, Inc. continues to solicit volunteers for review teams for all sixteen reviews in 2010.

In 2009, the review for Massachusetts was done electronically. The jurisdiction was surveyed and responded favorably to the e-review process. The first e-review for 2010 will be South Dakota in February and has been scheduled for four days. It is believed that the remaining e-reviews could be completed in either two or three days. Missouri, Nebraska, and North Dakota have also agreed to e-reviews in 2010.

Program Compliance Review Committee Report

Board Liaison Ms. Hussey presented the Program Compliance Review Committee (PCRC) report. The committee continues to meet by teleconference every month. Committee meeting minutes will be located on the PCRC web page. Mr. John Szilagyi (CT) was previously approved by the Board as Vice Chair.

Seven 2009 reviews have been closed and one is under reassessment. The passage of IFTA FTFBP 2-2009 was discussed by the Board. The intent of this ballot was to promote combined IFTA and IRP program compliance reviews by aligning both the IFTA and IRP program compliance review cycles to five (5) years. The IRP, Inc. Board of Directors had indicated in the past that combined IFTA and IRP program compliance reviews should continue to be optional and only be conducted upon request by the jurisdiction. As a result of this ballot, jurisdictions are required to retain IFTA records for an additional year. This proposal would not change the record retention requirements for licensees.

The IFTA, Inc. Board reviewed the options for its membership. It was explained that IFTA needs to implement a new process for its program compliance reviews by January 1, 2011 and, in order to meet this date, a decision would be required as soon as possible. The options available include to continue the four regions with a five-year review period or the creation of a fifth region based on the IFTA, Inc. Bylaws. If implementing five regions, back-to-back reviews would be necessary for several jurisdictions during the initial implementation process.

Motion: Mr. Greenawalt moved to implement the four regions – five year review process. Ms. Rowen seconded the motion. During discussion the Board reviewed the options available. The importance of reaching a consensus was stressed so that the process could be properly implemented. If back-to-back reviews were necessary, it was believed that shorter on-site time would be required as those jurisdictions

would have been reviewed just prior to the new process being implemented. Following discussions, the Board voted on the motion. With a vote of 6 in favor with Ms. Hussey abstaining, the motion passed.

A letter received from IRP, Inc. was reviewed by the Board. This letter explained that the IRP, Inc. Board of Directors would revisit the issue of regional reviews following the conclusion of a study. This study would include a plan for determining which jurisdictions would qualify for remote reviews, gathering additional information from jurisdictions, determining the steps necessary for a remote review, a transition to regional rotation, and metrics for determining the success of such a program.

Audit Committee Report

Board Liaison, Mr. Bryer presented the Audit Committee (AC) report. The committee continues to focus on the IFTA / IRP Audit Workshop in San Antonio in February. A majority of the presentation materials have been posted on the IFTA, Inc. website. Following the workshop, any additional materials presented will also be made available on the website.

A practice session for the first webinar on Audit Planning and Opening Conferences was successfully held on November 20, 2009. A general invitation was distributed for the first webinar on January 21, 2010.

Mr. Jeff Hood (IN), who serves on both the IFTA AC as well as the IRP AC, volunteered his services for the Information Technology Advisory Committee (ITAC). The roll off schedule for the AC was reviewed. It was noted that the two Midwest representatives and the two Western representatives had the same term ending dates. The committee will review these dates to establish staggered terms.

Information Technology Advisory Committee Report

Mr. Bryer, ITAC Board Liaison, presented the committee's report. Four individuals were submitted for committee membership: Ms. Della Golden (OH), Mr. Hood, Mr. Bob Schwab (MO), and Mr. John Willey (NE).

Motion: Mr. Bryer moved to accept Ms. Della Golden (OH), Mr. Jeff Hood (IN), Mr. Bob Schwab (MO), and Mr. John Willey (NE) to the Information Technology Advisory Committee. Ms. Hussey seconded the motion. The motion passed.

During the last teleconference call, it was the opinion of the committee that definitions were necessary regarding GPS terms and concepts. These definitions will assist the committee in better reviewing and working on the task previously assigned by the Board. The committee was also provided with a message board in which to communicate with other ITAC members. IFTA, Inc. will post the Board's charge to the ITAC on the message board so that all members will have access to the charge.

