

**SECOND QUARTER 2012
IFTA, INC. BOARD OF TRUSTEES MEETING
APRIL 18 - 19**

Board Members:

Scott Greenawalt	Oklahoma Corporation Commission
Ron Hester	Ontario Ministry of Finance
Garry Hinkley	Maine Bureau of Motor Vehicles
Hugh Hughson	British Columbia Ministry of Finance
Ric Listella	Oregon Department of Transportation
Patricia Platt	Kansas Department of Revenue
Sheila Rowen	Tennessee Department of Revenue
Chuck Ulm	Comptroller of Maryland
Stuart Zion	Colorado Department of Revenue

IFTA, Inc. Personnel:

Lonette Turner	Chief Executive Officer / Chief Financial Officer
Jason DeGraf	Information Services Director
Tom King	Webmaster
Amanda Koeller	Program Administrator
Debora Meise	Senior Director
Tammy Trinker	Office and Events Administrator

Guests:

Dan Eisinger	Supervalu Transportation
Lisa Lumbard, C.P.A., C.G.F.M.	Lumbard & Associates, P.L.L.C.
Carlos Valdivia, C.P.A.	Lumbard & Associates, P.L.L.C.

Call to Order

On April 18 and 19 the IFTA, Inc. Board of Trustees (Board) held its Second Quarter 2012 Board meeting. The meeting was called to order by Scott Greenawalt (OK), President. All Board members were in attendance. Mr. Dan Eisinger (Supervalu, Inc.), Industry Advisory Committee (IAC) Chair, Mr. Robert Pitcher (American Trucking Associations, Inc.), and the IFTA, Inc. financial advisors, Mr. Glenn Campbell and Mr. Josh Weitz (JP Morgan Chase), were also in attendance. Following a closed session with the financial advisors, the meeting was re-opened.

Approval of Minutes

1Q 2012 Board meeting

The Board reviewed the First Quarter 2012 Board meeting minutes for approval. Minor amendments were recommended.

Motion: Mr. Ric Listella (OR) moved to approve the amended minutes from the First Quarter 2012 Board meeting. Ms. Patricia Platt (KS) seconded the motion. The motion passed.

Board Actions by Email

During January, February, and March, the Board discussed several committee issues regarding committee vacancies and nominations. The Board approved these recommendations by email.

Motion: Mr. Garry Hinkley (ME) moved to approve the minutes of the Board Actions by Email. Mrs. Sheila Rowen (TN) seconded the motion. The motion passed.

Board and Committee Chairs Conference Call

On March 1, 2012, the Board held a conference call with the Committee Chairs. The Board reviewed these minutes and offered minor amendments.

Motion: Mr. Hinkley moved to accept the minutes as amended. Mrs. Platt seconded the motion. The motion passed.

Clearinghouse Update

Mr. Jason DeGraf, Information Services Director for IFTA, Inc., provided an update on the Clearinghouse. Currently IFTA, Inc. is working with Safety and Fitness Electronic Records (SAFER) Systems to provide demographic data. SAFER is an FMCSA system. At this time no actual data is being transferred and only test data is being transmitted. On a state-by-state approval basis, certain demographic data could be provided to SAFER.

Funds Netting

IFTA, Inc. Program Administrator, Mrs. Amanda Koeller, informed the Board that everything was running smoothly with the funds netting program and that membership had been paying on a timely basis.

Clearinghouse Advisory Committee Report

Committee Charter

Clearinghouse Advisory Committee (CAC) Board Liaison, Mr. Hinkley, reported on the activities of this committee. The committee continues to meet monthly by teleconference and review the quality and accuracy of jurisdictional demographic data. In addition the committee is working on a clearinghouse-specific Best Practices Guide that will recommend options for improving data quality and completeness.

The committee proposed an amendment to the committee charter. This amendment would clarify that the CAC membership should include jurisdictions using the various vendor systems as well as home-grown systems. Further, the amendment clarified that committee membership should include a non-clearinghouse member.

Motion: Mr. Hinkley moved to accept the amendment to the Clearinghouse Advisory committee charter. Mrs. Platt seconded the motion. The motion passed.

