

IFTA Law Enforcement Committee  
Semi-Annual Conference  
Carolina Beach  
North Carolina

April 22-23, 2008

Minutes

**IN ATTENDANCE:**

Jennifer Brown	AZ – Chairperson
Marc Nichols	NC– First Vice Chairperson
Georges Sansfacon	QC– Second Vice Chairperson

Julian Fitzgerald	NC – President of IFTA Board
David Couprie	MB
Anthony V. Hatcher	ML
Martin Barrow	NC
Joe Noland	OH
Michael Calfee	NC
Martin Cano	TX
John Moses	AL
Trent Knoles	IL

Don Farmer	NC – Guest
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**COMMITTEE MEMBERS MISSING:**

Don Boswell	VA
Charles Burton	KS
Gary May	IL

## Tuesday April 22 , 2008

Welcome by Jennifer Brown, LEC Chairperson.

A special thanks to organizers; Martin Barrow, Marc Nichols and their staff, for all the work involved in the preparation and the setting up of this meeting's accommodation.

Opening remarks by: Jennifer Brown, Marc Nichols and Georges Sansfacon.

Thanks and welcome to all in attendance.

Welcome to new member Mr. Mike Calfee from NC replacing Heather Davis and to those for which is there first participation in the Face to Face meeting.

Last year, the committee worked very hard and a lot has been accomplished. The drive of this committee is strong and active. Also discussed committee membership, we have received the application of a new member; Andrew Markel from Ontario proposed by Georges Sansfacon. It will be submitted to the board for approval. We have asked Trent Knoles to get in touch with Gary May to see if a letter can be sent to the LEC clarifying his intent and his position with the committee. The committee is awaiting a nomination proposal from Kansas for the replacement of Charles Burton. Also there is a proposal for a candidate from West Virginia to replace the seat of Gary May.

Jennifer Brown reviews the roll over list.

A warm welcome is offered by Major J. Hatcher from the North Carolina State Highway Patrol.

He re-enforced the importance of different enforcement programs and points out their commitment to IFTA and to Revenu for fuel tax enforcement.

He stressed the need for partnerships. The State of NC has 1,800 officers that will work hand in hand with the NC dept of Revenu and their agents in assistance to the agency's work. He indicated that NC has 1 trooper for every 442 miles of road. He concluded in saying that as a group in IFTA, you can accomplish allot for road side enforcement.

He thanked us for our devotion and contribution.

Round Table; comments of each participant

SWOT Analysis: (Strengths, Weakness, Opportunities, Threats)

N.C.

Marc & Martin led the way with the first presentations. This year, efforts where made in the marine enforcement, checks at marine terminals. They looked for; Tug Boats, Barges, in relation to possible fuel movement and possible fuel tax evasion. They have performed inspection of ships and other types of vessels. Joint projects where also performed with Virginia. One of there strengths relies in the cooperation between there respective agencies. They work very well with each other. They have inspected in 2007 approx. 8,000 vehicles with an average of 3.8% dyed fuel violation charges. Question here on refusal penalty. In NC, the charge is \$1,000 per vehicle. Both agencies share information for special cases. They have set and maintain a good "inter-agency" relation.

Obtaining appropriate authorities to act on different statutes is sometime a problem. Many members agreed. General discussions then occurred on the way different jurisdictions differ in enforcement.

The importance of cooperation and MOU's is stressed by several members. We have a clear example that NC, who seems to lead the field in this area, is a major strength for them.

### OH

This year, they have worked very hard in the completion and setting up of the fuel enforcement team. They have also incorporated the IFTA Clearing house.

The implementation process took some time and a lot of effort.

They are looking forward to using it at road side.

A case was reported;

A major and well known company, Sxxso, where utilizing big quantities of "used motor oil" from there truck engines to be burned and mixed with their diesel fuel.

Discussion on case: - % Fuel tax loss?

- Potential environmental problem for EPA.

### IL

The face of the trucking industry nation-wide is changing. Even with the rise in fuel costs, Illinois' trucking population has increased. Enforcement is present. Of approximately 30 Revenue Agents, 4 perform active IFTA/Fuel enforcement. IL's Agents are sworn, armed, and utilize identified vehicles with blue & red lights. IL's Agents can only enforce tax-related offenses.

