

**IFTA, INC. BOARD OF TRUSTEES
SECOND QUARTER 2009 MEETING
APRIL 22 – 23
CHANDLER, ARIZONA**

Board Members:

Scott Bryer	New Hampshire Department of Safety
Andrew Foster	New Brunswick Department of Finance
Scott Greenawalt	Oklahoma Corporation Commission
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
Robert Turner	Montana Department of Transportation

IFTA, Inc. Personnel:

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

Guests:

Robert Pitcher	American Trucking Association
Glenn Campbell	Chase Bank Securities

Call to Order

The IFTA, Inc. Board of Trustees (Board) held its Second Quarter 2009 IFTA, Inc. Board Meeting on April 22 - 23. Eight Board members were in attendance. Mr. Robert Pitcher, American Trucking Association (ATA), Industry Advisory Committee representative, and Mr. Glenn Campbell, IFTA, Inc. financial advisor with Chase Bank Securities, were also present. Mr. Julian Fitzgerald (NC), Board President, was unable to attend, but called in each day of the meeting. Mr. Scott Greenawalt (OK), Board First Vice President, presided over the meeting. The Board immediately went into closed session for the purpose of reviewing financial matters with Mr. Campbell.

Approval of Minutes

Following the closed session discussions, the Board resumed its open session and reviewed the minutes from the First Quarter 2009 IFTA, Inc. Board Meeting.

Motion: Mr. Scott Bryer (NH) moved to accept the minutes of the First Quarter 2009 IFTA, Inc. Board of Trustees Meeting as revised. Ms. Rena Hussey (VA) seconded the motion. The motion passed.

The minutes of the Board Actions by E-mail were also reviewed.

Motion: Mr. Bryer moved to accept the minutes of the Board Actions by E-mail as revised. Ms. Sheila Rowen (TN) seconded the motion. The motion passed.

On March 2, 2009, the Board held a teleconference for the purpose of discussing the IRP Compliance Audit Working Group, the Clearinghouse Advisory Committee, and the cancellation of the IFTA Attorneys' Section Meeting for 2009.

Motion: Mr. Bryer moved to accept the minutes of the March 2, 2009 teleconference as written. Mr. Robert Turner (MT) seconded the motion. The motion passed.

Another teleconference was held on March 10, 2009. The purpose of this teleconference pertained to the appeals of the findings in the dispute matter of Nevada and Pennsylvania.

Motion: Mr. Bryer moved to accept the minutes of the March 10, 2009 teleconference as written. Mr. Turner seconded the motion. The motion passed.

IFTA, Inc. Clearinghouse Update

Mr. Jason DeGraf, IFTA, Inc. Information Systems Administrator, presented the IFTA, Inc. Clearinghouse update. Testing of the funds netting application continues on a monthly basis. A summary totals page was reviewed and showed how jurisdictions could detect possible errors. IFTA, Inc. continues to work with JPMorgan Chase in creating an account that will be made available to the Canadian Clearinghouse participants.

Mr. DeGraf announced that Ontario is expected to become a full Clearinghouse participant in July and that South Carolina is also inquiring as to the Clearinghouse features.

Nlets is now working with IFTA member jurisdictions to provide revoked license data to roadside enforcement. IFTA, Inc. will compile and make available, on the website, the list of jurisdictions that have agreed to share this data with law enforcement via Nlets.

Clearinghouse Advisory Committee Report

Mr. Greenawalt reviewed the Clearinghouse Advisory Committee (CAC) report. The CAC revised the Access Agreement and posted it for comment on the secure side of the website. The Board discussed the committee's position on allowing UC (Uncollectible) as a return type. It was noted that UC would not be a new field but rather a new code in an existing field.

Motion: Ms. Patricia Platt (KS) moved to allow the UC return type. Mr. Andrew Foster (NB) seconded the motion. The motion passed.

A funds netting calendar was presented to the Board for approval. The funds netting calendar would go into effect January 1, 2010.

Motion: Mr. Turner moved to approve the funds netting calendar. Ms. Platt seconded the motion. The motion passed.

IFTA Full Track Preliminary Ballot Proposal (FTPBP) 4-2009 is intended to establish the CAC as a standing committee. This change would allow the committee to become more formalized and to also sponsor ballots. This ballot is available for the first comment period.

The Board was presented with a draft copy of the Non-Participating Members Clearinghouse Access Agreement. This agreement would give those members “read only” access to the Clearinghouse, which would then include the ability to download transmittal data from participating members. The effective date of this agreement will be July 1, 2009 or upon payment of a jurisdiction’s membership dues. The Board was asked to provide comments or corrections back to IFTA, Inc. by mid May in order to meet the effective date. IFTA membership dues invoices are distributed in June and due by September 30.