Dispute Resolution Committee Report

Ms. Platt, Board Liaison, presented the Dispute Resolution Committee (DRC) report. Following the retirement of Mr. Ed King (CA), Mr. Rick LaRose (CT) assumed the Chair position as approved by the Board in April 2009. This action left the Vice Chair seat vacant as of January 1, 2010. The committee continues to search for a candidate to fill this vacancy. Additionally, there is a vacancy in the Northeast region.

The committee is reviewing its New Member Guide. The Board also reviewed a draft of a new charge to the DRC. The charge tasks the committee with researching, discussing and making recommendations for any necessary changes to the Dispute Resolution Process. IFTA, Inc. will revise the current draft and present it to the Board for approval prior to issuing the formal charge to the DRC.

Agreement Procedures Committee Report

Board Liaison Mr. Greenawalt presented the Agreement Procedures Committee (APC) report. The committee has started preparing for the 2010 IFTA Managers' and Law Enforcement Workshop and will contact IRP, Inc. regarding the inclusion of relative IRP topics. The committee is considering ballot language regarding the Annual Report database. This language would make the Annual Report database more useful for the jurisdiction's management and auditing staff.

It was noted that the committee has vacancies in the Northeast and Canadian regions. Currently, Ms. Pamela Marshall (KY) is filling one of the Northeast vacancies. Ms. Donna Alderman (NC) was submitted for approval to fill the vacancy in the Southeast region.

Motion: Mr. Greenawalt moved to accept the recommendation of Ms. Donna Alderman (NC) to fill the Southeast region vacancy of the Agreement Procedures Committee. Ms. Platt seconded the motion. The motion passed.

Law Enforcement Committee Report

The Law Enforcement Committee (LEC) report was presented by Mr. Fitzgerald, Board Liaison. The committee decided to forgo ballot language regarding decal placement. In place of a ballot, the LEC will draft recommendations for decal placement to be included in the Law Enforcement Committee Best Practices Guide. The committee is currently organizing the 2010 March and May (M and M) Blitz. It is the committee's intent that the event be held annually in every IFTA jurisdiction. Monthly teleconference calls are held and used to organize the September IFTA Managers' and Law Enforcement Workshop.

Attorneys' Section Steering Committee Report

Ms. Hussey, Board Liaison to the ASSC, presented this committee report. Former Chair, Mr. Jack Frehafer (PA), now serves as the ex-officio and Ms. Janice Davidson (NC) and Ms. Carolee Johnstone (CA) serve as the Chair and Vice Chair respectively. The committee continues to work on educating membership on the value of the ASSC and is in the process of drafting a message to the IFTA Commissioners. The committee continues to consider webinars as an alternative to their annual IFTA Attorneys' Section Meeting as a way to reduce travel related expenditures. Recording these webinars is something that the committee would like to research for future, repetitive use.

An email was distributed by IFTA, Inc. on behalf of the ASSC to all committee chairs and vice chairs offering the committee's assistance in reviewing proposed ballot language. The deadline for forwarding ballot language for review by the ASSC is the end of January. The ASSC has also discussed the committee charter. It is the position of the committee that the current charter is still viable and does not require changes at this time. The committee's current teleconference schedule allows for quarterly conference calls. Should the committee feel the need for additional calls, the schedule will be revised accordingly.

Alternative Fuels Committee Report

The Board discussed the status of the Alternative Fuels Committee (AFC) and whether or not the committee should be disbanded. It was noted that if the committee was dissolved the Board could later reinstate the AFC should a particular issue or concern arise.

Motion: Mr. Greenawalt moved to disband the Alternative Fuels Committee. Ms. Platt seconded the motion. Following discussion the motion passed.

Ballot Review

Mrs. Meise reported that the membership voted on four ballots. Ballots 1-2009 and 4-2009 became effective as of January 1, 2010. Ballot 2-2009 will become effective January 1, 2011 and ballot 3-2009 was effective upon passage, December 1, 2009. Two ballot proposals have been submitted thus far for 2010. The ASSC is currently reviewing the AC ballot proposal and the APC had not, at the time of the Board meeting, presented their ballot language to the ASSC.