Ms. Natalie Wendell (MN) and Ms. Sherry Conrad (NS) were presented to fill the Midwest and Canadian region vacancies. Additionally, Ms. Conrad would be a non-clearinghouse representative as amended in the charter. With these appointments the committee would still have a vacancy in the southeast region as well as among the ACS users. Mr. Kevin Park (UT) has resigned from the committee which created a vacancy in the western region.

Motion: Mr. Hinkley moved to appoint Ms. Natalie Wendell (MN) to the CAC. Mrs. Rowen seconded the motion. The motion passed.

Motion: Mr. Hinkley moved to appoint Ms. Sherry Conrad (NS) to the CAC. Mr. Hester seconded the motion. The motion passed.

IFTA, Inc. Website Update

Mr. Tom King, IFTA, Inc. Webmaster, demonstrated the recent updates to the IFTA, Inc. website. A new tab, entitled "About Us", has been added to replace the informative links at the bottom of the home web page. This is an all-inclusive tab containing links to the Board of Trustees, Bylaws, Articles of Incorporation, Membership Regions, Strategic Plan, and an IFTA 101 PowerPoint presentations as well as a listing of the IFTA, Inc. employees. Other updates to the website include an archive feature for the Board meeting minutes as well as minutes from the committee teleconferences, a message board for the Commissioner Training Committee (CTC), and results from the Compliance Initiative from March 2012. A link will also be incorporated that will allow interested parties to review previous years' results.

IFTA, Inc. Meetings Update

IFTA, Inc. Office and Events Administrator, Mrs. Tammy Trinker, presented the meetings update and reviewed the registration fees for the 2012 Annual IFTA Business Meeting (ABM). These fees were proposed at \$305 for membership, \$365 for public and private industry representatives, and \$650 for exhibitors.

Motion: Mr. Hinkley moved to accept the registration fees for the 2012 Annual IFTA Business Meeting as proposed. Mr. Hester seconded the motion. The motion passed.

The Board was updated on the progress of the 4Q2012 Combined IFTA/IRP Board meeting. On the first day, both Boards will meet separately. On the second day, the Boards will meet for

lunch and then meet for a combined Board meeting. The IFTA/IRP Board Subcommittee will draft an agenda that will be of interest to both parties.

The 2013 Annual IFTA Business Meeting (ABM) was then discussed. Mr. Stuart Zion (CO) inquired as to the possibility of Colorado hosting. It was decided that IFTA, Inc. would work with Colorado to determine if an affordable location could be procured before continuing the search in Nevada or Arizona. This is due in part to the fact that Colorado has not yet hosted the ABM and both Arizona and Nevada had.

Mrs. Debora Meise, IFTA, Inc. Senior Director, informed the Board of the upcoming Commercial Vehicle Safety Alliance (CVSA) meeting and the topic she and Lt. Jennifer Brown (AZ), Law Enforcement Committee (LEC) Chair, are scheduled to present. CVSA invited both IFTA, Inc. and IRP, Inc. to present half-day breakout session training topics. This meeting will be April 23 – 24.

IFTA, Inc. meeting sponsorship was then discussed. The Board was informed that forms had been drafted and that interest has already been fielded to sponsor events at the ABM. A screening and approval process will be initiated for any vendor wishing to sponsor a catered event during the business meeting.

Audit Committee Report

Audit Committee (AC) Board Liaison, Mr. Ric Listella (OR), presented this committee's report. The committee is working to draft a combined document that incorporates revisions to the Audit Manual as well as the P600 revisions. This document will be presented to membership once completed for consideration and discussion. The AC continues to consider the preliminary agenda for the upcoming 2013 IFTA / IRP Audit Workshop. The committee also continues to look for volunteers from the Canadian region.

Program Compliance Review Update

Mrs. Meise provided the Program Compliance Review update. Four reviews have been completed to date. The e-reviews have been successful. Montana has agreed to an e-review in September in response to a request from Ms. Turner. Mrs. Amanda Koeller, IFTA, Inc. Program Administrator, reviewed membership participation in the program compliance reviews (PCR). A chart was provided to the Board which informs jurisdictions when they will participate in future reviews. The chart includes participation from 2013 through 2021 but does not distinguish between audit and administrative review personnel. This rotation chart is more of an informative plan to prepare jurisdictions for when they will be asked to participate on reviews. This chart will be published on the IFTA, Inc. website.

