

MEMORANDUM

DATE: June 25, 1996

TO: Chief Motor Vehicle Administrators & Law Enforcement Officials

FROM: John H. Strandquist, CAE
President & CEO

RE: Summary of Minutes from May AAMVA & AAMVAnet Board Meetings
and April IRP, Inc. Board Meeting

For your information, the following is a summary of the issues discussed and the actions taken at the AAMVA, AAMVAnet and IRP, Inc. Board of Directors Meetings held this spring. The AAMVA and AAMVAnet Meetings occurred in mid-May in California while the IRP, Inc. Board Meeting was held in conjunction with the MCS/IRP, Inc. & PACE Workshop, which occurred in mid-April in Minneapolis.

AAMVA Board of Directors Meeting

- **Board Appointments and Resignations:**
 - ⇒ Jerold A. Gnazzo, MA, to the AAMVA Board of Directors until the 1996 Annual International Conference and additionally as Secretary/Treasurer of Region I
 - ⇒ Rex McDonald, LA, as Board Advisor to the MVIS Committee
 - ⇒ Steven Rumsey, BC, to the IRP, Inc. Board of Directors until December 1996
 - ⇒ Martha Irwin, TN, to the AAMVA Board of Directors until the 1996 Annual International Conference
 - ⇒ Gregory C. Hanscom, ME, to the IRP, Inc. Board of Directors until December 1998
 - ⇒ Virginia Beecher, NH, as Board Advisor to the RTVDM Committee
 - ⇒ Ontario's Kim Devooght and South Carolina's Milt Dufford resigned from the AAMVA Board of Directors

- **Treasurer's Report:** AAMVA Executive Vice President W. Marshall Rickert presented the report on behalf of the Treasurer. Since April 30, 1995, when the Association's current financial advisors assumed their responsibilities, the Association's portfolio has experienced a \$1.78 million gain, which reflects the strong stock market activity of the last 18 months. For the quarter ended March 31, a withdrawal was made from the fund in the amount of \$456,000, which was appropriated to cover the non-federal share (AAMVA's final portion) for IRP, Inc. and also the master planning activities to date.

Rickert requested approval for a budget change in this fiscal year to retain KPMG to assist the Association in preparing a business and strategic plan. The total potential cost is \$120,000 if the high side on every activity is realized. The Board approved this request with funding to come from unexpended funds from FY1996 master plan projects.

- **TML Meetings:** AAMVA President John H. Strandquist reported that, due to concerns expressed by TML regarding the Association's business practices, a meeting was held with AAMVA, TML and their respective attorneys, following which a letter was sent to TML from AAMVA covering the issues that had been discussed at the meeting. Since then, no correspondence has been forthcoming from TML; however, an impromptu meeting occurred during the MVIS/PTS/EVI Workshop. In addition, Strandquist met with FHWA's George Reagle early in May to report on the status of the situation and to highlight AAMVA's attempts to bring this matter to a conclusion. AAMVA now awaits a response to its last correspondence to TML.
- **AAMA:** Chairman of the Board Gilbert L. Holmes reported that some opportunities had arisen to seek a supportive business partnership with the American Automobile Manufacturers Association (AAMA), which at one time was active in the Association. At AAMVA's invitation, AAMA resumed its involvement with the Association by becoming an associate member and has pledged significant support for the 1996 Annual International Conference. Holmes encouraged those who will be in leadership positions in the future to continue to foster a relationship with AAMA.
- **Changes to AAMVAnet, Inc. Bylaws & Articles of Incorporation:** The Board initiated and approved changes to the AAMVAnet, Inc. Bylaws and Articles of Incorporation. These changes reflect the concept that there is one CEO (Chief Executive Officer) of the Association, and that the title for a president of a subsidiary will be COO (Chief Operating Officer). Additionally stated is that there is one sole member of AAMVAnet, that being AAMVA. AAMVA First Vice Chair Fred Porter asked Strandquist to initiate actions to bring about similar changes to the IRP, Inc. Bylaws and Articles of Incorporation.
- **Strategic Planning:** Rickert outlined the approach that KPMG will take to assist AAMVA through its planning process. Seven individuals (Bill Agee, GA - Industry Advisory Board Representative, Karen Massey - Association Staff Representative, Ernie Kitchen, NY - Standing Committee Representative, Steven Rumsey, BC - Jurisdiction Representative, Mitchell Brown, OH - Jurisdiction Representative, Fred Porter, AR - AAMVA Board Representative, John Strandquist - AAMVA Executive Staff Representative) will serve on a steering committee that will assist in the overall preparation of the plan. Initial activity of the committee will be carried out via fax and telephone to develop a set of criteria for evaluating Association activities. Work has already begun at headquarters to identify the kinds of questions that need to be asked about each of the Association's projects. KPMG also is working with staff to identify, on a project basis, all of the activities of the organization against which the criteria being developed will be measured.

The steering committee will meet from July 21-22 at the Region II Conference where a final cut will be done to identify the criteria and to rate all of the activities of the organization, from which the first draft of the business plan will be produced. The steering committee also will join the Planning Committee Meetings in October in Hot Springs, Arkansas. At the same meeting, the IRP Board will develop the IRP piece to be incorporated into the strategic overview. The AAMVAnet Board will meet at a later date for the same purpose.

