

**Minutes of the Meeting of the
INDUSTRY ADVISORY COMMITTEE
of the
INTERNATIONAL FUEL TAX ASSOCIATION
January 12, 2005
Tempe, Arizona**

Tom Klingman, chairman of the Committee, opened the meeting, welcomed the attendees, and referred to the anti-trust policies and guidelines of the Committee. Self-introductions followed. (An attendance list is attached.) The minutes of the July 2004 meeting of the Committee were approved. Tom asked for a moment of silence in memory of long time Committee member Rick Reeves who passed away in December 2004.

IFTA Issues

The Committee discussed a number of issues involving the International Fuel Tax Agreement and fuel taxes, including:

- the nominations of a new Chair and Vice-Chair
- the IFTA/IRP Audit Workshop Meeting which preceded this meeting,
- potential topics for the 2006 IFTA/IRP Audit Workshop
- the idea submitted by Mike Dougherty of having a Super Carrier class audit
- results on the 2004 IFTA ballot proposals
- the proposed changes to the IFTA Peer Review and Compliance Review process
- a discussion of the use of 4.0 MPG in the absence of records
- request for time on the Annual Business Meeting agenda to present an overview of the trucking industry and it's impact on the Nation

Tom Klingman updated the Committee on membership changes. Tom's term as Chair concluded with this meeting. Donna Burch was nominated and elected as Chair and Gary Bennion was nominated and elected as Vice-Chair. As in previous years the IFTA Board has decided to retain the current membership of the IAC for 2005 with some deletions for those who have been inactive throughout the year.

The Committee discussed the 2005 IFTA/IRP Audit Workshop. The feedback from the jurisdictions on the Industry participation in the workshop, both the general session presentation and the breakouts, was very positive. Mr. Klingman thanked the industry volunteers and acknowledged the work done by Gary Bennion on the Imaging presentation. The Committee also discussed several issues discussed during the workshop including changes for next year's sessions to include more Industry participation in the planning stage and incorporation of some new topics. Mention was made that a potential topic for a breakout session in 2006 would be methods used in conducting automated audits. The Committee agreed that the idea submitted for consideration by Mike Dougherty of MD to have a Super-Carrier audit class was not a good idea and the Committee would rather enforcement of existing guidelines and using tools such as joint audits to handle large carriers, before a change to single out Super Carrier was undertaken.

The Committee then discussed the results of the 2004 IFTA ballots dealing with the accommodations for the Mexican Carriers to report IFTA under border state agreements and those dealing with administrative corrections. A review of the Ballot timeline for both ST and FT ballots to shorten the process was discussed with a note that the timeline information was available on the IFTA website.

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Mr. Klingman shared with the Committee the proposal for the formation of a “Special Committee” to review the IFTA manuals to align the “shalls and mays”. The IAC Steering Committee will select an Industry representative to serve on that Committee. (Post meeting note: Tom Klingman will serve on the special committee as the Industry representative)

Bob Pitcher discussed several items including an alarming trend to use the 4.0 MPG alternative during an audit of large carriers, changes to the Michigan law to repeal the fuel tax joint and several liability statute for a two year period and the recent IFTA Dispute decision in the New Bern case. Bob suggested that the IAC request time on the agenda at the Annual Meeting to provide an overview of the importance of trucking to the Nation with a focus on specific industry segmentation.

The Committee discussed the Audit Handbook compiled by the Audit Committee and provided during the workshop and expressed concern that this document was prepared and distributed prior to any input or formal review by the Industry or the Board. Comments will be included in the January Board report along with a request to seat an Industry member on the Audit Committee.

This concluded the IFTA business of the Committee.

Other Matters

Those in attendance then considered several other matters of interest, including the elimination of the Single State Registration System, the International Registration Plan and vehicle registration, state weight-distance taxes, FHVUT, Federal databases such as PRISM and SafeStat, Federal Highway reauthorization legislation and state legislation from the 2004 session.

Next Meeting

The Committee will next meet in Halifax, Nova Scotia in conjunction with the 2005 IFTA Annual Business Meeting. The tentative meeting date and time are Thursday July 15th from 1 PM to 5 PM.

There being no further business, the meeting adjourned.

Respectfully submitted,
Donna Burch - IFTA IAC Chair

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INDUSTRY ATTENDEES

<u>Name</u>	<u>Affiliation</u>
Tom Klingman	UPS, <i>Chair</i>
Donna Burch	Ryder, <i>Vice Chair</i>
Gary Bennion	CNF, <i>Steering Committee</i>
Page Dunnegan	Unigroup, <i>Steering Committee</i>
Bob Pitcher	ATA, <i>Steering Committee</i>
Bryan Gerl	Schneider National
Juli Dorrrough	J B Hunt Transport
Diana Cunningham	CIC Enterprises
Dan Eisinger	Supervalu
Carol Gardner	CIC Enterprises
Derek Godfrey	ABF
Mahlon Gragen	ATC Leasing Co.
John Jabas	FFE Industries
Lowell Marquette	FedEx Ground
K C McCloskey	Unigroup, LLC
Brent Meadows	Ryan & Company
Allen Leach	Ryan & Company
Robert Jones	Ryan & Company
Connie Owen	JJ Keller
Victor Parra	United Motorcoach Assn
Donna Sanders	Wal-Mart Transportation
Lisa Blain	Wal-Mart Transportation
Colleen Collins	Tyson Foods
Scott Taylor	Permitax Corp
Anne Crutcher	Transcore
Royce Crowell	Key Energy Services
Debby Wright	Key Energy Services
Sandy Johnson	TTML
Thomas Rushfeldt	Inter-Tax
Jeff Schaff	PACCAR Leasing
Valerie Squier	JJ Keller

GUEST ATTENDEES

Syd Andrews	Commonwealth of Virginia
Lonette Turner	IFTA, Inc., <i>Executive Director</i>