**MESSAGE FROM THE NATIONAL CHAIR**

**TRACY HALUBKA**

Happy 2020! I hope your holiday season was joyful and also spent with your favorite people. Although the year will seem to fly by quickly (as they all do), there is much work to do in 2020. Vice Chair Jeremy Neeck and I look forward to seeing you all at one or more of the various FTA Motor Fuel Section meetings coming up this year.

I encourage anyone reading this to participate in a Uniformity Committee if you don’t already. This is where you continuously learn the emerging fuel issues and are given the opportunity to help shape the future of motor fuel tax. The relationship of industry and government that we share here is like nowhere else that I know of. Sitting all around you at these motor fuel tax conferences are the foremost fuel tax experts in the country. Be proud in knowing that you are an important part of maintaining and building our country’s transportation system. This is what Uniformity is all about. Together we can do great things.

A recent example of the benefit of attendance to Uniformity for me was the opportunity to visit with Lauren Branch of Exxon Mobil Corporation at the 2019 Uniformity Meeting in Louisville. Lauren had questions for Vanessa and me regarding a new transload facility that was being built here in Montana. If you were there, you’ll remember that a new Transload Operator Report was approved by the Forms Committee. Just a month later, Vanessa and I met face to face with the new Transloader Operator in their office to introduce the new forms. Understanding their new operation with the ability to answer the transloader operator’s questions was invaluable. Thank you for making us look good Lauren!

So, let’s roll up our sleeves and get ready for another fun and productive year. Cindy has been busy planning our destinations to assure we continue our important work together.

Before I go, I would like to extend my heartfelt thanks to Chuck Ulm, Randy Winkler, Scott Fitzgerald, and John Manning. Each of these prior National Chairs has gone out of his way to encourage me and offer any assistance I need. I sincerely appreciate each of you and feel so privileged to follow in your footsteps.

Please feel free to contact me with any suggestions. My phone number is 406 444-0806 and my e-mail address is thalubka@mt.gov.

See you soon at an FTA meeting!

**MESSAGE FROM THE**

**UNIFORMITY COMMITTEE**

**STATE CO-CHAIR**

**EDIE MARTIN**

Happy New Year! I hope everyone enjoyed the Holidays and spending time with family and friends!

Thank you for the opportunity to serve as the Uniformity Committee State Co-Chair. I am very proud to be involved with such a cooperative group of people working toward a common goal! I can truly say I learn something new at every meeting and enjoy the collaboration and networking.

Many interesting topics were discussed at the September 2019 meeting, such as the Transloader Operator Report, Renewable Diesel, Block Chain, Product Authorizations, Alternative Jet Fuel, Taxation of Electric Cars/Hybrids, Synthetic Ethanol and much more! Further discussions on these and new topics will be needed.

We face many challenges in the upcoming year. Budget constraints, alternative methods to fund highways, new/alternative fuels in the marketplace and knowledgeable staff retirements are a few of those challenges.

If you have specific topics for presentations or further discussion, please contact me with your thoughts/suggestions.

Thank you again, for the opportunity to serve as the Uniformity Committee State Co-Chair. I look forward to working with everyone in 2020! If I can be of assistance, my contact information is as follows: edie.martin@ks.gov or (785)296-5327.

**MESSAGE FROM THE**

**UNIFORMITY COMMITTEE**

**INDUSTRY CO-CHAIR**

**SCOTT LOUIE**

Happy New Year all!  I hope that everyone had a wonderful holiday season and was able to take time off away from work.

The industry got off to a head start for 2020 with the reinstatement of the federal oil spill fee and retroactive reinstatement of the blenders credit right before New Year.

We also had a new ‘pre-paid sales tax’ on fuel in UT which was effective 1/1/20, but we were able to get the legislators to change the collection of the tax to start on 4/1/20.

I’m anticipating the coming year to be quite challenging.  We are seeing a lot of interest in environmental and carbon taxes or fees some of which look very much like additional taxes on motor vehicle fuel as well was local jurisdictions wanting to implement their own local taxes.  I look forward to discussing these and other issues with all of you in 2020.  Hope to see you in Myrtle Beach.’

**Scott Louie**
Specialist, Excise Tax Compliance

**Chevron**
Finance Shared Services,

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**UNIFORMITY COMMITTEE**

The FTA Motor Fuel Tax Section Uniformity Committee met at the Hyatt Regency Louisville, Louisville, Kentucky. Steve Nutter (VA) Uniformity State-Chair called the meeting to order. 73were in attendance.

# Minutes

The minutes of the April 13, 2019 Uniformity Committee meeting in Oklahoma City, Oklahoma were approved.

