

# The Uniformer

## MESSAGE FROM THE NATIONAL CHAIR WILDA ICE

It looks like we may finally be through with winter here in Wild Wonderful West Virginia. We have lived in a winter wonderland for several months – the beauty of WV has been coated with white snow for weeks which has certainly helped the ski resorts have a great season! But the reality of winter is that it certainly puts a strain on our infrastructure – the spring thaws are revealing weather-related damage to the asphalt and potholes!

How will the budgets that were already stretched to the limit manage to repair the existing roadways, finish projects in progress, or begin much needed new highways?

Until recent years, fuel taxes were considered to be a minor part of a state's overall revenue. As states continue to struggle to maintain services with less money the impact that motor fuel taxes have on the economic situation will become more apparent. Our national infrastructure needs an influx of revenue – highways are crumbling, bridges are in disrepair and public safety is at risk. The revenues from fuel taxes are declining and general revenue is down.

West Virginia's own Governor Joe Manchin recently presented the keynote address at the annual Washington briefing of the American Association of State Highway and Transportation Officials (AASHTO). AASHTO

represents state transportation agencies in all 50 states, District of Columbia and Puerto Rico to foster the design, construction, maintenance, operation and management of an integrated national system.

Governor Manchin's address focused on the importance of a sound transportation system and the challenges that all states face during this global economic downturn. (The following is paraphrased excerpts from his speech.)

*Transportation is one of the most critical services that must be maintained. Our progress relies heavily upon a sound transportation system: everything from tourism, commerce, safety and even the day to day travel of our citizens. As revenue shrinks, our needs continue to expand. Funding levels (both state and federal) are expected to level off while the cost of construction and materials continue to rise.*

*The cost to maintain the WV highway system is significant. The WV Division of Highways is responsible for maintaining more than 38,400 miles of roads including more than 825 miles of federally owned highways and 6,710 bridges of which 32 percent are more than 100 feet long. The cost of just snow removal and ice control alone this winter has cost over \$60 million and is expected to exceed that by another 5 million dollars by winter's end. A study by Wilbur-Smith and Associates suggests we need \$1.4 billion over the next 10 years to simply maintain our highways.*

*WV is not alone in the challenge of building and maintaining highways but the state of WV has some unique features. The average cost to build one mile of four-lane divided highway in WV is approximately \$23 million. By comparison, in Florida the average is about \$6 million for the same length of highway. In WV, it is our challenging topography that makes the construction so expensive – mountains must literally be moved!*

*In WV we have not added toll roads to the WV state highway system in fifty years. However, we are exploring expanding the Parkways Authority into a statewide agency to fund roadway projects that would otherwise remain unfunded and unconstructed. The Stimulus Funding has provided roughly \$220 million to WV for maintenance and construction of roads and bridges, to improve our airports and modernize our transit system. We've made progress with the partnerships from the federal government, we have worked efficiently, we made responsible decisions but more work must be done. We must have a level playing field for all contractors to ensure that competition for all projects deliver the best product we can get and creates the jobs we need to stimulate our economy.*

*States can not solve all of the infrastructure and economic challenges alone. We all need the partnerships from the federal government to help maintain and preserve the nation's surface transportation infrastructure. Each level of government must*

*be committed to maintain these vital services. We must encourage new and innovative programs to improve freight movement. We must address traffic congestion and safety. Nationally, governors support the "user pays" principle to guide transportation funding. We support funding based on results and state-developed performance measures. We oppose federal limits and conditions on state authority over strategies such as tolling and public-private partnership agreements. All options must be on the table because we need adequate and reliable sources of revenue to supplement the existing motor fuels taxes that currently fund the Highway Trust Fund.*

Prior to the last Uniformity meeting, I requested that the Uniformity Committee take another stab at trying to get a Uniform Bill of Lading. As an example of a clear, concise, bill of lading, I forwarded to Cindy Anders-Robb a copy of a bill of lading that is currently used by a terminal in Pennsylvania. Many times when reviewing a bill of lading, it is difficult to determine who the supplier is, what the product was, who the transporter is, and who the importer of the product (into WV) is. This particular bill of lading was well laid out and I was able to determine all the facts that I needed very easily. Since I was not able to attend the meeting (another victim of the economic downturn), Christy Dixon presented my suggestion to her sub-committee. According to Christy, they had a very good discussion concerning the Bills of

Lading. The industry stated that we would probably not be able to get an actual uniform BOL. (They stated many reasons.) The subcommittee is going to send out a questionnaire to the states asking what they require by law to be on a BOL and if there were any items they would like to have on the BOL that are not required by law. The sub-committee will then compile all of the information and have another discussion with industry. After that, the sub-committee will look at doing some type of White Paper Document recommending items to be on Bills of Ladings and put this in the uniformity book. A uniform bill of lading will facilitate improved on-road enforcement, compliance and auditing.

