

FOURTH QUARTER 2010 IFTA, INC. BOARD OF TRUSTEES MEETING OCTOBER 21 - 22

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
Robert Turner	Montana Department of Transportation

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

Guests

Mahlon Gragen	ATC Leasing
Robert Pitcher	American Trucking Associations

Call to Order

Mr. Julian Fitzgerald (NC), IFTA, Inc. Board of Trustees (Board) President, called the Fourth Quarter 2010 Board meeting to order. Eight Board members were in attendance. Mr. Stuart Zion (CO) was unable to attend. Also in attendance were Mr. Robert Pitcher, American Trucking Associations (ATA) and Mr. Mahlon Gragen, ATC Leasing, Industry Advisory Committee Chair. The Board went into immediate closed session. Afterwards, the meeting was re-opened.

Approval of Minutes

2Q 2010 Board Meeting Minutes

The Board reviewed the meeting minutes from the Second Quarter 2010 Board meeting. Minor amendments were offered.

Motion: Ms. Rena Hussey (VA) moved to approve the minutes as amended. Mr. Scott Bryer (NH) seconded the motion. The motion passed.

Conference Calls

The teleconferences from both June and July were reviewed by the Board.

Motion: Mr. Scott Greenawalt (OK) moved to approve the conference call minutes from June 14, 2010 as written. Ms. Sheila Rowen (TN) seconded the motion. The motion passed.

Motion: Ms. Patricia Platt (KS) moved to approve the conference call minutes from July 7, 2010 as written. Ms. Hussey seconded the motion. The motion passed.

Actions by Email

The Actions by Email were then reviewed by the Board.

Motion: Ms. Hussey moved to approve the minutes of the Actions by Email as written. Ms. Platt seconded the motion. The motion passed.

IFTA, Inc. Clearinghouse Update

Mr. Jason DeGraf, IFTA, Inc. Information Systems Administrator, presented the Clearinghouse update. The demographic database corrections continue to be resolved. The due date to fix any problems identified by the CAC is December 31, 2010. Of the 21 jurisdictions not following data definitions five have successfully implemented corrections.

IFTA, Inc. Executive Director, Ms. Lonette Turner, provided an update on the funds netting. The in-house manual to assist authorized personnel in successfully completing the funds netting process is almost complete. The Board reviewed the 2012 funds netting calendar. The calendar will provide for six working days for membership to deposit funds into the required accounts.

Motion: Mr. Greenawalt moved to adopt the 2012 IFTA, Inc. Clearinghouse Funds Netting Calendar. Ms. Platt seconded the motion. The motion passed.

SAS 70 audits were discussed. IFTA, Inc. is currently working with Lumbard and Associates, a small private firm certified to conduct Type II audits, to procure costs and determine what would be required for an SAS 70 audit. It was the position of the Board that an outside company would be able to identify whether any corrective action is required to improve the funds netting system.

Illinois presented a request asking for documentation permitting a jurisdiction the right to audit the IFTA, Inc. Clearinghouse. It was the determination of the Board that the Agreement does not address a jurisdiction's right to audit the Clearinghouse. The Board requested that IFTA, Inc. present this request to legal counsel and that a written response be provided as to whether a jurisdiction has the legal right to audit the IFTA, Inc. Clearinghouse.

Motion: Mr. Bryer moved to proceed with a Type II audit. Mr. Robert Turner (MT) seconded the motion. The motion passed.

Following discussion of the Board's motion, it was determined that a time period be assessed for the audit.

Motion: Mr. Greenawalt moved that the audit period for the Type II audit be for twelve months of data. Ms. Platt seconded the motion. The motion passed.

IFTA, Inc. will contact the firm, Lumbard and Associates, and request a cost analysis of an SAS 70 Type II audit covering a period of twelve months of data.

Clearinghouse Advisory Committee Report

Clearinghouse Advisory Committee (CAC) Board Liaison, Mr. Greenawalt, presented this committee's report. Reviewing committee membership, the CAC has a full complement of members. Mr. Garry Hinkley (ME), Chair, will be resigning from the committee when he takes his seat on the Board on January 1, 2011. The committee nominated Mr. Bill Kron (MS) to replace Mr. Hinkley as Chair.