**Presentations**

**David Hernandex, Valero** gave a presentation titled “Renewable Diesel”. This presentation included the following: Diamond Green Diesel Refinery is producing Renewable Diesel fuel. In 2011 they produced 160 million gallons and they are expecting to produce 675 million gallons by 2021. Renewable Diesel is made from animal fats, vegetable oils, etc.

The difference between Renewable Diesel and Biodiesel:

Renewable Diesel:

**Renewable Diesel Biodiesel fuel**

Lower Emissions Higher Emissions

No separation Does separate

No algae growth Algae growth

Requires no blending Requires blending

**Why is there a market for renewable diesel?**

Legislation, U.S. Federal, California, Canada and Europe

**Social Movement**:

UPS and New York City

**What are the benefits of using Renewable Diesel:**

* Federal Fuel Tax Credit expired 2018; however, there is a current effort in Congress to extend.
* 37 states have various tax incentives
* Increasing demand for cleaner fuel
* Federal Legislation
* Jet Fuel

**Kurt Pigeon, IGEN** gave a presentation titled “BlockChain Basics”

Technology can be implemented in various ways with different ways. This is set-up in the application for the blockchain. Public ledger or spreadsheet can be programed to record and track anything of value.

**Underlying Blockchain Principals:**

* Immutable historical records of information by consensus-blockchain stores information in blocks that are linked
* Decentralized Network
* Secure and validated by the network. Time and money is the biggest reason people are using blockchains
* Can be deployed via by Public or Private blockchain networks. Private-You control who sees the blockchains and Pubic-Everyone can see the blockchains
* Date Security

Blockchains require a lot of computers, software and servers. Data Security depends on the need for confidentiality. Adaptability needs change over time.

**Blockchain Uses Today**

* Financial Transaction and Services
* Sustainable Development Projects
* Identity Protection
* Hotel Reservations and Commission Settlements
* Prescription Drug Supply Chain Management
* Food Source to Market Transparency
* Authenticity Verification of Works of Art
* Intellectual Property Protection (Patents)
* Mineral Source Tracking and Precious Stone Certifications
* Elections
* Digital Wallets
* Supply Chain and Risk Management
* Car Insurance
* Cryptocurrencies
* Oil and Gas Transactions- IBM developed blockchain system for oil and gas transactions in Abu Dhabi. The Abu Dhabi National Oil Co. (ADNOC) tracks, validates and executes transactions to suppliers.

### Subcommittee Reports

The **Compliance Subcommittee**

Rae Takai (Motiva) reported there were **58** in attendance. The committee discussed:

**Training Schedule Update**

The 2019 Basic Training class was held on July 28 – August 1 2019 in Kansas City, KS. There were 66 attendees, 33 from government and 33 from industry

The 2019 Advanced Training class is scheduled for October 20 – 24, 2019 in Austin, Texas

**Dyed Diesel Stats/Issues-Jeremy Neeck (MN)**

Distributed and discussed Q1 and Q2 stats

**Roundtable Discussion – “Electric Vehicles” – Cindy Mongold (KS)**

* EV Dollars and Sense’ YouTube video
* 3 states (KS, IA, PA) provided updates / comments

**Discussion Items:**

* States in attendance (22); AL, FL, GA, IL, IA, KY, MD, MN, MT, NV, NC, NH, OK, OR, SC, VA reported upcoming new and/or potential legislation and other updates of interest/significance
* No updates to report in KS, ND, PA, TX, VT, WV

**Industry Issues**

* International-Maritime Organization (IMO) 2020: Effective 1 January 2020, the IMO will implement a new regulation for a 0.50% global sulfur cap for marine fuels. Under the new global cap, ships will have to use marine fuels with a sulfur content of no more than 0.50% versus the current limit of 3.50% sulfur. This is an effort to reduce the amount of sulfur oxide.
* Additive reporting on the returns
* Q: Does NC require an export license? A: No
* Sales tax on fuel and gross receipts tax – would be beneficial if the respective administrators of these taxes attended the Uniformity meetings

**Article of Interest**

* Polygamists Admit a $512Mln Fraud for Fuel Tax Credit
* South Carolina’s Gas Tax Reimbursement Too ‘Taxing’ for Drivers?