New Business

During discussion of new business, the Board was informed that the 2010 Board elections will need to include a Canadian and Northeast region Board-member elect as per the rotation schedule. Regarding the IFTA, Inc. rental properties, a tenant provided written notice of their intent to not renew their lease. This tenant will vacate the office space April 2010.

IFTA webinars were discussed. It was explained that some jurisdictions do not accept the “Go to Meetings” website due to firewall and security concerns. Ms. Turner stressed that the “Go to Meetings” data is encrypted and secure.

It was queried whether a committee should be established to review alternatives to the IFTA decal, such as transponders. CVISN has a Working Group currently reviewing this specific issue in North Carolina. Ms. Platt will draft a list of concerns to be submitted to this Working Group for the Board’s review during the April 2010 Board meeting.

Working Group on Re-audit and Re-examination

A Working Group on Re-audit and Re-examination was discussed at length. The Board identified several candidates for the Working Group. It was decided that the Working Group should consist of nine members from all five regions and represent administrators, auditors, and attorneys. Industry representatives were also considered. The Board then reviewed a drafted charge to the Working Group. The purpose of this charge is to request that the Working Group review policy considerations and questions arising from the re-audit and re-examination provisions found in the IFTA Articles of Agreement, Section R1360. This proposed charge will be revised prior to the candidates being contacted.

Strategic Plan Review and Action Items

The Board reviewed the Strategic Plan and incorporated revised time lines as necessary. Each of the five goals of the Plan were reviewed. Additionally, the Board reviewed the language of the APC ballot proposal for 2010. This ballot proposal asks that the number of total IFTA accounts include active, inactive, and cancelled.

The Board also reviewed the cumulative Action Items list. In discussing item #10 from the 2Q09, possible funding of the ITAC GPS project, IFTA, Inc. will contact FMCSA to discuss possible grant options for this specific project.

Adjournment

Following the conclusion of the business discussions, the First Quarter 2010 IFTA, Inc. Board Meeting was adjourned.

Motion: Ms. Rowen moved to adjourn the First Quarter 2010 IFTA, Inc. Board of Trustees Meeting. Ms. Hussey seconded the motion. The motion passed.

ACTION ITEMS RESULTING FROM THE 1Q10 BOARD MEETING

ITEM	ACTION
1-1Q10	IFTA, Inc. will finalize contract arrangements with the Mesa Hilton for the 2011 Board meeting accommodations.
2-1Q10	IFTA, Inc. will assist the Clearinghouse Advisory Committee to regionalize membership and increase the number of members.
3-1Q10	IFTA, Inc. will finalize the committee roll-off schedules and post them to the committee pages on the IFTA, Inc. website.
4-1Q10	IFTA, Inc. will work with the committee chairs to finalize their Best Practices Guide.
5-1Q10	IFTA, Inc. will follow up with the Agreement Procedures Committee to determine status of working with IRP to present IRP topics at the IFTA Managers/Law Enforcement Workshop.
6-1Q10	IFTA, Inc. will include in the budget proposal payment of registration fees and travel costs for presiding IFTA, Inc. Board of Trustees' officer for the 2010 Annual IFTA Business Meeting.
7-1Q10	IFTA, Inc. will draft correspondence to the chair of the IRP, Inc. Board of Directors regarding the Board of Trustees' decision on implementation of the 5-year program compliance review cycle. The correspondence will be reviewed and approved by the president of the Board.
8-1Q10	IFTA, Inc. will contact FMCSA regarding the status of the requirement of transponders.
9-1Q10	IFTA, Inc. will follow up with the chair of the DRC regarding the draft of the Board's charge to the committee to review the DRP.
10-1Q10	IFTA, Inc. will contact the Alternative Fuels Committee regarding the Board's decision to disband the committee. The committee members will be thanked for their hard work and asked to consider serving in the future as other issues arise.
11-1Q10	IFTA, Inc. will contact the individuals selected by the Board to serve on the Re-Audit and Re-Examination Working Group which was formally created by the Board late last year. IFTA, Inc. will ask them to serve on the committee and provide a copy of the re-drafted charge.
12-1Q10	IFTA, Inc. will draft correspondence to Pennsylvania regarding dispute resolution and re-audit and re-examination issues. The correspondence will be reviewed and approved by the president of the Board.
13-1Q10	Patricia Platt will provide information to support the possible creation of a Credentials Working Group.