Security Audit

IFTA, Inc. is planning a security audit in the summer of 2009, before the funds netting aspect of the Clearinghouse is effective.

IFTA, Inc. Website Demonstration

IFTA, Inc. Webmaster, Mr. Tom King, presented this demonstration. The six 2009 IFTA FTPBPs are available for the first comment period ending May 22. Nominations for the Richard L. Reeves IFTA Leadership award are also open. All of the 2008 program compliance review Final Reports are available on the secured website. Several tutorials have also been created and require a level 1 or higher access. In addition, various surveys have been uploaded to the IFTA, Inc. website. These surveys go back to 2007. IFTA, Inc. will research historical survey data to make it available for posting on the website as well.

Annual Report and Exemption Database Control Center

The Annual Report and Exemption databases were reviewed. Fifteen jurisdictions have populated the new test exemption database with test data. Minor revisions will need to be made to make the database more user friendly, but the data can be used to run reports. The Agreement Procedures Committee (APC) is moving into the report phase of this project and will address the various reports that could be made available.

IFTA Meetings Update

Mrs. Tammy Trinker, IFTA, Inc. Events Coordinator, presented the IFTA meeting update. The Attorneys’ Section Meeting was canceled prior to the Board meeting due to travel restrictions prohibiting most from attending the scheduled meeting. The hotel will work with IFTA, Inc. to accommodate overnight rooms in October 2009 should the committee chairs be able to attend the Board Meeting.

Registration Fees

The Board reviewed the registration fees for the 2009 Annual IFTA Business Meeting and Managers’ and Law Enforcement Seminar. The fees for the business meeting were proposed at \$320 for members and \$380 for general public and private sector attendees. As in previous years, the registration fee for voting delegates (one per jurisdiction) will be paid by IFTA, Inc. The registration fees for the Managers’ and Law Enforcement Seminar were proposed at \$300 for members and \$360 for general public and private sector attendees. Exhibitor fees for both programs are \$650.

Motion: Mr. Foster moved to approve the registration fees for the 2009 Annual IFTA Business Meeting as proposed. Mr. Doug Shepherd (CA) seconded the motion. The motion passed.

Motion: Mr. Bryer moved to approve the registration fees for the 2009 Managers’ and Law Enforcement Seminar as proposed. Ms. Platt seconded the motion. The motion passed.

Future Meetings

The 2010 Annual IFTA Business Meeting is scheduled to be held in Ontario, Canada. Despite the travel restriction concerns, it was the opinion of the Board that attendance would be equally affected if the meeting were held in the US or Canada. IFTA, Inc. will distribute a notice to membership announcing that the 2010 Annual IFTA Business Meeting will be held in Ontario. The notice will remind attendees of the passport requirements and include information on how to obtain the proper documentation necessary to travel to and from the US.

IFTA programs for 2010, including the IFTA / IRP Audit Workshop, Attorneys' Section Meeting, Managers' and Law Enforcement Seminar, and Board meetings, have all been contracted. The Board determined that IFTA, Inc. should postpone hotel contracts for 2011 until 2010, including the scheduling of the Quarterly Board Meetings for 2011.

Audit Committee Report

The Audit Committee (AC) is currently reviewing the Audit Manual and has submitted two ballot proposals for 2009: 5-2009 and 6-2009. FTPBP 5-2009 addresses general guidelines in the Audit Manual and FTPBP 6-2009 addresses recordkeeping, distance records, electronic data recording systems, and data collection requirements in the Procedures Manual. Both ballots presented for comment were the result of the Commissioner's Survey previously conducted. IFTA, Inc. will request the survey and its results be provided for posting on the IFTA, Inc. website.

Mr. Jeff Hood (IN) and Mr. Robert Schwab (MO) were previously approved by the Board as committee members. It was noted that with the appointment of Mr. Hood to the AC, IFTA has another representative serving on the IRP Compliance Audit Working Group.

Taping of the Auditor 101 session during the 2010 IFTA / IRP Audit Workshop was also discussed. The IFTA and IRP Audit Committees have formed a subcommittee to review this issue. The subcommittee will hold a teleconference at the end of April to discuss this matter. Webinars are currently being considered as an alternative to taping the session.