At the conclusion of his keynote address, Governor Manchin went on to say that he knows challenges can be met if we are committed to working together. Truly, we must be committed to working together – as states, industry, and the federal government. In other words, the Uniformity Committee! In the last newsletter, I challenged each of you to become an active participant in Uniformity. Unfortunately, the economic challenges facing many states have forced them to cut non-essential travel. Many of our very active participants can no longer attend the meetings. If you are fortunate to be allowed to attend the Uniformity meetings, please bring something to the table each time. I challenge you to actively participate in all discussions – do your homework before each meeting – know what is on the agenda and come prepared. If

you can not attend the meetings, you can still participate. Stay in touch with the other participants; use your e-mail, the phone, or the written word. Our uniformity goals are just as important today as they were when this organization was established.

I believe in the good work that this organization can do and I have faith that all of you will continue to strive to meet our objectives.

**MESSAGE FROM THE  
UNIFORMITY COMMITTEE  
STATE CO-CHAIR  
MARCIA LEICHNER**

We are facing tough times. The attendance at our January meeting was down, reflecting the budget problems many of us are facing. The Uniformity group is very important, and it is vital that our group continues to be active, meet, and share ideas and information so we can continue to accomplish our goals and combat fuel tax evasion. The primary focus of our group is the implementation of the 11 Point Plan which is the key to ending fuel tax evasion. Obviously, with transportation funds down, it is critical we continue to stay on top of fuel tax administration and ensure a level playing field for all.

Thank you very much to those who actively participate, you make our group successful. For those states not currently participating, please consider using some of the grant money the Federal Highway Administration has allocated to your state and become involved.

Thank you for your continued commitment to Uniformity.

***MESSAGE FROM THE  
UNIFORMITY COMMITTEE  
INDUSTRY CO-CHAIR  
BOB DONNELLAN***

I would like to take this time to thank participants involved in Uniformity. I know with all the hard economic times that we have endured and will still endure it is vital that we continue our efforts. I know some states are faced with a perception that keeps them from attending and I realize that there is no way for them to make others see the advantage of attending. All I can do is say thanks to those states that allow their representatives to attend and hope that more states will see the true benefit of what FTA and Uniformity has to offer. For those in industry I am grateful that you can still participate and I look forward to working with each and every one of you.

***MESSAGE FROM  
MAL BRUCE  
Fuel Tax Council (FTC)***

The Fuel Tax Council will be holding its semi-annual meetings in St. John's, Newfoundland and Labrador on April 27 and 28. Projects and activities that will be discussed at the meeting include:

- Updating the Common Fuel Tax Definitions
- E-filing standards amendments
- Joint audit activities and plans

- Changes to Generic Fuel Tax Returns and Schedules
- Completion of the Communications Protocol Guidelines
- Recommended minimum dye injector specifications
- Updating of the Audit and Enforcement Manual
- Unverifiable fuel inventory losses survey and study
- Website enhancements, video conferencing and web-based file collaboration
- Training program results and future plans

Our next training course is the Field Audit Training Course scheduled for in May 26-28 in Calgary, Alberta. This course, which is now full, will be our first course using video conferencing technology to provide training to course participants located in a separate location.

**UNIFORMITY COMMITTEE  
Minutes**

The FTA Motor Fuel Tax Section Uniformity Committee met at the Marriott North at Round Rock, Texas on January 14, 2010. Marcia Lechner, (NE) Uniformity State Chair called the meeting to order. Thirty-one (31) were in attendance. (See attached list of attendees)

**Minutes**

Minutes of the January 2010 Uniformity Committee meeting in Austin, Texas were approved.

**Presentation**

Martin Cano with the State of Texas gave a presentation on what is going on in Texas in Fuel Tax Evasion.

**Uniformity Chairs**

State Co-Chair  
Marcia Lechner, Nebraska  
Industry Co-Chair  
Bob Donnellan, Global Co.

**Subcommittee Chairs**

**Compliance**

State Co-Chair  
Wilda Ice,  
State of West Virginia  
Industry Co-Chair  
Sharon Temple  
Shell Oil Company

**Communication & Coordination**

State Co-Chair  
Christy Dixon  
State of Oklahoma  
Industry Co-Chair  
Natalie Cabla  
ExxonMobil

**Electronic Commerce**

State Co-Chair  
Traci Bullock  
State of South Carolina  
Industry Co-Chair  
Gene Holland  
ConocoPhillips

**Forms Management**

State Co-Chair  
Lee Gonzales  
State of Florida  
Industry Co-Chair  
Scott Louie  
ChevronTexaco

**Subcommittees Reports**

**Compliance Subcommittee**

Jeremy Neeck (MN) reported there were twenty-three (23) in attendance. The committee discussed the following:

**Training**

Advanced Audit Class held in Raleigh, North Carolina, October 18-22, 2009. (18 in attendance)

Advanced Fraud Class will be held January 24-28, 2010 in Austin, Texas

Basic Training Class will be held August 1-5, 2010 in Portsmouth, Virginia

Advanced Training Class will be held August 22-26, 2010 in Savannah, Georgia

**Dyed Diesel Stats**

The new dyed fuel statistics spreadsheet was reviewed and it was suggested that we could add what vehicles are in violation and what industry they are from.