Renewal for the 2008 IFTA season has jumped from 12,800 to 13,200 carriers.

IL's motor fuel tax rate has been stable since 1991 at 19.5 cents per gallon for gasoline, and 21.5 cents per gallon for diesel. Illinois is also one of about 6 or 7 states that impose a 6.25% sales tax on motor fuel.

Dyed Fuel is not available at retail outlets. First offense for dyed fuel use is a \$2,500 penalty. Second offense is \$5,000. State police & some local police can and will enforce IFTA, but not fuel. For not being registered with IFTA, fine is \$1,000. Same amount for an inspection refusal. Out of 100 trucks inspected, approx 9 will have a dyed fuel offence.

They have had a fraud case which involved the use of an illegal US DOT #.

### MD

There have been several structural changes this year in several departments.

A merger this year: Alcohol enforcement and fuel tax enforcement have merge within the criminal investigation unit. They have Dyed Fuel available at retail outlets.

### AZ

There jurisdiction is going threw budget restrictions which is affecting many special operations. A lot of funds are required for the commercial safety program. The objective for this year is for 14,000 truck safety inspections, level 1, at border crossings. They have a special Dye Fuel Enforcement team within there 300 enforcement officers.

The violations penalties are done through IRS. They encounter many oversized issues.

### QC

Price of gas these days is \$5.40 gal. (\$1.34 liter), diesel \$5.80 gal (1.45 liter)

Fuel imports and exports are monitored. Bulk fuel carrier inspection procedure is almost completed. From the staff of 30 inspectors/investigators, 80% of manpower is allocated to the tobacco enforcement. It's a major issue and the problem is growing.

They have good cooperation between various agencies.

The fuel tax is stable. Special compliance initiative projects for fuel and IFTA checks have been prepared for which DOT and Police were invited to participate. Good results, positive impact and a lot of visibility.

Special snow removal operations were conducted during the winter months that have generated interesting investigation cases and infractions. Ex: Modified hidden fuel tank. Dyed fuel is permitted only for specific use.

Approx 5 % of overall inspections is related to dyed fuel. All moveable equipment requires clear diesel. They work in uniform with marked vehicles. Their vehicles are equipped with yellow lights for road side operations.

The Biodiesel case reported last year is under study by legislation.

First offence for illegal fuel has increased to \$500. Refusal is at \$2,000. Not registered with IFTA is \$600.

### AL

The fuel enforcement group is separate from DOT. They are fully empowered police officers. They are paid by Revenue. 85 % of their charges or offences are associated with IRP. They have a staff of 19 Revenue police officers and 8 of them are for fuel enforcement.

They take 2 fuel samples like other agencies: 1 for the state and the second for IRS.

The state has 1 weigh station located on I-20 out of Atlanta. The first offence for using dyed fuel is \$500 and it is treated as a minor infraction.

### MB

For not being registered with IFTA, charge is \$580. For a carrier from Manitoba coming back into his home jurisdiction and not being registered with IFTA, it will be charged \$580 and also a trip permit of \$50 will be added to his charges. They are strictly Revenue with 15 investigators in plain clothes. They are 2 uniformed enforcement officer positions of which, 1 is performing fuel inspection duties on a full time basis. Their units are equipped with blue & red lights for stops at road side. Gasoline and diesel are dyed for farm use only. Gas is purple and red is for dyed fuel. The RCMP will enforce fuel and ticket those in violation, but will not enforce IFTA charges for non compliance issues. There are 3 scales houses operated by the DOT. The DOT agents will look at IFTA and will enforce it. They will not however handle fuel inspections. Cab cards or truck registration documents do not show jurisdiction for IRP. They still complete IFTA sighting reports and send to proper jurisdiction. Serial # of IFTA decals is not shown on IFTA permits. 75% of their staff is allocated to tobacco enforcement. Brief examples are given to members in regards to the problem of tobacco contraband. Ziplock bags of 200 illegal

cigarettes are sold at a very low price. All Canadian provinces are faced with the same problem.

### TX

Dyed fuel offences are pursued at federal and state levels.

A power point presentation of a case in reference to JET –A fuel is presented.