Program Compliance Review Update

Program Director, Mrs. Debora Meise, provided the program compliance review update. IFTA, Inc. continues to struggle to find jurisdiction volunteers to assist with the reviews. New Hampshire agreed to have the audit portion of their program compliance review conducted electronically, and it was met with positive results. Massachusetts has been contacted and has now inquired about the requirements for an electronic review. As with the NH electronic review, IFTA, Inc. would store the data securely and delete the data following the completion of the review. Electronic reviews could assist in reducing the time and expense of onsite program compliance reviews.

Program Compliance Review Committee Report

Board liaison Ms. Hussey presented the Program Compliance Review Committee (PCRC) report. Of the eleven reviews conducted in 2008, five have been closed and two are being followed up by the committee. The committee continues to hold monthly teleconferences and posts approved minutes on their committee web page.

Dispute Resolution Committee Report

Mr. Turner, Dispute Resolution Committee (DRC) Board liaison, offered this report. Mr. Rick LaRose (CT) is acting Chair while Mr. Ed King (CA), Chair, is unable to participate. Ms. Beth Hartley (NE) was previously approved by the Board as a committee member.

The dispute between NV and PA has gone to appeal. Future projects the committee will focus on include a variety of issues that arose during the recent dispute. The committee will hold teleconferences every other month until further notice.

PCR / DRP Committee Project Update

Ms. Hussey presented the PCR / DRP Committee project update. FTPBP 1-2009 was drafted as a result of this subcommittee's efforts. The intent of this ballot is to require that the PCRC recommend to membership that a dispute be initiated against a member jurisdiction when that jurisdiction is found out of compliance and a Final Determination Finding of Non-Compliance is issued. If the committee's recommendation is ratified by membership, it would then go before the DRC for their consideration.

Industry Advisory Committee Report

Mr. Pitcher presented the Industry Advisory Committee (IAC) report. The IAC is facing significant challenges in membership attendance and participation during the current economic hardships. Similar to the IFTA member jurisdictions, many companies are enacting travel restrictions. Industry hopes to remain active by electronic means and other related forms of communication.

Agreement Procedures Committee Report

Board liaison Mr. Greenawalt presented this report. The APC continues to work with the Law Enforcement Committee (LEC) in preparing for the September 2009 seminar. Low turnout continues to be a concern of both committees, but the committees have written articles in THE IFTA NEWS advertising the seminar to generate interest. The APC continues to work on the Annual Report database and has formed a subcommittee to spearhead this project. The Exemption database is also being reviewed. The committee and Board members have been populating the database with test data. Following the testing cycle, the Exemption database should be ready for live data and release. The APC is also sponsoring one ballot this year, FTPBP 3-2009.

The APC has a vacancy in the western region. The committee has reached out to this region in hopes of finding a volunteer to fill the vacancy.

Law Enforcement Committee Report

Mr. Greenawalt, LEC Board liaison, presented this report. The LEC will be holding its face-to-face meeting next month in North Carolina. During this meeting, the committee members attending will review the IFTA Managers' and Law Enforcement Seminar agenda. Discussions are also being held concerning roadside enforcement credits through audit credits. It was explained that roadside enforcement does not mean verifying the presence of a valid IFTA decal, but verifying that the vehicle has the proper credentials and whether or not the carrier has an active IFTA license. One of the factors that would need to be considered for such a credit system is defining the balance of how many roadside enforcement inspections would equate to the count of one audit. A Board liaison to the committee will contact the LEC regarding a previous action item for the committee. This action item was to contact the Attorneys' Section Steering Committee (ASSC) and APC in reviewing the Agreement regarding roadside enforcement.

Attorneys' Section Steering Committee Report

Board liaison Ms. Hussey presented this report to the Board. Mr. Jay Befort (KS) resigned from the ASSC in February and was succeeded by Mr. Jack Frehafer (PA) as Chair. Although the 2009 IFTA Attorneys' Section Meeting was canceled, the ASSC will continue to build upon its

preliminary agenda for the 2010 meeting and include topics that capitalize on the synergies of having both auditors and attorneys together. The committee has also been asked to make a presentation during the 2010 IFTA / IRP Audit Workshop to present legal issues involved in audits.

Currently, the ASSC is reviewing the 2009 ballots and will offer feedback to the Board regarding the ballot proposals. The committee also continues to review miscellaneous hot-topic legal issues as identified by committee members throughout the year. The ASSC will also be tasked with completing the review of the committee charter for approval.

The Board discussed the possibility of changing the ASSC from a special committee to a standing committee. It was noted that, when the committee was formed, it was the committee's request that it not be a standing committee.

Information Technology Advisory Committee Report

Mr. Bryer, Board liaison, presented this report. The Information Technology Advisory Committee (ITAC) has been more active and was featured in THE IFTA FOCUS published in March 2009. A conference call was held in February and the next is scheduled for late April.