Committee Chairs Guide

Mrs. Meise reviewed the proposed changes to the Committee Chair Guide. Although the document has been published to the IFTA, Inc. website the Board recommended revisions.

Program Compliance Review Committee Report

Ms. Sheila Rowen (TN), Program Compliance Review Committee (PCRC) Board Liaison, presented this report. A Final Determination Finding of Non-Compliance had been issued to a jurisdiction for failing to meet its audit requirement and for failing to follow the compliance plan issued by the committee.

The PCRC is trying to fill vacancies in the Canadian and Western regions. In 2013, Mr. Fred Alleman (PA) will be retiring and another vacancy will be created. Ms. Joy Prenger (MO) was submitted to the Board as a nominee to the PCRC.

Motion: Mrs. Rowen moved to approve the nomination of Ms. Joy Prenger (MO) to the PCRC. Mrs. Platt seconded the motion. The motion passed.

Dispute Resolution Committee Report

Mrs. Platt, Dispute Resolution Committee (DRC) Liaison, presented this report. The Board reviewed the committee's charge. The committee had presented two separate proposals to add language to the Dispute Resolution Process regarding a "good faith effort" that should be initiated prior to the filing of a complaint. It was the decision of the Board that the DRC had worked diligently on the charge. The Board will direct the committee to create informational pamphlets pertaining to their findings but not include the steps into the actual dispute resolution process itself.

The DRC created mock disputes. These mock disputes are training tools for the committee. The committee also presented Mr. Doug Miller (MI) to fill a vacancy in the Midwest region.

Motion: Mrs. Platt moved to approve the nomination of Mr. Doug Miller (MI) to the DRC. Mr. Hughson seconded the motion. The motion passed.

Industry Advisory Committee Report

IAC Chair, Mr. Eisinger, presented this report. The committee is working with the Law Enforcement Committee (LEC) regarding the upcoming September workshop. The committee is reviewing the current ballots for comment. Mr. Robert Pitcher (ATA) then spoke to the Board regarding several industry related issues. Additionally Mr. Pitcher theorized that Mexico would probably join the IRP within five years but that they would not join IFTA at the same time

Agreement Procedures Committee Report

Mr. Ron Hester (ON), Board Liaison to the Agreement Procedures Committee (APC), offered this report. The committee continues to work with the LEC and IRP to organize the 2012 IFTA/IRP Managers' and Law Enforcement Workshop. One of the breakout sessions being presented will surround "a day in the life" of a motor carrier. The APC also intends to establish an agenda for the face-to-face committee meeting during this year's workshop. The committee is also drafting a language regarding English being the official language of the IFTA. This proposal will be forwarded to the Attorneys' Section Steering Committee (ASSC).

Attorneys' Section Steering Committee Report

Mrs. Rowen, ASSC Board Liaison, presented this committee report. The committee continues to discuss the possibility of meeting face-to-face and include support from IFTA, Inc. personnel. Expenses of such a meeting were discussed by the Board. Alternatives to a face-to-face meeting were also considered, such as a webinar. While the Board was not against the committee hosting a face-to-face meeting it was explained that they must determine membership interest in the meeting.

Information Technology Advisory Committee Report

Board Liaison to the Information Technology Advisory Committee (ITAC), Mr. Hester, offered this report. The ITAC has worked very hard and has completed the Board charge to identify all existing motor carrier data information systems and identify the organization/government agency that maintains the database. A whitepaper drafted by the committee concerning this charge was presented to the Board. This paper will be published on the IFTA, Inc. website.

In reviewing further charges to the committee, discussion was had regarding the dissolution of the New York Regional Processing Center (RPC) at the end of 2013. It was determined that IFTA, Inc. would contact a representative of the RPC to discuss the matter.

Ms. Beth Devlin (NY) will be terming out at the end of 2012 and will not be in a position to extend her term on the committee. Further, Mr. Scott Miller (KS) will also be terming out. Mr. Miller would be able to renew his commitment to the ITAC should he be asked.