The CAC is reviewing data quality control issues relating to license status and data formats as well as taxpayer ID formats. In reviewing uncollectables, the committee determined that no changes were needed in how they are presented in the Clearinghouse. USDOT numbers remain an issue in relation to leased vehicles. Inaccurate information at the roadside can show a carrier's USDOT number erroneously associated with multiple accounts within the same jurisdiction or in multiple jurisdictions. The committee also noted that funds netting is working and

speeds the process of funds distribution and reduces jurisdictions' costs. The CAC fully supports the decision to conduct an SAS 70 audit.

Motion: Mr. Greenawalt moved to appoint Mr. Bill Kron (MS) as Chair of the CAC effective January 1, 2011. Ms. Hussey seconded the motion. The motion passed.

IFTA, Inc. Website Demonstration

Webmaster Mr. Tom King provided a live demonstration of the IFTA, Inc. website and reviewed updates. Voting has begun on the IFTA ballot proposals and will be open until December 20, 2010. A countdown clock has been added to the voting page to remind membership of voting deadlines.

An "access all" feature has been fully implemented. This feature allows membership to log into the secure website with one user name and password. Once logged in, the "access all" feature gives a one-click action for those with multiple IFTA website logins to view all web pages associated with the user. A label friendly version of the addresses on the jurisdiction communication lists has also been implemented. This feature will center the address for ease of mailing purposes. Another feature updated was the file upload size which now permits larger sized files to be attached to message board posts. A feature for the committee chairs was also initiated that would alert them as to when a committee volunteer form is completed online.

IFTA Meeting Update

Mrs. Tammy Trinker, IFTA, Inc. Events Coordinator, presented the IFTA Meeting update. There were 44 persons attending the September IFTA Managers' and Law Enforcement Workshop. A majority of the attendees believed that the workshop topics were very good and informative. When questioned about the length of the workshop, most thought it was appropriate.

The 2011 IFTA meetings were reviewed. IRP, Inc. is hosting the February 2011 IFTA / IRP Audit Workshop and has posted online registration forms for attendees. The registration fees for this meeting are \$310 for IFTA and IRP members and \$360 for industry and other organizations. The IFTA, Inc. website includes a link to the pertinent information for this upcoming workshop.

The 2011 IFTA Managers' and Law Enforcement Workshop will be held October 5 – 7 in Mesa, AZ. Discounted group rates have been contracted during the course of the workshop for all attendees. A hotel contract has also been procured for the 2011 Annual IFTA Business Meeting. This meeting will be held in Virginia Beach, VA at the Cavalier. The dates of this meeting will be August 16 – 17.

In reviewing the 2011 Board meetings, the Board requested that IFTA, Inc. look into changing the Thursday – Friday meeting dates for the April and October meetings to Wednesday – Thursday. The Board will also consider the Committee Chairs meeting originally scheduled during the October 2011 and 2012 Board meetings.

Audit Committee Report

Audit Committee (AC) Board Liaison, Mr. Scott Bryer (NH), presented this committee's report. The AC continues to review the Audit Manual and is considering the addition of a glossary to the manual. On October 7 there were 177 persons viewing the webinar on pre-planning and opening conferences. Feedback was positive to this webinar. The next webinar will focus on internal controls and is scheduled for early 2011. The committee continues to plan and prepare for the February 2011 IFTA / IRP Audit Workshop and encourages membership to research grant options that may allow personnel to attend the workshop without excessive cost to the jurisdictions. Committee vacancies were reviewed. Ms. AnnMarie Chamberlain's (MA) term as Chair will expire February 28, 2011. Ms. Dawn Lietz (NV) was nominated as Chair by the committee and Mr. Jeff Hood (IN) was nominated as Vice Chair.

Motion: Mr. Bryer moved to appoint Ms. Dawn Lietz (NV) as Chair of the Audit Committee effective March 1, 2011. Mr. Turner seconded the motion. The motion passed.

Motion: Mr. Bryer moved to appoint Mr. Jeff Hood (IN) as Vice Chair of the Audit Committee effective March 1, 2011. Ms. Rowen seconded the motion. The motion passed.

