

Attendance:

Amanda Koeller

Bethany Musselman

Cindy Arnold

Garry Hinkley

Glenda Smith

Jason DeGraf

Lonette Turner

Mark Walker

Natalie Wendell

Randy Boone

Scott Miller

Sherry Conrad

Sherry McKinley

Trishawn Bell

There was a motion to approve the February minutes and they were approved.

Scott had a conference call with ITAC on March 13th and the board wants to set up a working group of around 10 individuals. Cindy Johnson will talk with Lonette in April about how they can help with e-credentialing.

No late funders, everyone paid on time. Funds netting is continuing to get better.

Funds Netting in February 2014: **USD** \$53,717,442.25 **CAD** \$546,220.42

The quality control sub-committee update is on hold as is the CH best practices document.

Garry had asked if there was someone who was willing to help Glenda with the demographics review. Glenda said she may be able to get back sooner than the fall. Nobody volunteered so Garry suggested that we let Glenda pick it up again when she is ready.

ELECTRONIC CREDENTIALING WORK GROUP - Potentially very interesting and exciting to be part of this from start to finish. Bethany volunteered. Lonette said it could be signed this week and a chair will be selected and she will be in touch with Bethany to discuss the details. Lonette said as of the January meeting the board put together a work group to look into electronic credentialing. They are more like a research and analysis group, looking into different types of e-credentialing, different technology, legal and law enforcement issues. IFTA will participate with IRP FMCSA and CVSA.

SAFER – Garry reported that they were trying to set up a conference call between IFTA Inc., FMCSA, and ACCB. He has an ACCB call this afternoon and Garry will try to move that along. Jose Rodriguez from FMCSA was promoted so he is in transition which has thrown a curve into the schedule. Garry, Lonette and Jason will get together on a conference call to set up a date to discuss the possibility that users won't have to be certified.

The idea is that non-SAFER clearing house jurisdictions will be able to submit their IFTA Demographic information to SAFER through the clearing house.

DUAL-FUEL – E-mails between committee members relative to conversion rates. There is a national standards group that establishes conversion rates with regards to dual fuels. There was no consensus on what to do at this point. The National Standards group is trying to redefine the equivalency factors. He doesn't believe it affects the IFTA ballot yet, but could become an issue. Our ballots have been passed. Stay tuned

NON-PARTICIPATING JURISDICTIONS - Randy was overloaded with e-mails. Some members are opposed to what NPJ members are allowed to do. Members are concerned that they are pulling too much. It appears that NPJ are paying dues and essentially helping to defer the cost from participating members. Everyone is paying, but NPJ don't get all of the benefits almost like the NPJ are subsidizing the members.

Initial Concerns (Jason's summary)

- We will be changing the access agreement so everyone will have to re-sign the access agreement.
- The NPJ will sign and agree to do certain things
- Not 1 NPJ who are read only have even replied to the several e-mails sent

A big concern was that if we push the 5 NPJ to join, we may end up shooting ourselves in the foot because it creating so much additional work. The 5 jurisdiction's make a lot of work for the rest of us. Manitoba is currently updating but do not see the upgrade completion until 2016. Quebec said that they will send data in 2015. That information could change because it takes so long for QC to move. Oklahoma said that they may do it but we need it in writing.

If any NPJ does not sign they will be out of the CH in 120 days.

It was suggested and agreed that Alberta, New Foundland and Oklahoma should be invited to sit in on the committees call to help encourage them to participate and join. It could be a good opportunity to convince them to join and offer an olive branch.

Concerns: See page 4 for more details outlined in the letter to the Commissioners

Will these jurisdictions sign some type of agreement?

- *YES*

Will we receive any paper transmittals from these jurisdictions?

- *YES, the same as we are getting today*

Will we be required to send paper transmittals to these jurisdictions?

- *NO, not at this time*

Would like a Pros and Cons list - *Cons are listed*

- *Quebec has to prepare 10 days ahead due to the exchange*
- *We cannot see NPJ details*
- *Reduces urgency of NPJ of becoming members*

Why not just become a member?

- *Technology*
- *Legal Issues*
- *Alberta is looking into the cost (Detailed information was sent to them)*

Would a jurisdiction be able to opt in and out of this option on a month by month basis?

- *No. Once you are in you are in. Cannot come and go month by month.*

Can a jurisdiction provide the data, but not participate in the funds netting option?

- *No*

What is the cost difference between memberships?

- ❖ *Amanda and Garry will work on this and submit to Randy to circulate for approval/comments.*

Meeting adjourned at 11:25

~Next Meeting is April 17, 2014, provided there are no conflicts with the date~

March 21, 2014

IFTA Commissioners

Re: Proposed revision to IFTA Clearinghouse access agreement to allow Read-only CH jurisdictions to participate in funds netting.