Motion: Mr. Hester moved to accept the appointment of Ms. Nikki Bendz (Explore) to the ITAC. Mr. Hinkley seconded the motion.

During discussion of the motion it was determined that the committee should review and clarify the committee makeup. In addition the committee will be asked to review their charter and terms schedule in anticipation of the 2012 ballot proposal that would change the ITAC from a Special Committee to a Standing Committee.

Following these discussions, Mr. Hinkley withdrew his second to the Motion. Mr. Hester withdrew the motion.

Re-Audit and Re-Examination Working Group

Mrs. Platt, the Board Liaison to the Re-Audit and Re-Examination Working Group (RRWG), presented this report. The Board's letter went to the committee in March and there has been, at this time, no response. Mrs. Platt will connect with the working group following the Board meeting to ensure that the communication has been received and that the working group is addressing the Board's additional requests.

Commissioner Training Committee Report

Board Liaison, Mr. Zion, presented the Commissioner Training Committee (CTC) report. This committee has distributed a survey to membership and published the results. This survey polled the current Commissioners and Assistant Commissioners on their experience and anticipated needs. The results of this survey indicated that training was necessary and that the polled members preferred a webinar versus a self-paced online training course. The CTC continues to develop a timeline and budget based on this need and will present it to the Board when completed.

Law Enforcement Committee Report

Mr. Zion, LEC Board Liaison, then presented this committee's report. The LEC is working diligently on the preliminary agenda for the September 2012 IFTA/IRP Managers' and Law Enforcement Workshop. Committee members are also working to arrange the May Compliance Initiative for 2012. The committee is also recruiting volunteers for the committee. One of the issues the committee is currently discussing pertains to whether or not jurisdictions should, or can, collect assessments for other jurisdictions. It was noted during the Board meeting that not all jurisdictions have the authority to collect but can issue a citation for the violation.

2012 Annual IFTA Business Meeting

The Board reviewed and approved the 2011 Annual IFTA Business Meeting (ABM) minutes for release to membership for ratification at the 2012 ABM. The preliminary agenda for the 2012 ABM was then reviewed. It was decided that the New Commissioners and Assistant Commissioners Orientation should be held in a separate meeting room and that a different agenda will be drafted for this pre-meeting orientation. Additionally, IFTA, Inc. will look into procuring breakout rooms for possible mock dispute discussions.

2012 Election Committee

The 2012 Election Committee was also established. Ms. Sheila Rowen (TN) agreed to Chair the committee. Other members of the Election Committee include Mr. Greenawalt, Mr. Hester, Mr. Chuck Ulm (MD), and Mr. Zion.

Bylaws Proposed Amendments

Proposed amendments to the Bylaws were reviewed by the Board. Article IV, Section 12 was revised to read, in part, as follows:

"A Trustee who is absent from two consecutive board meetings shall have deemed to have resigned from the Board unless an absence is excused by a majority of the other eight Board members."

This proposed language revises the original and adds for the excused absence by majority vote. The proposed amendments will be presented to the membership for approval at the 2012 ABM.

IFTA, Inc. Strategic Plan

The Strategic and Contingency Plans were reviewed. During discussions it was the Board's decision that, following a disaster, a pre-approval process would not be necessary as immediate teleconferences could be arranged between the Executive Committee and IFTA, Inc. CEO/CFO. It was further noted that the Board might want to consider creating a new Strategic Plan in the coming year.

2012 Ballot Update

Ballot proposals for 2012 were reviewed by the Board. There are five full track preliminary ballot proposals (FTPBP) submitted. The ballots are now available on the IFTA, Inc. website for the first comment period which concludes May 16.

IRP, Inc. currently has two ballot proposals that were submitted for 2012. Ballot 2012.01 addresses the composition of the Board of Directors of the IRP Repository and reduces the size of the Board to eleven members. IRP ballot 2012.02 allows jurisdictions with low distance registrants to routinely make distance adjustments in cases that would yield an unreasonable estimate of the registrants' likely operations. Both of these ballots are available on the IRP, Inc. website.