Program Compliance Review Update

Program Director, Mrs. Debora Meise, IFTA, Inc., presented the Program Compliance Review update. Following the July Annual IFTA Business Meeting, four of the five remaining jurisdictions to be reviewed agreed to an e-review. Iowa, Oklahoma, Illinois, and Wisconsin will be reviewed electronically. Manitoba was unable to provide electronic files by their review date. E-reviews conducted in 2010 are in the process of being documented and a draft manual will be provided for the Board's review at a later date.

Regarding the e-review survey presented to membership, 44 jurisdictions responded in favor. Only one jurisdiction was opposed to electronic reviews. Survey results from the jurisdictions that were reviewed electronically in 2010 will be presented to the Board at the January 2011 Board meeting.

A request from a jurisdiction questioned whether it was acceptable to round half to even for the IFTA tax returns as it is now the default industry standard and statistically more correct compared to rounding half up. It was determined that, since the Agreement does not provide anything to interpret, and a non-finding was previously issued to the Program Compliance Review Committee in relation to rounding tax and/or interest computations to the nearest whole cent, the requesting jurisdiction would be contacted and referred to the previous request for interpretation.

Program Compliance Review Committee Report

Ms. Hussey, Program Compliance Review Committee (PCRC) Board Liaison, presented this committee report. There is one 2009 review in reassessment and eight are being followed up. The committee continues to review the completed 2010 reviews as well.

The PCRC presented a proposal to the Board to review the current process for possible revisions based on the recent changes to the Agreement. This committee request included a face-to-face meeting to review the current process, brainstorming on streamlining the process, review the Guide and Worksheets, discuss and review the e-review process, and consider potential ballot proposals. A cost analysis was presented to the Board relating to the PCRC request for a face-to-face meeting.

Motion: Ms. Hussey moved to authorize a face-to-face meeting of the PCRC prior to the April 2011 Board meeting and include representatives from the APC and AC as well. Ms. Platt seconded this motion.

During discussion of the motion, Board Liaisons were considered.

Amended Motion: Ms. Hussey amended her previous motion to include the PCRC Board Liaisons as well as one committee member from both the APC and AC to attend the face-to-face meeting. Mr. Greenawalt seconded the motion. The motion passed.

Dispute Resolution Committee Report

Mr. Turner, Dispute Resolution Committee (DRC) Board Liaison, offered this report. The committee reviewed four of the six action items in the charge presented by the Board. In reviewing the items addressed by the committee, the following proposals were presented:

- Incorporating additional steps in the Dispute Resolution Process (DRP) to allow for early intervention from an independent party to facilitate communication among the parties. The committee proposal offered that a DRC member be appointed to act as a facilitator

between the Complainant and Respondent with the objective of reaching a resolution to the dispute.

It was the decision of the Board that the Attorneys' Section Steering Committee (ASSC) be asked to review this proposal and to determine whether an ASSC member could act as a facilitator.

- Determining whether hearings should be conducted in conjunction with the Annual IFTA Business Meeting or other IFTA, Inc. related meetings: it was the committee's position that the DRC maintain discretion as to when a hearing is scheduled, but that it coincide with an IFTA related meeting when feasible.

IFTA, Inc. will work with the DRC to contract for a hearing with an existing contracted meeting whenever possible.

- Determining whether the DRP should be amended to include a formal comment period for the industry advisors: it was the decision of the committee that the industry advisors, at their discretion, may provide a written opinion relative to the evidence and testimony presented by the Complainant and Respondent. This written opinion would be considered by the DRC during the discussions held prior to rendering a decision.
- Determining and clarifying the authority of the DRC and the Board regarding resolution of disputes: it was proposed by the committee that the DRC have full discretion regarding the resolution of any matter including the granting of specific relief sought by the aggrieved party in whole or in part. Additionally, the Board would have full discretion regarding any appeal pending and includes the granting of specific relief sought by the aggrieved party in whole or in part.

During discussions, it was determined that the DRC should revise this proposed language.