**Biodiesel/Ethanol Guide**

This is being incorporated with the Communication and Coordination's subcommittee project.

**Biodiesel Matrix**

This is being incorporated with the Communication and Coordination's subcommittee project

**Internal Revenue Service**

The IRS gave an update on compliance issues they are dealing with. Such things as: renewable diesel fuel and black liquor.

**Pennsylvania's Import/Export Project**

Pennsylvania was unable to attend but a report of PA Import/Export project was discussed.

**Electronic Commerce**

**Subcommittee** Traci Bullock (SC) reported there were twenty-eight (28) in attendance. The subcommittee discussed the following:

**California Proposed Report**

**Code** California request to establish "DLR" for Jet Fuel Dealer Report.

**ExSTARS User Group** Update on the 4030 Data Review Analysis was discussed. The majority of the files continue to be 826's. Kansas showed a decrease in 813 files and Mississippi showed an increase of 813 files

**EC Survey**

The survey for 2009/2010 was presented and reviewed.

**ExSTARS Update**

The product codes will not be changed to the EIA codes at this time. Everyone was ecstatic!!

**Forms Management Subcommittee**

Scott Louie (Chevron) reported that this committee met with Electronic Commerce. There were twenty-eight (28) in attendance. The subcommittee discussed the following:

**Combined Supplier, Transporter, Terminal Report**

The committee will be working on the summary report for these schedules.

**Producer's Report**

Instead of adding a new return to the uniformity guide, verbiage will be added to the uniformity guide that would direct states to use the existing format of the supplier or distributor return currently in the uniformity guide.

**Uniformity Booklet**

Reviewed the Retail Report, Bulk Dealer Report and Distributor Fuel Tax Report and recommended a few modifications to the forms. The Common and Contract Petroleum Report had a few suggestions and will be presented at the next meeting.

**Approved by the Full Committee****Changes to the Uniformity Guide**

Modifications to the following reports:

Retailer Fuel Report, Bulk Dealer Report and Distributor Fuel Tax Report

**Schedules**

Change schedule 3X from "Imports below the terminal rack" to "Imports below the terminal rack subject to tax"

Add schedule 3Y "Imports below the terminal rack not subject to tax"

**Communication and Coordination Subcommittee**

Christy Dixon (OK) reported that twenty-two (22) were in attendance. The subcommittee discussed the following and the January 2010 *Uniformer* was

passed out. (See minutes for the publication)

#### **White papers**

Price (tax) indexing & sales tax on motor fuel

Model Legislation for Points of Taxations

Bill of Lading

#### **Annual Booklet that contains**

State Contact Information

State Point of Taxation

State Tax Rates

Rate Updates

Collection Allowance

Alternative Fuels

Diversions

Taxability & Tax rates for

Biodiesel and Ethanol

#### **Definitions**

Shipping Documents

Racing Fuel

Renewable Fuel

#### **Approved by the Full Committee**

#### **White Paper**

Motor Fuel Tax Calculation

Methods – Adjustable Rates

#### **Other Business**

**Mal Bruce**, Canadian Fuel Tax Council gave a report on what the Council has been working on.

**Training Subcommittee:** FTC will provide at least two courses each year.

#### **Communications**

**Subcommittee:** The Council has established a website

[www.fueltaxcouncil.com](http://www.fueltaxcouncil.com)

**Uniform Reporting:** Ontario is moving forward with E-Filing in spring 2010, they are the only Province at this time.

**Cindy Anders-Robb**, FTA requested that all minutes from this meeting and the agenda for

the April 2010 be submitted by February 28, 2010.

**Marcia Leichner and Bob Donnellan** again requested for any ideas for presentations.

#### **Next Meeting**

The next Uniformity Committee meetings are scheduled as follows:

January 13-14, 2010

Austin, Texas

April or May 2010

Oklahoma City, Oklahoma

September 10-11, 2010

Helena, Montana

The meeting was adjourned.

#### **UPCOMING MEETINGS 2010**

#### **Uniformity Meetings**

September 10-11, 2010

Helena, Montana

January 26-27, 2011

Austin, Texas

April 27-28, 2011

Oklahoma City, Oklahoma

#### **Annual Motor Fuel Meeting**

September 12-15, 2010

Helena, Montana

#### **Regional Meetings**

Pacific Region

May 11-13, 2010

Anchorage, Alaska

Northeastern Region

May 16-18, 2010

Portsmouth, New Hampshire

Southern Region

June 27-29, 2010

Charleston, South Carolina

Midwestern Region

Tentatively

July 14-15, 2010

Minneapolis, MN

#### **FTA Motor Fuel Tax Training Courses**

Basic Training Course

August 1-5, 2010

Portsmouth, Virginia

Advanced Training Course

August 22-26, 2010

Savannah, Georgia

#### **Retirements**

**Jack Crago**, State of Pennsylvania will retire the end of April. Jack was a great supporter of the Motor Fuel Tax Section and Uniformity. Jack will be truly missed at all the FTA functions.

**THANKS JACK FOR YOUR SUPPORT FOR ALL THESE YEARS!!!!**

#### **Editor**

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