

IFTA Industry Advisory Committee Meeting
January 8, 2009
Tempe, AZ

Call to order 8:00 a.m.
Mahlon Gragen, Chair

Review of Anti-Trust Guidelines

Motion to approve last IFTA IAC meeting minutes made by Dan Eisinger
2nd by Bob Pitcher, approved.

Mahlon called for nominations for the open Vice Chair position.

Bob Pitcher made a motion to nominate Dan Eisinger for Vice Chair position

Sandy Johnson 2nd the motion

Nominations were closed

Dan was elected by unanimous vote.

On behalf of the IAC Mahlon thanked Gary Bennion for past leadership as Chair of the IFTA IAC. Gary has offered his support where needed.

A discussion was had on the solution to lower attendance and inability to travel to IFTA/IRP meetings? Bob Pitcher is able to attend all IFTA meetings. Mahlon will be able to cover all IRP meetings. Teleconference is a potential solution. Hold off and see what happens. Try to attend major meetings. (IRP Managers meeting was cancelled due to low attendance.)

Next year's IFTA/IRP Audit workshop will be held Tuesday, February 2nd through Thursday, February 4th in San Antonio, TX.

Discussions reviewing the audit workshop.

A comment was made that the meeting seemed "friendlier" than last years meeting. Still, several auditors were negative toward taxpayer. This will be addressed on an individual basis with their state management. Some discussion was had on how the Town Hall meeting was designed to encourage auditors to require odometers, routes of travel etc., or disallow credits. Several auditors stood up and talked about other methods that can be used to make these verifications of accuracy. Common sense and fairness was the prevailing message.

Discussions were held on what is "good enough" as far as recording keeping, what is compliant, how much effort goes in that is not even recognized as compliance. Can you have accuracy without meeting the exact letter of the law. (Odometers can be off as far as 7%.)

Jim Poe is chairing an effort with IRP to gain some uniformity, and address issues that have been discussed for years with no resolution. (Bob Pitcher, Laney Gower, Connie Owen will be representing industry)

The audit meeting is too long – States agreed and are shortening the meeting by 1 day next year.

Breakouts were determined to be the most valuable part of the session.

Nevada versus Pennsylvania DRC Decision:

(PA is considering appealing) No re-audit will be done.

10 years ago PA audited FedEx and found problems with the way they kept records. Court found in favor of FedEx. 2001-2005 audited again. Still using old system for first few years, but corrected for 2nd half. Some west cost miles were reported incorrectly by mileage system and miles were taken away from NV and several other states and re-allocated. \$156,000 refund due was disputed by NV and they asked for re-audit. PA said no.

Result: Reasonable cause is material level of doubt and granted re-audit. Because that is the standard, PA is out of compliance. Re-audit was ordered. Neither state can re-audit by law.

IFTA ALTERNATIVE FUEL COMMITTEE: This committee tried to come up with ways to change language to make it the less painful for IFTA to implement. No interest in this by voting members. Committee is idle right now.

Meeting Schedule 2009: IRP managers workshop in March Cancelled. April Attorney Section meeting will be held right before board meeting, and will be attended by Bob Pitcher. IFTA annual will be held in Manchester NH, Wednesday July 15 and Thursday July 16 Industry meeting will be held Tuesday the 14th at 3:00 – 6:00.

IFTA Ballot Review:

Historical Ballot will likely fail

Several withdrawn

#5 –Elimination of SS and FEIN as an identifying device doesn't really eliminate SS

2010 Industry Participation

After we get idea of what we want Mahlon will reach out to the IAC members

Hot topic: EOBR ruling on safety audits may carry over into IFTA/IRP.

IFTA Decal Tracking States are starting to request carriers match their equipment to a decal number. The state known so far are OK, PA, NC, OH.

2010 engine will require several gallons of Urea for emissions purposes. ~~Although it goes into a separate tank it is taxable~~. It is not subject to fuel tax, as it is most definitely not fuel, but it is likely to be subject to sales tax in most states. Bob is monitoring it.

Discussion on Indexing fuel tax rate was had. As a board we felt it should be voted on individually. With re-authorization bill Federal Fuel Tax rate will likely be raised.

9:30 Closed IFTA IAC Meeting

Dallas plan committee has been formed. John Jabas, Donna Burch, Bob Pitcher will represent industry

IFTA and IRP Boards will be meeting jointly at the end of the January 22-24.

Joint audit committee update by John Jabas. One of Comdata's carriers was audited, The IFTA portion was satisfied; there is a problem with base licensing for IRP portion.

States are fining again for one plate being on the wrong place on the vehicle. Bob will intervene if necessary.

UCR Board meeting in Austin

2010 Fees is the major issue and the leader of that committee, Bill Leonard has been unavailable. States are not enforcing like they should. 2009 fee collection is down from 2008. Some effort is being made to collect 2007 and 2008. NCSTS may not have enough attendance to justify their July meeting.

Oregon Mileage Tax proposition made news. As you fuel, mileage is read from an engine module. You would be charged tax based on the miles you travel. They are encouraging other states to adapt this.

Oregon is thinking about gas tax increase, which would increase the mileage tax.

NY still requiring 19th series permits. There is currently an extension until March 31st, but at this time. Not requiring display, but don't know if this will be continued through with 20th series.

NV anticipates a great fight resisting thought of re-instituting Mileages tax.

Most states budgets are in trouble, not really focusing on Transportation.

WI is discussing a profit tax on Fuel Suppliers which cannot be passed along to consumer.

IL requires Carrier Signature, DE is requiring an odometer reading be given in June.

Meeting adjourned 10:00.