Committee representation and upcoming vacancies was reviewed. It was noted that the DRC would need to replace several members from various regions due to expiring term limits and resignations. Additionally, four more committee members' terms will expire December 31, 2011. The Board decided to delay the approval of staggered roll offs and allow the committee time to conduct a search for volunteers to replace the outgoing members.

Motion: Mr. Turner moved to appoint Ms. Donna Burch (Ryder, Inc.) as an Industry Advisor to the DRC replacing Mr. Tom Klingman (UPS) effective January 1, 2011. Ms. Rowen seconded the motion. The motion passed.

Discussion was had regarding extending the due date for the committee's charge. Two issues are yet to be reviewed. Action item 3.4 asks the committee to consider adding some flexibility into the timeframes provided in the event of an appeal. Action item 3.6 asks the committee to consider developing a timeline from start to finish for the DRP, including any arbitration and appeal.

Motion: Mr. Greenawalt moved to extend the DRC charge to the April 2011 Board meeting on the final remaining issues. Mr. Turner seconded the motion. The motion passed.

Industry Advisory Committee Report

Mr. Gragen provided the Industry Advisory Committee (IAC) report to the Board. The committee is seeking new members for the Steering Committee as the existing terms will expire shortly. The IAC has several members that are also participating on other IFTA committees including the DRC, Information Technology Advisory Committee (ITAC) and the Re-Audit and Re-Examination Working Group (RRWG).

Some of the major points of interest to industry are ballots 2-2010 and 4-2010 as well as greater participation in IFTA and building a rapport between industry and the Audit Committee. The committee is also looking at solutions to eliminate the IFTA decal as a display device for verification of a licensed carrier. It was recommended, by the committee, that a working group be organized, including industry personnel, representatives of Law Enforcement Committee (LEC), and member jurisdictions for the purpose of identifying practical alternatives to the decal. Another interest of the committee is developing industry training on the requirements of IFTA as a means to improve compliance. The IAC would like to develop a training program that would be beneficial.

Mr. Pitcher reported on the Board charge to the IAC. In May 2010, the Board charged the committee with identifying issues and opportunities facing our partnership and providing suggested solutions. Addressing this charge, the committee presented the Board with a memorandum outlining their research and recommendations. This memorandum highlighted the promotion of cooperation and trust through partnerships. Other recommendations proposed by the committee included eliminating the IFTA decal, offering a fair shake to industry on interest, radically opening the DRP, ensuring all uncured compliance review problems go through the DRP, establishing and policing fair and workable audit standards, eliminating the re-audit / re-examination mechanism, and reviewing the right issues / concerns. Finally, the document focused on expanding the knowledge base regarding IFTA through education and awareness. In conclusion of the submitted proposal, the Board will take under advisement the recommendation that additional industry participation be provided for on all standing committees.

Items from the 2010 Annual IFTA Business Meeting

Several items that resulted from the July 2010 Annual IFTA Business Meeting were reviewed. In regards to the establishment of a working group to consider the elimination of the IFTA decals, it was decided to wait until the ITAC has completed and presented their research regarding decal alternatives to the Board. Once their report has been presented, the Board would then consider the formation of a working group. Following the establishment of the working group, partnerships with Nlets could then be further investigated.

The Board also discussed the exemption database. During the business meeting, it was requested that the database provide contacts for refund forms. IFTA, Inc. explained that this could be done, but that the jurisdictions would need to ensure the accuracy of the data.

Agreement Procedures Committee Report

Mr. Greenawalt presented the Agreement Procedures Committee (APC) report. Committee vacancies were reviewed. Additionally, Mr. Kron's term as Chair expired following the September IFTA Managers' and Law Enforcement Workshop.

Motion: Mr. Greenawalt moved to appoint Ms. Cindy Arnold (NV) as Chair of the APC effective immediately. Mr. Turner seconded the motion. The motion passed.

The committee will discuss the vice chair position and submit their recommendation to the Board following the October Board meeting for approval at a later date.

Law Enforcement Committee Report

Mr. Fitzgerald, committee Board Liaison, presented the LEC report. During the September IFTA Managers' and Law Enforcement Workshop, the committee presented a dyed fuel demonstration. A combined meeting with the APC was held during this time as well as an LEC only meeting. The 2010 Charles M. Mills Award of Excellence was awarded to Sgt. Charles Burton (KS).

