

**Minutes of the Meeting of the
INDUSTRY ADVISORY COMMITTEE
Of The
INTERNATIONAL FUEL TAX AGREEMENT
July 19, 2007
Chesterfield, MO**

Gary Bennion, 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. (Attendee list is attached.) Minutes of the January, 2007 meeting were amended and approved. The committee briefly reviewed changes made to the IAC Charter by the IFTA Board and agreed that a change was still needed concerning the term limits of the Steering Committee members.

The potential expansion of the role of the IAC was discussed. Several non-IFTA items had been added to the agenda for this meeting. The Committee discussed the closed session that will be held by the jurisdictions again at the January Audit Workshop. The discussion that was held at the Attorneys Section was reviewed wherein they found that there was no legal reason the jurisdictions could not hold the meeting, but that they didn't really see the need for it. It was noted that the January Workshop has the closed session on its preliminary agenda, but that it will probably take place at the beginning of the workshop during the Manager 101 session.

Donna Burch and Bob Pitcher briefly discussed their work with, and the progress of the new Alternative Fuels Committee. The 2007 ballots were reviewed. Also, the IAC presentation at the Annual Business Meeting was reviewed. The IFTA Audit Committee has requested the assistance of the IAC for some of the topics on the agenda for the Audit Workshop in January 2008. It was determined from the list of topics from the Audit Committee that the "Carrier Industry-specific Issues" and the "Record Keeping from Industry & Auditor Perspective" breakout sessions would be best enhanced by Industry assistance. The Audit Committee also intends to have a discussion concerning the electronic computer module found on the engine of late-model tractors. Industry will give input concerning that session, as well.

The 2007 & 2008 IFTA meeting schedule was reviewed.

Jan Skouby, Director of Motor Carrier Services in Missouri, presented to the IAC a ballot that Missouri is sponsoring concerning carriers working in emergency cleanup and recovery efforts following catastrophic events (storms, earthquakes, etc.). Bill Johnson from the Antique Truck Collectors Association also presented a potential ballot concerning the movement of antique trucks and tractors across state lines.

The next IFTA IAC meeting will be held in Tempe, AZ on January 8, 2008.

Non-IFTA Discussion

Bob Pitcher gave an update on the progress of the UCR Board. Fees have been determined and proposed to the FMCSA. It is expected that a Final Rule will be published shortly. The procedures agreement is ready, the application form has been devised and approved, and there is a web-based application process available. Enforcement will have to be done by carrier DOT number to confirm that the carrier is registered.

The committee discussed the 11 ballots proposed by the IRP Audit Committee. It was decided that two groups would be organized to summarize Industry's response in two areas: The IRP ballots and the IRP Plan rewrite. The purpose will be to have a full and clear set of points to present as part of a discussion on the IRP Plan and the introduction of the IRP ballots at the IRP Annual Meeting in September. The ballots in particular will require a clear and constant emphasis on the problems inherent in the ballot proposals.

Mention was made of Nevada's proposal to re-institute a mileage tax. The state legislature appears to be embracing the idea. Also, it appears that states have slowed down on the rush to consider privatizing

public roads. They may want to see how things work out in Indiana. There was a discussion on the lack of uniformity and acceptance of toll transponders by different manufacturers and states.

The IRS has not yet perfected the electronic filing of the Federal Highway Use Tax and will accept paper filings this year. They are still working on an automated filing process.

Connecticut has instituted a fuel tax increase. Wisconsin has proposed a tax on oil companies for oil product deliveries into the state, which cannot be passed on to the consumer.

There was a discussion on the ATA developing a position paper on how industry is addressing the issue of global warming. There was also a discussion on meeting highway needs and the next transportation bill.

The committee revisited the expectations, make-up and future role of the IAC. It is expected that further discussion will be necessary as we shape the IAC's role for the changing environment and to best advise IFTA and IRP. The IFTA and IRP IAC chairs will get together to work out a schedule of alternating longer sessions each year.

There being no further business, the meeting was adjourned.

Respectfully submitted,

Mahlon Gragen – IFTA IAC Vice-Chair