KPMG will provide an opportunity to meet with every voting member of the organization and will schedule individual interviews as necessary to ensure that an opportunity is given for everyone to provide input into the plan. Rickert introduced Rich McKinless, Tom Skiba and Robin Gordon from KPMG who are the principals in charge of facilitating the meetings.

Gordon explained that KPMG's role is to facilitate, not to make decisions. Consultants will attend all four regional conferences, following which they will meet with the steering committee to create the business practice plan and, later, the strategic plan. The steering committee will formulate the criteria under which AAMVA and its subsidiaries should operate. Following this process, the more long-term (5-year) strategic plan will be developed.

- **Strategic Alliance:** Rickert reported that staff has recommended not to proceed with implementation of the Strategic Alliance Program. At its January meeting, the Board adopted guidelines that would enable AAMVA to enter strategic alliance agreements under certain terms where there was an opportunity for accessibility to competition for more than one provider. This would ensure that exclusive agreements were not entered into where there was a significant "value add" brought to the table by the Association in exchange for participating in the alliance, and that it be voluntary in as far as the utilization of any services resulting by any of the members. Larry Greenberg and his staff, following the January meeting, contacted potential companies, a number of which responded with interest in providing IRP services; however, the question was raised by all that, if there were several companies offering services, what value add could AAMVA provide in terms of enhancing the services of one company in competition with others? AAMVA held a meeting with its legal counsel and concluded that it is not advisable to move forward.

The projected impact on revenue of the Association discontinuing its VISTA contracts would be a net loss of approximately \$225,000 on an annual basis phased in over the next five years as states' current VISTA contracts expire. It is recommended that this revenue loss be made up from other activities that are currently underway or proposed and which are more in keeping with traditional Association services (e.g., bulk purchasing activities). In next year's budget, it is projected that revenue from the new temporary tag program will offset the potential loss next year from any IRP-related services. In addition, the handicapped placards program has experienced revenues in excess of budget. Furthermore, we also expect substantial net revenues for the new vehicle inspection handbook program.

- **AAMVA Policies:** The Board reviewed proposed policies that have emerged from the standing committees to date and which will be circulated through the regional conferences with final presentation/adoption at the Annual International Conference. Rickert advised that the Executive Committee requested that staff work with Claude Gelinis, Legal Services Committee chair, to develop a new procedure for reviewing and adopting policies that would take advantage of the new fall workshop schedule and eliminate redundancies and duplications. The new procedure will be presented to the Board at its August meeting. It is anticipated that proposed policies would be submitted to the Chairs of the standing committees by September 1 of each year, and would be discussed and acted upon at the workshops. Following the workshops, they would be

forwarded by the proposed deadline of December 1 to the AAMVA staff, who would then package them for review by Legal Services for presentation to the Board at its winter meeting. If the Board approves the policies as proposed at the winter meeting, there would be a ballot by early spring, electronic or otherwise, to vote the policies up or down. This would eliminate the many cumbersome steps that are currently followed.

- **VISTA Oversight Council:** Katherine Burke Moore, Minnesota, discussed two major issues regarding the VISTA Oversight Council: (1) that the Council should become more visible to jurisdictions using VISTA, (2) that the “Bylaws” be changed to “Operating Procedures” because the Council is a less formal group than others under AAMVA.
- **Certification Program/Third Party Vendors:** In his March 26 memorandum to the Board, Senior Director of Driver Services Mike Calvin reported that, during the last several months, the Certification Board had revised and restructured the Certified Driver Examiner Program, including the establishment of a Certified Third Party Examiner (CTPE) component.
- **North American Driver License Agreement (NADLA):** Calvin reported on progress related to the development of NADLA. Most of the initial developmental work to date has been funded through a NHTSA grant in the amount of \$150,000. NHTSA also is working with the SOZA group to take a look at the possibility of developing an All Driver Pointer File. FHWA has provided funding to develop the bridge that links AAMVAnet with the Interprovincial Record Exchange, which is now complete and in the first phase of testing.

Second Vice Chair Jay Dulany suggested that the issue of jurisdictional commitment from chief administrators be further examined before a decision is made to move forward with NADLA, particularly in light of the fact that several other programs that were developed at great expense are not being used by the jurisdictions despite their prior declarations of commitment. Staff will seek additional input during regional conferences and from the federal government. At the August Board of Directors meeting, the Board will consider the information obtained and determine how to proceed.

- **Harvard Fellowship Program:** Strandquist reported that the Association received seven applications for the Harvard Fellowship Program. The Executive Committee reviewed these applications and will soon announce the recipient.
- **AAMVAnet, Inc./IRP, Inc.:** AAMVAnet, Inc. President Barry Goleman and IRP, Inc. President Stan Kelly presented their subsidiary reports. For more information, see the coverage of the subsidiary Board meetings in this memorandum.
- **Association Magazine:** Strandquist stated that, over five years ago, he had discussions with the Board on future projects, including the possible development of a magazine for the Association. A feasibility study was carried out in 1994, and funds for developing a business plan were included in the budget in 1995. Currently, plans are underway to proceed with the first issue of the magazine, which will be introduced at the Annual International Conference.