Through the Strategic Plan, the committee has been tasked with reviewing GPS and other vehicle tracking systems and provide a report back to the Board by August of this year. Mr. Shepherd informed the Board that California would be auditing a taxpayer that relies on GPS for their records. Following the conclusion of this audit, Mr. Shepherd will report the results back to the Board.

Alternative Fuels Committee Report

Mr. Foster, Board liaison, presented the Alternative Fuels Committee (AFC) report. This committee was charged with reviewing the information contained in an alternative fuels database. The Board will charge the committee with reviewing this data and provide any necessary revisions and commentary back to the Board.

Ms. Platt had spoken with Mr. Bryer and volunteered to replace him as Board liaison. It was noted that representation on the committee on behalf of the APC, PCRC, and AC needs to be discussed further. Each of these committees will be tasked with reviewing their participation on the AFC and providing a volunteer.

Strategic Plan Review

The Board reviewed the Strategic Plan. In anticipation of on-board recording devices being phased in over the next few years, due to a government mandate, it was opined that a ballot proposal referencing GPS' and on-board recording devices would be drafted as early as 2012. Referencing a new goal of the Plan, developing an audit strategy for the future, the IRP Compliance Audit Working Group was discussed. Efforts continue to seek federal funding for this objective. IFTA, Inc. is working with IRP, Inc. to draft a conceptual plan that could be submitted formally, upon review and approval by a member jurisdiction. Ms. Hussey volunteered to be on the IRP Compliance Audit Working Group as both an IFTA, Inc. Board and an IFTA administrative representative.

IFTA Ballot Review

Mrs. Meise presented the six IFTA full track ballots submitted for comment. The comment period ends May 22. The ballots and comments can be viewed on the IFTA, Inc. website.

2009 Annual IFTA Business Meeting

Establish Election Committee

The Election Committee was formed with Mr. Bryer as Chair. The Board seats held by Mr. Foster, Mr. Greenawalt, Ms. Hussey, Ms. Rowen, and Mr. Shepherd are up for election. Nomination forms should be returned to Mr. Bryer by May 22nd. IFTA, Inc. will distribute the memorandum to the IFTA Commissioners following the Board meeting.

Business Meeting Attendance

The Board reviewed the preliminary agenda for the July Annual IFTA Business Meeting and discussed attendance at the meeting. Topics for the Town Hall Meeting are also being fielded by IFTA, Inc. and include topics such as the border project and taxation of bio-fuel. Some of the Board members remain uncertain as to their ability to travel to the business meeting.

IFTA, Inc. Financial Report

Ms. Lonette Turner, IFTA, Inc. Executive Director, provided the financial report. IFTA, Inc. continues to remain financially stable despite the current economic strain.

Cumulative Action Item Lists and New Business

The Board reviewed the lists of cumulative action items and action items that are outstanding. Some of the items were closed and item 18-1Q09 was deleted from the list. A list of completed action items dates back to 2Q2006.

Mr. Greenawalt reviewed the minutes from the IFTA / IRP Board Subcommittee conference call held prior to the Board meeting. The mission of this committee is to review the status of ongoing projects and discuss additional partnership opportunities. Members participating on the conference call from IRP included Mr. Kevin Park (UT) and Ms. Mary Pat Paris (IRP, Inc.). Ms. Turner, Ms. Rowen, and Mr. Greenawalt participated on behalf of IFTA. During the discussions, an IFTA / IRP Joint Audit Manual was mentioned. IFTA, Inc. will contact IRP, Inc. to request verification of this manual's existence and a copy, if one is available. It was decided by the participants that the joint Board calls continue. During the next teleconference, Ms. Hussey's name will be presented as a nominee for the IRP Compliance Audit Working Group.

Closed Session

The Board then went into closed session for the purpose of discussing personnel and other related matters. Following the closed session, the Board resumed the open discussions. The Board approved the budget for FY 09-10.

Motion: Mr. Turner moved to approve the IFTA, Inc. budget for fiscal year 2009 – 2010 as amended. Ms. Hussey seconded the motion. The motion passed.

Consensus Board Interpretation Draft 1-2009

Consensus Board Interpretation Draft (CBID) 1-2009 was discussed. CBID 1-2009 was submitted by the PCRC and addressed the issue of rounding tax and/or interest computations to the nearest whole cent. The committee submitted a requested interpretation that "tax return and audit calculations, including interest calculations, will be rounded to the nearest whole cent." It was noted that the IFTA governing documents were silent on this issue and the Board questioned whether it was appropriate to address this concern through the CBI process.