Case of boot-legging:

The fuel was bought from a refinery in Louisiana as Kerosene to be exported toward Mexico. Load never reached the original destination and was dropped in a carrier's yard in Texas. This import was exempt from tax at source. The estimated income was approx 5 to 6 millions for an 18 months operation.

Tobacco enforcement & Safety issues for Mexican carriers are also major concerns for this state.

There fuel enforcement team are empowered police officers.

Afternoon session.

### GROUP DISCUSSION:

Topics for the road show at annual Ifta seminar.

Martin Barrow review what we have so far;

- 1) Case of a carrier stop at road side "Father & son" case;
  - The Ifta decals and IRP account where initially issued to father.
  - They where given and used by his son.
  - The son's truck had the decals that where for his father.
- 2) Car Hauler with stolen Ifta decals,
- 3) Special farm equipment; "Implement of husbandry"
- 4) Classification of prescribe vehicle:
  - Ex: "RV truck with race cars & equipment in trailer"
  - Such vehicles are plated bellow IFTA requirements avoiding IFTA licensing and obligations.

Not all jurisdictions are member of clearing house. Tony Hatcher reported that their jurisdiction has good results using this tool at road side for such inquiries as indicated above in # 4.

At 14h45,

Prior to the face to face meeting, Jennifer, Marc and Georges were sent an email from APC for today conference call. A reply was sent earlier in day in regards to email and in reference of problem concerning hotel's accommodations for break out sessions in next September meeting. Georges has a short conference call with Tammy Trinker from Ifta org. Committee members were informed of situation of seminar agenda.

To be continued by Georges and Ron Hester from APC. Different scenarios for hosting the break outs where discussed.

Jennifer Brown continues and asks that committee members take some time once back in respective jurisdiction, to review the LEC contact list. Last year the work that was done revealed some surprises. People have retired and the list needed to be updated. Please review contacts and make sure the jurisdiction will go on web site and do necessary updates.

Discussion on;

“Charles Mills” award. We ask to have some clarification as per nomination process. The question will be directed to the board.

The March’s LEC conference call minutes;

They have been reviewed. No changes are needed.

Motion Proposal by Martin Barrow: - to be accepted.

Motion second by Georges Sansfacon

Minutes will be posted

### **Adjourned for day one**

#### **Wednesday April 23 rd**

Discussion on; “Best Practice Guide”

The final draft has been submitted to board for approval. The guide is in the review process. A copy was circulated among members for information update. Good chances that it will be accepted and will be a useful procedure in IFTA enforcement. It may be a door in the uniformity across the country. Best practices, will always be work in progress, always developing.

Marc Nichols discussed issues pertaining to CVSA. He informs members that with 50,000 revoked Ifta carriers, if every jurisdiction could identify them at road side threw “Safer Net” we could possibly pull them of the road. He demonstrates a link with safety. The project for incorporating IFTA into the CVSA program is tabled for now. He talked about target lists, how to link or merge all types of information such as:

- IFTA - IRP – Safety -SAFER - C.Vision and INLETS , for better road side enforcement.

One point that came out of this was that we would all like to have such information in each jurisdiction for their respective agencies and to those that are responsible for IFTA and fuel checks enforcement at roadside.

#### **Pause in discussion.**

Julian Fitzgerald took a moment to expressed IFTA board members and his personal greetings to all in attendance. He shared the Board’s views and compliments in regards to

the quality of work, the monthly conference calls and personal efforts of each member of the LEC. As board president, he is very pleased with all the accomplishments and recognizes the commitments of each participant at this face to face meeting. Julian talked about importance of roadside enforcement and the role it plays in revenue protection. He takes time for special thanks to Martin Barrow and Marc Nichols for their efforts in the facilitating of these sessions.

Julian Fitzgerald continues and comments in reference to Marc's proposal by asking us if these different agencies in certain jurisdiction would be opened to this. Certainly it would require some MOU's. The clearing house is a tool that many jurisdictions are using. The province of Saskatchewan has joined this year the clearinghouse.

Jennifer Brown proposed that committee members go back and see the possibility to explore the interest of sharing information on revoked carriers that could be used by other agencies such as DOT to pull off the road these types of carriers. Only demographic information sharing is to be utilized or shared.