**Old Business**

Chuck Ulm (MD) provided a railroad contact list

**New Business**

Jeremy Neeck and Cindy Anders-Robb to create a confidential state area on the FTA website to view a company listing of cancelled or revoked licenses

The **Forms Management Subcommittee**

Doug Kleeb (Oregon) and Jessica McInerny (Cargill) reported that this committee met with Electronic Commerce. There were 71in attendance. The subcommittee discussed the following:

**Uniformity Book Subschedule Updates.**
Catherine Mitchell from West Virginia will be providing additional details to Jessica McInerny and Christy Dixon regarding what schedules States are currently using in order for us to update Uniformity Guide. There are only 3 States that have yet to respond, so we will reach out again to each directly in order to update the book for the September 2020 annual meeting. Schedule 13X is currently being used by the State of Washington; however, it has not been approved by the Uniformity Forms subcommittee. It was determined that Doug Kleeb will reach out to Washington to see why they cannot use the methodology on Page 61 of the Book regarding “Products Reclassifications Above the Rack” to track the rebranded dyed biodiesel.

**Transloader Operator Report and Schedules**

A lengthy discussion was had, and we approved the use of 17A, 17B, and 17C for the report in the full committee meeting on Saturday, September 14, 2019.

The report was re-discussed based on the revisions from the previous days Forms Subcommittee meeting. After much discussion the report form was approved.

Thank you to the team members Wendy Thompson, Debi Anderson, Vanessa Olson, Scott Fitzgerald, Wilda Ice, Doug Kleeb, David Hernandez and JD Daniels. Again, this new report will provide a fit for a gap that we currently have in order to account to for transloaded products.

**Vermont Forms Review**

The State of Vermont is working with FAST to update their motor fuel tax forms and they have asked for assistance from the Uniformity Forms Committee to ensure the changes they make will be considered uniform. A subcommittee consisting of Doug Kleeb, Peter Steffens, Lee Gonzalez, and David Hernandez provided Jordan Villa from the State of Vermont and Evan Moore (FAST) in this endeavor. Additional feedback was provided during the meeting, and the authority to approve the forms was granted to the subcommittee as they will begin testing in November with a rollout date of May 2020. Since the State of Vermont will not be able to attend the annual conference this year an award was presented to them for their continued work with the Uniformity committee to ensure that their new forms are Uniform.

Discussion was had on product authorization and the discussion is to be continued in the Communication and Coordination Subcommittee.

**Alternative Jet Fuel**Brenda Jo Beck from Avfuel discussed the new NEAT jet fuel that they are blending. The FAA considers the NEAT jet fuel as aviation fuel under ASTM 1655, so it was decided that until a State decides to tax it differently we will not assign a product code. Wilda Ice from the State of North Carolina will do some additional research on the differences between alternative jet fuel and renewable jet fuel.

Discussion was had on a potential name change for Uniformity to be more reflective of what we do. Everyone is asked to email Jessica McInerny with their suggestions for the name change and we will discuss when we meet in January 2020.

**Approved by the Full Committee**

The following Schedules:

17A-Transloader Operator Schedule of Receipts

17B-Transloader Operator Schedule of Disbursements

17C-Transloader Operator Schedule of Inventories

Transloader Operator Report

The **Electronic Commerce Subcommittee**

In the absence of Mike Hanson (CA), Gene Holland (P66) reported there were **10** in attendance. The subcommittee discussed the following:

**Fuels XML Schema Changes**

The XML schema changes approved by the committee at the Oklahoma City meeting have received preliminary approval from E-Standards

**X12 EDI Guide Evaluation for North Carolina**

The State of North Carolina XML schema and Xpath document submitted for evaluation were found to be substantially compliant to the FTA uniformity reporting standards by a unanimous vote. The Uniformity Book and the Motor Fuel Electronic Filing Guide will be updated to reflect the April 2019 FTA approved date.

**IRS Move to XML**

No action taken – The group will continue to monitor and be ready to provide support to IRS on this pending project. The proposed project is to move from IRS 4030 X12 map to XML for ExSTARS reporting.

**Emerging Technologies**

Block chain was discussed as means for reporting fuel transaction. It continues to be the mostly likely emerging technology to impact our industry. Will continue to Monitor and report to the Uniformity Committee on emerging technologies that could be utilized in motor fuel filings.

**Best Practices Document-XML Implementation**

The best practices document for electronic filing will be discussed at the next meeting in January, 2020.

**XPath Document**

Was not discussed at this meeting.

**XML Schema Export Data**

Was not discussed at this meeting.

**Electronic Commerce Survey**

There were no changes to the Electronic Commerce survey questions or format. The survey will be emailed to the States in October, 2019.

**New Business**

The impact of the E-Standards change to the base XML schema of adding the option to report ITIN to FEIN and SSN was discussed. It was determined it would not be a significant change to the Motor Fuel schema. The States can continue to limit TIN to FEIN and SSN.

The **Communication and Coordination Subcommittee**

Christy Dixon (OK) and Lauren Branch (ExxonMobil) reported there were **57** in attendance.

The subcommittee discussed the following and the September, 2019 Un*iformer* was distributed.