The committee is working to streamline the March & May Initiative data so that all jurisdictions could have access to both viewing and updating the statistics as needed. IFTA, Inc. is working with the committee to procure a template of the report used during the initiative in an effort to

create an electronic database for more uniformity and ease of completion. A survey pertaining to single trip permits is being drafted by the LEC. This survey will look at how and when such permits are required as there is an enforcement uniformity concern.

Attorneys' Section Steering Committee Report

Ms. Hussey, ASSC Board Liaison, presented this report. The committee held their first practice webinar session in August. Material for the committee's webinar, IFTA 101, is currently being drafted. This webinar is expected to be held in the winter and an IFTA litigation webinar to be held in the spring.

The ASSC is working on the Board charge to research and discuss potential legal barriers to the IFTA membership establishing and implementing uniform roadside procedures, standards, and requirements. There is concern that, with such a charge, the Board is opening the door to creating laws. The committee has had discussions regarding the possibility of IFTA creating standards of enforcement, but recommendations for standards of enforcement might not be possible. The ASSC's response to the Board is scheduled to be presented at the January 2011 Board meeting.

Committee vacancies were reviewed. Two members will be resigning in 2011 and three members have been inactive. An online volunteer form was submitted by Mr. John Shultz (KS). Also, the current Chair's term, Ms. Janice Davidson (NC), expires December 31, 2010. The committee submitted the 2011 ASSC officers with Ms. Carolee Johnstone (CA) as Chair, Mr. Clark Snelson (UT) as Vice Chair, and Ms. Davidson as ex-officio.

Motion: Ms. Hussey moved to approve the replacement of Mr. Michael Burrichter (KS) with Mr. John Shultz (KS) immediately. Ms. Rowen seconded the motion. The motion passed.

Motion: Ms. Hussey moved to approve Ms. Carolee Johnstone (CA) as Chair, Mr. Clark Snelson (UT) as Vice Chair, and Ms. Janice Davidson (NC) as ex-officio of the Attorneys' Section Steering Committee effective January 1, 2011. Mr. Greenawalt seconded this motion. The motion passed.

Information Technology Advisory Committee Report

Board Liaison Mr. Bryer presented the ITAC report. In April 2009, the Board charged the committee with investigating, analyzing, and reporting on the current capabilities of global positioning systems (GPS) and other electronic positioning and routing systems as they apply to the commercial trucking operations. In reviewing the various systems, it was determined by the committee that the difficulty is with the calculation of distance by the system and the assignment of distance by jurisdictions. While the GPS is accurate and reliable when collecting data, there are several methods utilized for distance calculations and they are not uniform. This presents a problem for auditors who are currently, or have been, dealing with manual data.

ITAC recommended the Board appoint a subcommittee to begin the process of drafting ballot language to address current technology. Additionally, the committee recommended that the AC consider forming a panel of experts that would be available for consultation to jurisdictions and provide guidance regarding the effectiveness of any methodology using GPS technology. The Board determined that ITAC should continue with the project and advance to the next level, ensuring that the Audit Committee and ASSC members remain included in the analysis. The next step, as found by the Board, is to state and outline the data elements IFTA requires to complete an audit.

Motion: Mr. Bryer moved to contact the ITAC with a suggestion to continue the project on to the next step and ensure that the Audit Committee members remain included in the analysis. Mr. Greenawalt seconded the motion.

During discussion of the motion, it was opined that the subcommittee include representation from the ASSC as well.

Amended Motion: Mr. Bryer amended his previous motion so that the Attorneys' Section Steering Committee is included in the subcommittee. Mr. Greenawalt seconded this motion. The motion passed.