A reminder that IFTA is partner with INLETS and you can find information on revoked carriers.

There is a discussion on another type of enforcement scenarios.  
A carrier from jurisdiction XYZ is not registered in his home state or province.  
While driving in jurisdiction ABC, he is stopped for no IFTA, no IRP.  
To place this carrier into compliance, a trip permit will be issued accompanied by a violation charge with a fine. After this, the carrier will be sent off on his way.

### **Questions and replies to & from the Board:**

LEC jurisdictional contacts. What is planned for this year in regards to updates? This communication list must be checked annually.

It was decided that all of the contacts on the list found on the website will be contacted to determine if in fact they are the correct individual or LEC contact. We should have this completed by June.

#### Roll of list;

The board wants to keep track of members and term in LEC. Clarification is asked as to when this has been put into affect. The charter indicates June 2007. Not one member of the LEC has participated in the writing of the said charter. Can the term be extended by LEC requests in order to maintain expertise and knowledge? The starting date will be clarified due to couple members would be at end of mandate. What is it' history?

#### Federal Grants from the Federal Highway dept.

Information is given to the LEC in regards to the possibility of obtaining funds. The committee should review the possibility of securing a grant from the federal highway

dept. applied towards the road show. The requirements for obtaining such funds are unknown. What are the requirements? Does this committee want to consider this avenue? Tony Hatcher will enquire and investigate the possibility.

A discussion came out on this topic.

How will this money be distributed? Management and allocation of grant money to leading state with budget plan and with quarterly reports? A comment was made as to guidelines. All participating LEC members' from all jurisdiction (US & Canadian) should benefit from the grant if possible. IFTA is international and fuel tax are collected and remitted on both sides of the border.

#### LEC ballot;

The board supports the proposed ballot from the LEC.

The ballot that has been presented has risen last year a great deal of awareness throughout the IFTA community in regards to uniformity for road side enforcement. Julian informs the members that the board is behind this ballot and the committees work.

Discussions on the ballot proposals took place.

It will be reviewed if needed but was submitted as is and was presented last year, in order to be in the process for this years' vote. Some of the thoughts surrounded the promotion and development this ballot on uniformity was discussed. This year we hope to have it presented again at the annual business meeting in July.

#### Charles Mills Award;

The committee would like to have some light on the nomination & recommendation process in regards for the approval of a nominee for the award.

Comments: It started at the base from the LEC and was to reward dedication in the enforcement of the agreement. The question was asked in regards to recent nominations that did not originate from the LEC and for which the award was handed out.

The board will review and weigh the nomination proposal and accept the recommendation of the LEC committee.

These arguments will be brought back to the board and it will look at the nomination process. Clarification will be obtained.

#### Miscellaneous

A suggestion was made in regards to the annual IFTA seminar.

It was propose to have along with name tags to identify participants, to add the name of the jurisdiction.

Have the possibility of more floor microphones in hall room for questions and comments period from participants and guests.

The motion to fill in the 2 vacancies in the LEC was discussed, in order to complete the maximum number of seats. Proposal for the nomination of Andrew Markel from Ontario



and Randall Treast from Kansas, these 2 nominations were accepted by Martin Barrow from NC and seconded by John Moses from Alabama.

Jennifer will also be looking in to LEC shirts for these new members and recent arrivals.

**TO DO LIST:** reminder

- 1) LEC contact list update for June
- 2) LEC conference calls to be held monthly on each 2<sup>nd</sup> Tuesday until annual IFTA seminar next September for monthly updates.
- 3) Pictures of special cases with short detail of event to be sent to Martin Barrow for seminar presentation preparation before May 30<sup>th</sup>.
- 4) Tony Hatcher will check on federal grant
- 5) The IFTA seminar agenda final draft will be sent to all LEC members as soon as confirmed and approved by IFTA org.

**Final note and word from Jennifer Brown:**

Thanks again to all attendees at this semi annual Face to Face in Carolina Beach for your cooperation. Safe trip back

Do not forget next month conference call May 13th.

Meeting adjourned at 3 PM

Minutes taken and written by;  
Georges Sansfacon  
QC,