Motion: Mr. Bryer moved that there is no interpretation to be given in regards to this issue and that a reply be sent to the Program Compliance Review Committee informing them of this decision. Mr. Turner seconded the motion. The motion passed.

AAMVA Region II Meeting

The Board then discussed the request presented by Mr. Jay Starling (AL) regarding attendance at the AAMVA Region II meeting in AR in June 2009. With no Board member being able to attend, Mr. Starling asked to attend the meeting on behalf of IFTA, Inc. and provide a presentation. Mr. Fitzgerald will contact Mr. Starling to discuss his attendance and presentation on behalf of IFTA.

Adjournment

Following the conclusion of the business discussions, the Board adjourned the Second Quarter 2009 IFTA, Inc. Board of Trustees meeting.

Motion: Mr. Turner moved to adjourn the Second Quarter 2009 IFTA, Inc. Board of Trustees meeting. Mr. Shepherd seconded the motion. The motion passed.

ACTION ITEMS RESULTING FROM THE 2Q09 BOARD MEETING

ITEM	ACTION
1-2Q09	IFTA, Inc. will prepare and distribute a list of the Clearinghouse jurisdictions that did not authorize release of revoked data via Nlets.
2-2Q09	IFTA, Inc. will distribute the new Clearinghouse transmittal field definitions, including the Uncollectible (UC) code and include the field definitions in the User documentation.
3-2Q09	IFTA, Inc. will distribute the approved funds netting calendar to the member jurisdictions and post it to the secured web pages.
4-2Q09	IFTA, Inc. will work with the APC Exemption Database subcommittee regarding the following issues: <ol style="list-style-type: none">1. Default to Use Scroll Bar (Tom)2. Adding Effective Dates of exemptions3. Displaying and storing prior exemptions in effect (keep audit periods in mind - up to 5 years)
5-2Q09	IFTA, Inc. will review its survey files and post all available surveys and survey results.
6-2Q09	IFTA, Inc. will review its website log in rules for possible changes.
7-2Q09	IFTA, Inc. will post the Board rotation schedule to the website.
8-2Q09	IFTA, Inc. will contact the Standing Committees to obtain the committee member “roll-off” schedules to post on the websites.
9-2Q09	IFTA, Inc. will contact FHwA regarding the possibility of travel funding for IFTA Commissioners to attend the IFTA Annual Business Meeting.
10-2Q09	IFTA, Inc. will send out an informational email to the member jurisdictions regarding the 2010 Annual Business Meeting in Ontario and will include passport information.
11-2Q09	IFTA, Inc. will work with Rick LaRose (CT) to see that the IFTA Audit Survey results are distributed to the IFTA Commissioners.
12-2Q09	Bob Turner will talk to the LEC about the outstanding action item #3 from 1Q07.
13-2Q09	IFTA, Inc. will ask the Committee Chairs to attend all or part of the 4Q09 Board meeting and will work with the Board and Committee Chairs to develop agenda items.
14-2Q09	Rena Hussey will contact the Attorneys Section regarding its view of the role of the Attorneys Section and request recommended changes to the Committee Charter.

ACTION ITEMS RESULTING FROM THE 2Q09 BOARD MEETING

ITEM	ACTION
15-2Q09	IFTA, Inc. will contact the PCRC, the APC, and the Audit Committee regarding new representatives on the Alternative Fuels Committee.
16-2Q09	IFTA, Inc. and the Board will work on project detail for possible funding of the ITAC GPS project.
17-2Q09	IFTA, Inc. will provide information to the ITAC Board Liaisons regarding the updated Strategic Plan concerning the GPS project.
18-2Q09	IFTA, Inc. will post a document to the ballot website which includes the intent of each ballot proposal.
19-2Q09	IFTA, Inc. will contact IRP, Inc. regarding the combined audit project and a possible update at the 2009 IFTA Annual Business Meeting.
20-2Q09	IFTA, Inc. will contact IRP, Inc. to request a copy of the combined audit training manual referred to in a request from IRP, Inc.
21-2Q09	Scott Greenawalt and Sheila Rowen will contact the IRP, Inc. Board Liaisons regarding adding Rena Hussey to the combined audit project working group as an administrative representative.
22-2Q09	IFTA, Inc. will contact IRP, Inc. regarding a possible presentation at the 2009 IRP Annual Meeting.
23-2Q09	IFTA, Inc. will draft a response to the Program Compliance Review Committee regarding CBID 1-2009 for the Board's review and approval.