Re-audit and Re-examination Working Group Report

Board Liaison Mr. Turner presented the report from the Re-audit and Re-examination Working Group (RRWG). This report outlined the working group's concept for new audit procedures. This concept allowed for:

- An audit of the taxpayer to be conducted by the base jurisdiction.
- A 30-day review period for the taxpayer during which they could work with the jurisdiction on the initial findings.
- A second 30-day review period for jurisdictions to review the initial audit and either concur or contest the preliminary findings. If contested and no satisfactory conclusion is met, a request for a re-audit could be made and this request would then delay the release of the final audit to the licensee.
- Upon the conclusion of the jurisdiction's 30-day review period, or upon conclusion of the re-audit, the audit would then be considered closed and the final audit presented to the licensee.

Mr. Turner then reviewed the issues charged by the Board in depth. The RRWG had been charged with:

- Determining whether a re-audit and/or re-examination provision should be part of the IFTA. It was the working group's position that jurisdictions must have the option to question, and possibly challenge, an audit which they feel had been conducted incorrectly.
- If a jurisdiction chooses to audit a licensee based in another jurisdiction solely for its own purpose (jurisdiction), how would such an audit be reconciled with an audit conducted by the base jurisdiction under the terms of the IFTA? It was the opinion of the RRWG that proposed amendments to R1310 would remove the need to reconcile such audits.
- How does a re-audit or re-examination affect the initial audit? The working group believes that the concept presented would make the re-audit and re-examination process part of a single progressive process. This process would deal with adjusted findings before the final audit findings are issued.
- What should the scope of a re-audit / re-examination be? The working group believes this scope could be quite broad and range from simple errors to issues that question the appropriateness of sampling or application of an error factor. The RRWG offered recommendations pertaining to the re-audit issues which focused on jurisdictional impact, sample periods, and the statute of limitations. It was the working group's position that, if a portion of the original audit falls beyond the base jurisdiction's statute of limitations, and there is no waiver of their statutory right, the affected period would no longer be subject to re-audit.

Concluding the report, the working group requested an extension of time to complete action item 3.3. This item asked that if the working group decided the re-audit and re-examination provisions

should remain in the IFTA that a re-audit and re-examination be defined and guidelines be established as to when they should be undertaken.

Motion: Mr. Turner moved to extend the timeframe for action item 3.3 of the task charged by the Board to be presented at the April 2011 Board meeting. Ms. Platt seconded the motion. The motion passed.

Strategic Plan Review

The Board reviewed the Strategic Plan. During discussion of the goal to meet the needs of customers and stakeholders using technology, the Board determined that IFTA, Inc. should compile and provide a list of available training materials that could be posted to the website on an informational web page. This list will be reviewed by the Board during the January 2011 Board meeting. At that time, the Board will discuss charging the committees with reviewing the web page and identifying additional educational materials that could be included.

2012 Decal Specifications

Mrs. Meise presented the 2012 decal specifications. Language was proposed by Montana in regard to the requirements concerning decal durability and clear coating. This language eliminated the clear coating requirement and provided for digital printing of the decals. Furthermore, the proposed language required that the decals be numbered consecutively using consecutive numbering machines.

Motion: Ms., Hussey moved to modify the 2012 IFTA Decal Specifications to adopt the proposed language submitted by Montana provided the language regarding the use of consecutive numbering machines was stricken. Mr. Turner seconded the motion. The motion passed.

2010 Ballot Review

Mrs. Meise reviewed the 2010 ballots. Full Track Final Ballot Proposal (FTFBP) 1-2010, 2-2010, and 4-2010 are open for voting by membership. Following the first comment period, 3-2010 was withdrawn by the sponsor. During the July Annual IFTA Business Meeting, ballot 5-2010 did not receive a sufficient number of votes to continue. The voting deadline for the three 2010 ballots is December 20.

IRP Board of Directors Report

The IRP Board of Directors provided a report for the Board's review. On October 1, 2010, Mr. Kevin Park (UT) was elected Chair and Mr. Jay Starling (AL) was elected as Vice Chair. The modernization of the IRP, Inc. Clearinghouse is on target to go live in November. There are 56 jurisdictions participating in the IRP, Inc. Clearinghouse and OK plans to join in 2011. A webinar was held by the Full Reciprocity Task Force to educate jurisdictions and industry on the impact of the proposed change regarding registration fees. The task force has yet to forward their final proposal to the IRP Board of Directors and will hold additional webinars before making a final recommendation. A two-year review and update of the IRP Audit Procedures Manual is nearing completion. The Compliance Audit Working Group (CAWG) expects to present ballot proposals at the May 2011 IRP Annual Meeting. A change to the IRP Bylaws and Articles of Incorporation is anticipated to be presented at the 2011 IRP Annual Meeting as well.