Implementation of Ballot 2-2010

The Board then discussed the implementation of FTPBP 2-2010 and the validity of R1230. This ballot, which becomes effective July 1, 2013, provides in part that:

“For a fleet based in a U.S. jurisdiction, interest shall be set at an annual rate of two (2) percentage points above the underpayment rate established under Section 6621 (a)(2) of the Internal Revenue Code, adjusted on an annual basis on January 1 of each year.”

Concern had been expressed regarding the implementation of this ballot language and the Board was asked to intercede and possibly delay the ballot's implementation. The authority of the Board to stop a implementation was raised. It was determined that the Board does not have such authority. However, the Board could present the argument to membership and solicit their opinion. The Board decided that a presentation should be made during the 2012 ABM wherein the PCRC would review an issue concerning a jurisdiction being found out of compliance with the implementation of this ballot. The presentation will include information from the Consensus Board Interpretation (CBI) presented at the 2011 business meeting as well as how IFTA has been auditing Canadian jurisdictions for the past ten years as they have had this concept incorporated into their IFTA accounts for many years.

IRP, Inc. Board of Directors Report

This report was provided by Mr. Greenawalt. IRP, Inc. has done a good job during the transition period of becoming an independent organization. IRP, Inc. continues to work with multiple providers in regards to personnel related issues as well as continuing the search for the new CEO. Mr. Tim Adams continues to serve as the acting CEO and Ms. Mary Pat Paris currently

serves as a consultant. The organization continues to conduct remote peer reviews and is working on refining and improving the process. Currently there is no further development for holding combined IFTA and IRP electronic (remote) reviews.

IFTA/IRP Board Subcommittee Report

Mr. Greenawalt and Mrs. Rowen then presented the IFTA/IRP Board Subcommittee report. The subcommittee met by teleconference in both February and April. During discussions it was noted that Mexico is very interested in becoming a member of IRP but that there is not as great an interest in Mexico joining the IFTA.

IFTA, Inc. Financial Report

Ms. Lonette Turner, IFTA, Inc. CEO/CFO, presented the financial report and announced that the organization continues to remain financially sound. The Board reviewed the various expenditures and identified that the portfolio did have a profit margin.

Board Travel

Travel policies and reimbursement procedures were also reviewed for the Board's travel. IFTA, Inc. will look into providing the expense reports on the secure website for more immediate access and ease of completing by the Board. Furthermore, IFTA, Inc. will review whether or not scanned receipts would suffice or if original receipts would still be required for auditing purposes.

New Business

District of Columbia

The Board was informed that the District of Columbia (DC) had contacted IFTA, Inc. back in March regarding membership. Mr. Thaddeus Russell, Program Manager for DC, had informed IFTA that DC law requires the jurisdiction's involvement in IFTA. As a result, the Department of Transportation is working towards revising the DC legislation so that the office of tax and revenue would be the agency responsible for the collection of the fuels use tax through IFTA.

Charles M. Mills Award of Excellence

The Charles M. Mills Award of Excellence nomination procedures were discussed. It was determined that all nominations should be reviewed by the LEC prior to the Board's receipt of recommendation (s) from the committee for final approval. It was further proposed that the LEC cannot nominate any individual for the award but can only accept nominations for recommendation(s) to the Board whom will then determine the recipient.

Adjournment

Following the conclusion of the open discussions, the Board then resumed a closed session for the purpose of discussing personnel and financial matters. During this time the Board reviewed the financial report and fiscal year 2012/2013 budget in depth.

Motion: Mrs. Platt moved to accept the proposed budget as amended. Mrs. Rowen seconded the motion. The motion passed unanimously.

Concluding these discussions the Second Quarter 2012 IFTA, Inc. Board of Trustees meeting was adjourned.

Motion: Mrs. Platt moved to adjourn the Second Quarter 2012 IFTA, Inc. Board of Trustees meeting. Mr. Hughson seconded the motion. The motion passed.