Dear Commissioner,

This is in response to the commissioners' questions relative to the Clearinghouse Advisory Committee's proposal to allow Clearinghouse read-only jurisdictions to voluntarily participate in the monthly funds netting process. Several commissioners raised questions or concerns, and many jurisdictions essentially echoed those concerns. The Clearinghouse Advisory Committee has compiled and discussed the questions, and has prepared the following response.

Currently, five jurisdictions do not upload their demographic or transmittal data to the Clearinghouse. However, all five jurisdictions have signed the Clearinghouse access agreement, and have read-only access to the Clearinghouse. This means that these five jurisdictions have access to your jurisdiction's transmittal reports, and your jurisdiction does not have to send these five jurisdictions paper transmittals. However, since these five jurisdictions currently do not participate in funds netting, they send and receive monthly payments/bills to and from the fifty-three Clearinghouse jurisdictions. This means that each month, your jurisdiction must process an outgoing payment or bill for each of the five read-only jurisdictions; and must process the receipt of their payments and bills.

The intent of this proposal is to allow the five read-only jurisdictions to voluntarily participate in the monthly funds netting process by uploading summary information only. This would benefit both the five read-only jurisdictions and the fifty-three participating jurisdictions by reducing or eliminating the need to send and receive manual payments and bills between a participating and read-only jurisdiction.

Here are the summarized questions and the CAC's answers:

1. If a read-only jurisdiction is willing to upload summary transmittal information to the Clearinghouse and to participate in funds netting, why would they not become a full member?
Some jurisdictions may have technological issues preventing them from becoming full CH participants at this time. Or, they may have philosophical or legal (privacy or data security) issues preventing them from participating. The CAC intends to work with each read-only jurisdiction to address their concerns and encourage their full CH participation, however, it may be some time before all IFTA jurisdictions are full CH participants.
2. Would a jurisdiction be able to opt in and out of this option on a month-by-month basis. If yes, how will the member jurisdiction know?
All jurisdictions using the Clearinghouse must sign the access agreement. Any jurisdiction may withdraw from the CH with proper notice. No jurisdiction would be allowed to opt in or out on an ad hoc basis.

3. Would like to know if the members of the clearinghouse would, in any way, be subsidizing the non-members. If so, unless there was a very good reason why the non-member could not become a member, I would have a concern about a non-member receiving the benefits of the clearinghouse without sharing in the responsibilities of membership.

The Clearinghouse costs are included in IFTA Inc.'s general administrative budget, funded primarily through dues. All jurisdictions pay for the CH through their dues regardless of their usage. The Clearinghouse assess agreement provides for two, and only two levels of participation – full participants and read-only. Under this proposal, read-only jurisdictions would be allowed to participate in funds netting.

4. Did the IFTA clearinghouse committee outline the pros and cons in a report and would that report be available to the Commissioners?

To the extent that some or all of the five read-only jurisdictions opted to participate in funds netting, all jurisdictions would benefit from the reduced need to issue and process payments and bills. If there is a “con”, it might be that there might be reduced pressure on jurisdictions to become full participants.

5. Will participating jurisdictions continue to receive paper transmittals from the non-participating jurisdictions?

Yes. Nothing Changes as far as transmittals are concerned.

6. Will participating jurisdictions have to send transmittals to the read-only jurisdictions?

No. Nothing changes as far as transmittals are concerned.

7. Can a jurisdiction provide the data, but not participate in the funds netting option?

No, that is not an option in the Clearinghouse.

8. If this change is enacted, where is the motivation or need for non-members to obtain membership?

Read-only jurisdictions still must print and mail monthly transmittals to the fifty-three participating jurisdictions. Their data is not in the Clearinghouse for others to use. Not being in the CH adversely affects the compliance review process. For states, full CH participation is a CVISN level requirement. Assuming the respective technological and legal hurdles can be overcome; there is still great benefit for these jurisdictions to become full CH participants.

The Clearinghouse Advisory Committee believes this proposal to be beneficial to all Clearinghouse users. It has the potential to reduce redundant administration by reducing the need to produce, mail, and account for payments and bills between full CH members and read-only members. At this point, it is unclear as to whether any of the five remaining jurisdictions would avail themselves of the netting option, although there are indications several might. The CAC believes this is a low risk opportunity with benefits to all. However, if there still is a degree of concern about this proposal, it likely will be tabled.

If you have any further questions, please feel free to contact me or the CAC board liaisons.

Sincerely,

Randy Boone, Chair
Clearinghouse Advisory Committee