Transition to Combined IFTA / IRP Review Periods

Ms. Turner led the discussion regarding the transition to consistent IFTA / IRP review periods. Several combined reviews have been completed to date and many jurisdictions have combined IFTA and IRP shops and have expressed an interest in having combined reviews. Combined audit reviews work especially well and the worksheets are very effective. While the administrative sides of the reviews do not combine as well as the audit sides, it is believed that the reviews could still be held simultaneously.

The Board discussed the IRP and IFTA review periods. IRP review periods are based on implementation dates and the review period is five years. IFTA's review period is based on regions and has a five year review period. In reviewing a spreadsheet showing the combined reviews beginning in 2012, it was estimated that both organizations would be reviewing the same jurisdictions with a five year review period as early as 2017. Concern has been expressed by IRP regarding the lack of IFTA reviews in 2011 and the fact that IFTA is proceeding with e-reviews. It was requested that IFTA, Inc. contact IRP, Inc. prior to the next combined Board teleconference in November, when these issues will again be discussed.

IFTA, Inc. Financial Report and Financial Planning

Ms. Turner presented the financial report. IFTA, Inc. remains in good financial standing including the investments, which continue to gain favorably. The vacant suite has also been re-listed for rental opportunities. The Board also discussed the dues structure and a future dues increase. During the July Annual IFTA Business Meeting membership indicated a desire to have the Commissioner travel expenses to the ABM included in this increase. IFTA, Inc. will provide a projection for planning towards a dues increase at the January 2011 Board meeting.

Uniformity for Enforcement

Ms. Platt and Mr. Ron Hester (ON) led a discussion regarding uniformity for enforcement. A suggestion raised during the IFTA Managers' and Law Enforcement Workshop in September was to offer uniform licenses and trip permits. It was noted that this would necessitate a ballot proposal due to the systems change jurisdictions would need to make. The Board believed that the issue was worth investigating. It was observed that the creation of uniform forms that could be personalized by each member jurisdiction would be better than the current reports and forms utilized by membership. The LEC will be asked to begin looking into this project.

FYI and Other Business

Recognition of Outgoing Board Members

Following the business discussions, outgoing Board members Mr. Turner, Mr. Bryer, and Mr. Fitzgerald were recognized. Additionally, the three Board members recognized and thanked the IFTA, Inc. staff for their support and assistance through the years.

Future Board Meeting Dates

The Board then discussed the scheduling of future Board meetings. It was requested that the Board meeting days be changed from a Thursday – Friday meeting to a Wednesday – Thursday timeframe.

Motion: Ms. Platt moved that future Board meetings be moved to a Wednesday – Thursday meeting when possible. Ms. Rowen seconded the motion. The motion passed with an abstention by Mr. Bryer.

Concluding the business discussions of the Fourth Quarter 2010 IFTA, Inc. Board of Trustees meeting, Mr. Fitzgerald asked for a motion to adjourn.

Motion: Mr. Bryer moved to adjourn the Fourth Quarter 2010 IFTA, Inc. Board of Trustees meeting. Mr. Turner seconded the motion. The motion passed.