**2020 Motor Fuel Tax Information by State Book**

Revisions/Additions to the 2020 Motor Fuel Information by State Book were discussed. The committee voted to add following question to the book:

* What entities are exempt / excluded in your state? Please cite the statutory reference.

No additional questions were brought forward.

**Model Legislation**

Discussion around Model Legislation to require transload locations to become licensed and report their transactions will be tabled until January 2020 meeting.

**Definitions**

The committee approved the following definition for Transloader Operator to be added to the Uniformity Book:

* Transloader Operator-Person that engages in the process of transferring product from one mode of transportation to another.

A subcommittee was formed to identify which product codes listed in the Uniformity book are without definitions. Subcommittee members are: Donna Alderman, Lauren Branch, Britney Davis, Lee Gonzalez, Emilda Santiesteban and Tina Whitehead. Depending on the number of definitions needed this may be an ongoing discussion at upcoming meetings.

There was a discussion around new products entering the market. Synthetic ethanol and Isobutanol. Wilda Ice provided details for synthetic ethanol and will further research the product and its usability on highways; discussion will continue January 2020. Jessica McInerny provided definition of Isobutanol and a discussion was held to determine if there was a need for a product code. Wilda Ice will further research isobutanol to discuss at the January 2020 meeting.

There was a discussion concerning “Product Authorizations”. It was decided that more information needs to be obtained concerning “Product Authorizations”.

**Approved by the Full Committee**

**Definition**

* Transloader Operator-Person that engages in the process of transferring product from one mode of transportation to another.

**New Business**

There was a discussion asking for suggestions and volunteers for doing a presentation at the next Uniformity Meeting.

The following presentations will be presented at the next Uniformity Meeting:

J.D. Daniels, State of Texas, will present “Fuel coming into Ports, products, etc.” and a representative from Love’s Country Stores will present Movement of fuel during hurricanes, etc.”

### 2020 Uniformity Chairs

### State Uniformity Co-Chair

*Edie Martin, State of Kansas*

***Industry Uniformity Co-Chair***

*Scott Louie, Chevron*

### SUBCOMMITTEE CHAIRS

***Compliance Subcommittee***

***State Co-Chair***

*Patrick Andrews, State of Virginia*

***Industry Co-Chair***

*Rae Taki – Motiva*

***Communication and Coordination Subcommittee***

***State Co-Chair***

*Christy Dixon, State of Oklahoma*

***Industry Co-Chair***

*Lauren Branch, ExxonMobil*

***Electronic Commerce Subcommittee***

***State Co-Chair***

*Michael Hanson, State of California*

***Industry Co-Chair***

*Gene Holland, P66*

***Forms Management Subcommittee***

***State Co-Chair***

*Doug Kleeb, State of Oregon*

***Industry Co-Chair***

*Jessica McInerny – Cargill, Inc*

***2020 MOTOR FUEL STEERING COMMITTEE MEMBERS***

***National Officers***

*Tracy Halubka, National Chair, State of Montana*

*Jeremy Neeck, National Vice Chair, State of Minnesota*

***Past National Chairs***

*Randy Winkler, State of Alabama*

*Chuck Ulm, State of Maryland*

***Uniformity Chairs***

*Edie Martin, State of Kansas*

*Scott Louie, Chevron*

***MOTOR FUEL REGIONAL GOVERNORS for 2020***

***Midwestern Region***

*Doug Arndt*

*State of North Dakota*

***Northeastern Region***

*Marijane LaMattina*

*State of New Jersey*

***Pacific Region***

*Wayne Hassinger*

*State of Wyoming*

***Southern Region***

*Catherine Mitchell*

*State of West Virginia*

#### 2020 UPCOMING MEETINGS

***Midwest Region Meeting***

*April 5-7, 2020*

*Fargo, North Dakota*

***Pacific Region Meeting***

*April 19-21, 2020*

*Tucson, Arizona*

***Northeast Region Meeting***

*May 17-19, 2020*

*Annapolis, Maryland*

***Southern Region Meeting***

*June 7-9, 2020*

*Charleston, West Virginia*

***Uniformity Meeting***

*June 26-27, 2020*

*Boise, Idaho*

***Motor Fuels Basic Training***

*TBA*

***Uniformity Meeting***

*September 18-19, 2020*

*Stowe, Vermont*

***Motor Fuel Annual Meeting***

*September 20-23, 2020*

*Stowe Vermont*

#### 2021 UPCOMING MEETINGS

***Uniformity Meeting***

*January 8-9, 2021*

*Orlando, Florida*

***Editor***

*Christy Dixon*

*State of Oklahoma*

*Lauren Branch*

*ExxonMobil*