ACTION ITEMS RESULTING FROM THE 2Q12 BOARD MEETING

ITEM	ACTION
1-2Q12	IFTA, Inc. will begin research and drafting of an agreement with jurisdictions regarding sending demographic data to SAFER.
2-2Q12	IFTA, Inc. will work to post past M&M Blitz data to the website.
3-2Q12	Garry Hinkley will contact Rena Hussey regarding SE region representative on the CAC; Sheila Rowen will also check for a possible volunteer.
4-2Q12	IFTA, Inc. will work on finalizing Board rotation schedule on website (similar to Committee Roll Off).
5-2Q12	IFTA, Inc. will work to post archived ballot comments on the website.
6-2Q12	Lonette Turner will contact Tim Adams (IRP, Inc.) regarding facilitator as agenda issue for the next IFTA/IRP Board Subcommittee conference call.
7-2Q12	IFTA, Inc. will finalize the sponsorship application and information for the sponsored breaks at the 2012 Annual Business Meeting.
8-2Q12	Hugh Hughson and Ron Hester will assist in filling the Canadian Region vacancy on the Audit Committee.
9-2Q12	Debbie Meise will email the jurisdictions regarding e-review preference in future years.
10-2Q12	IFTA, Inc. will finalize the PCR participation schedule, post it on the website and present it at the 2012 Annual Business Meeting.
11-2Q12	IFTA, Inc. will draft a form letter to utilize when seeking committee representation from a particular region.
12-2Q12	Lonette Turner will draft a letter to the DRC regarding Action Item 3.1. The letter will be sent to Scott and the DRC Board Liaisons for review.
13-2Q12	IFTA, Inc. will add the small-group review and discussion of two mock disputes at the Annual Business Meeting. The DRC will be contacted for assistance in utilizing the mock disputes already created for the DRC's review.
14-2Q12	IFTA, Inc. will add a presentation regarding Natural Gas Qualified Motor Vehicles to the Annual Business Meeting agenda. Bob Pitcher will make the presentation.
15-2Q12	Sheila Rowen and Stuart Zion will contact the Attorneys Section Steering Committee regarding the decision for no face-to-face meeting in 2012.
16-2Q12	Debbie Meise will check with Scott Miller regarding which is the most recent system report document for posting on the website.

ACTION ITEMS RESULTING FROM THE 2Q12 BOARD MEETING

ITEM	ACTION
17-2Q12	Lonette Turner will draft a letter to the ITAC regarding completion of the most recent charge from the Board. The letter will be sent to Scott Greenawalt, Ron Hester and Garry Hinkley for review and for Scott's signature.
18-2Q12	Board member Chuck Ulm will get with the IAC and the LEC to harmonize the selection processes for the Mills and Reeves Award.
19-2Q12	IFTA, Inc. will begin looking at the RPC issues by first contacting Elizabeth Devlin to discuss programming.
20-2Q12	Ron Hester will ask ITAC to begin looking at its charter in anticipation of the committee becoming a standing committee of the Agreement.
21-2Q12	Pat Platt will contact Gary Frohlick to follow up on RRWG issues.
22-2Q12	Lonette Turner will finalize the Election Committee memo for Sheila Rowen and distribute it to the membership.
23-2Q12	Tammy Trinker will contact the Amway Grand to determine whether separate meeting rooms are available for the New Commissioners Orientation and the mock dispute breakouts.
24-2Q12	IFTA, Inc. will add to the 2012 Annual Meeting agenda the interest calculation on audits as currently done by Canadian jurisdictions. We will ask that the presenter tie this into the CBI that membership ratified last year.
25-2Q12	Lonette Turner will complete documentation for all CEO/CFO responsibilities.
26-2Q12	Lonette Turner will contact Tim Adams regarding the possibility of the representative from Mexico attending the combined Board meeting session in October.
27-2Q12	IFTA, Inc. will add travel insurance for Canadian Board members to the IFTA, Inc. travel policies.
28-2Q12	Amanda Koeller will add to the Town Hall meeting topics the issue of the Managers/Law Enforcement Workshop being held every other year.
29-2Q12	Lonette Turner will begin working with Tim Adams on agenda items for the combined Board meeting in October. One agenda item will be regarding holding the Managers/Law Enforcement Workshop every other year.
30-2Q12	IFTA, Inc. will work with Pat Platt on a new proxy form for the 2012 Annual Business Meeting. The revised form will include space for the person giving the proxy to list how to vote on issues.
31-2Q12	Amanda Koeller will work with the Board to set up a pre-Annual Meeting webinar to test At Conferencing and to see how the Board members like the webinar concept.