ACTION ITEMS RESULTING FROM THE 4Q10 BOARD MEETING

ITEM	ACTION
1-4Q10	IFTA, Inc. and the Clearinghouse Advisory Committee will work with those jurisdictions not participating in the Clearinghouse to sign a Non-Participating Member Access Agreement to allow for the electronic exchange of transmittals.
2-4Q10	Jason DeGraf will email a link from the Clearinghouse licensee mileage reports to Bob Turner and Rena Hussey.
3-4Q10	IFTA, Inc. will make the required corrections to the 2012 Funds Netting Calendar and distribute it to the membership.
4-4Q10	IFTA, Inc. will notify Lumbard & Associates of the decision to do a Type 2 SAS 70 audit for a 12-month period. IFTA, Inc. will also notify the membership.
5-4Q10	IFTA, Inc. will make an inquiry to its attorney regarding an audit of the Clearinghouse by a member jurisdiction. The attorney will be asked for his opinion on whether or not a jurisdiction can do such an audit.
6-4Q10	IFTA, Inc. will contact the jurisdiction inquiring regarding the calculation and rounding of interest regarding the Board's discussion.
7-4Q10	IFTA, Inc. will work with the PCRC, the Mesa Hilton and the Board Liaisons to schedule a meeting of the PCRC in conjunction with the 2Q11 Board Meeting.
8-4Q10	IFTA, Inc. will work with the DRC Chair and Board Liaisons regarding the current rotation schedule found in the DRC Charter.
9-4Q10	The Board Liaisons to the DRC will contact the committee regarding the following: <ol style="list-style-type: none">1. Action Item 3.1 of the current charge to the DRC. The DRC should discuss the possibility of utilizing another committee or someone outside of the realm of the DRC to act as a facilitator among parties. The DRC should also discuss adding a timeframe for the proposed process with a facilitator.2. Action Item 3.2 of the current charge to the DRC. The Board suggests that the proposed language to II.B. of the DRP be changed to: "The Committee <u>and IFTA, Inc.</u> will make every effort . . ."3. Action Item 3.3 of the current charge to the DRC. The Board will ask the IAC for comments to the DRC's proposed language by the 1Q11 Board meeting.4. Action Item 3.5 of the current charge to the DRC. The DRC should discuss this item further to be sure that its current authority is not restricted.5. Action Items 3.4 and 3.6 of the current charge to the DRC. The Board approved the extension of the report deadline from the DRC to its 2Q11 Board meeting (April).
10-4Q10	The Board Liaisons to the IAC will request comments from the IAC to the DRC's proposal in its Action Item 3.3 of its current Board charge. Comments will be due at the 1Q11 Board meeting in January.

ACTION ITEMS RESULTING FROM THE 4Q10 BOARD MEETING

ITEM	ACTION
11-4Q10	The ASSC Board Liaisons will ask the committee to review the proposal from the DRC in Action Item 3.1 of its current charge to determine whether the ASSC would consider being the group from which a facilitator might be selected.
12-4Q10	IFTA, Inc. will work on a tutorial for the use of the message board for the committees.
13-4Q10	IFTA, Inc. will have discussions regarding the creation of training for motor carriers. This will include the issue of whether the IAC should be tasked with outlining the items to be included in the training.
14-4Q10	IFTA, Inc. will continue discussions with NLETS to further develop partnership.
15-4Q10	IFTA, Inc. will work on providing links to refund information from the Exemption Database.
16-4Q10	IFTA, Inc. will work with the LEC on a short on-line survey regarding trip permits.
17-4Q10	IFTA, Inc. will work with the LEC on a database to compile M&M Blitz information.
18-4Q10	The Board Liaisons to the ITAC will provide the Committee with a report from the Board meeting and discuss with them the possibility of the Committee continuing to the steps resulting from its Vehicle Tracking System/GPS Charge from the Board. If the ITAC is interested, the Board will draft a charge for the committee.
19-4Q10	IFTA, Inc. will make Board-approved changes to the 2012 Decal Specifications and then distribute the specifications to the membership.
20-4Q10	The Board Liaisons to the LEC will discuss with the Committee its thoughts of the possible creation of uniform forms for IFTA licenses and fuel trip permits.
21-4Q10	IFTA, Inc. will review its files to find materials from past meetings that might be used or be starting points for a jurisdiction training program. The report will be given to the Board at the 1Q11 Board meeting.
22-4Q10	IFTA, Inc. will continue the development of a financial plan and will make a preliminary report to the Board at the 1Q11 Board meeting.
23-4Q10	IFTA, Inc. will work with the Mesa Hilton to determine whether the current Board lodging contracts can be changed to a Wednesday-Thursday timeframe rather than Thursday-Friday.
24-4Q10	The Board Liaisons to the RRWG will notify them that an extension of time for completion of its current charge has been granted to the 2Q11 Board Meeting (April).