A Task Force with wide representation from AAMVAnet, IRP and AAMVA program directors and media-oriented staff have developed the business plan for the magazine. Communications staff will reduce and reformat several existing Association newsletters as part of the plan in an effort to promote creativity, to

broaden the circulation of some of the traditional news bulletins and to produce some cost savings. A first year loss is expected of \$36,000; however, it is believed that this investment is worthwhile and it is hoped that in future years the success of the magazine will generate more revenue in advertising sales.

The magazine will be entitled "MOVE."

- **Associate Membership:** The Board accepted the following organizations' applications for associate membership:
 - ⇒ American Management Systems, Inc., Fairfax, Virginia
 - ⇒ DynCorp Consulting Services Division, Fairfax, Virginia
 - ⇒ Johnson Controls, Englewood, Colorado
 - ⇒ National Market Reports, Chicago, Illinois
 - ⇒ State Farm Insurance Companies, Bloomington, Illinois
 - ⇒ Wizcom International Ltd., Garden City, New York
- **Industry Advisory Board:** In response to a proposal brought forward to the Executive Committee, the Board moved that the Association propose to the IAB that membership in the IAB will be considered as associate membership in AAMVA if an organization applying for membership in the IAB first passes approval by AAMVA in order to obtain that status. According to IAB Chair Dan Gill, members of the IAB who also are AAMVA associate members will be encouraged to continue both memberships, and those who are currently on the IAB alone are being encouraged to become AAMVA associate members.

Later during the Meeting, Gill advised the Board that the IAB had lifted the cap on its membership. Furthermore, he reported that the IAB had approved a \$5,000 grant for each AAMVA region and a \$15,000 grant in support of the 1996 Annual International Conference.

- **Commercial Vehicle Information Systems & Networks (CVISN):** AAMVAnet Vice President Jay Maxwell presented a report on behalf of the AAMVA CVISN Committee and its chair, David Lewis. Last fall, FHWA asked AAMVA to bring together a group of experts to assist with certain issues in the CVISN program. At the January Board meeting, the Board gave the committee the direction to, on behalf of the AAMVA community, determine what the impact of CVISN would be on the non-CVO business that the jurisdictions conduct. The results are evident in a letter from Committee Chair David Lewis to Chairman Holmes, which reports that the CVISN Committee has serious concerns regarding the direction being taken by FHWA: mainly that the CVISN architecture imposes an undue burden on the state registration and titling agencies, and that it does not allow for the most accurate, up-to-date data to be made available (in particular to the enforcement personnel at the roadside). The Board tasked staff with briefing FHWA executive level management on the concerns raised by the jurisdictions pertaining to data elements and the operating plan.
- **Committee Chair Reports:** RTVDM Committee Chair David Woodford presented a report on behalf of the standing committee chairs. During the meeting of the standing committee chairs, individuals reviewed master plans and budget requests, considered issues of mutual interest (including NAFTA) and discussed implications for the new fall workshop schedule.

AAMVAnet Board of Directors Meeting

- **Application Services:** The Board accepted a recommendation from AAMVAnet staff to start a procurement process for data center service to support CDLIS and NDR. The staff made this recommendation based on predictions that an all-driver pointer system will not soon come to fruition and that it is likely that the privatization of the NDR will happen within the next few years. The process will be initiated by the Board's Technical Committee review of the requirements.

Based on findings contained in a preliminary report of the states' responses to the survey regarding enforcement access to CDLIS, the Board granted permission for the AAMVAnet staff to move forward in granting CDLIS access to NLETS and the FBI in 33 jurisdictions.

The Board accepted the recommendation from AAMVAnet staff that the RTVDM Committee present Electronic Lien & Title (ELT) application evaluation results to the AAMVA Board of Directors in August. Commitments and schedules from the states participating will be presented in addition to a proposed pricing approach for national implementation.

The Board also received additional Application Services project reports.

- **Subscriber Services:** Status reports were presented on –
 - ⇒ New AAMVAnet Accounts
 - ⇒ Internet & World Wide Web Services - The Association will migrate its internal LAN connection to an Internet mail server that will be in-house. This will enable the Association to connect its LAN directly to the Internet e-mail rather than going through IBMMAIL. Furthermore, a Request for Proposal will be released to obtain a company to provide the web server site. The new web page will debut at the AAMVA Annual International Conference.
 - ⇒ Safety and Fitness Electronic Record (SAFER)
 - ⇒ VISTA/RS Support
 - ⇒ Backup and Recovery
- **Changes to AAMVAnet, Inc. Bylaws & Articles of Incorporation:** *(see AAMVA Board Meeting highlights)*
- **Application Pricing Options:** The Board considered usage pricing for AAMVAnet applications. A per-month set-fee charge has been developed to recover operating costs only.
- **Advantis Contract Status:** President Barry Goleman presented information regarding the expiration of the Advantis contract at the end of this fiscal year. The Board considered options for continued service. The AAMVAnet Technical Committee has been tasked with reviewing state requirements and providing direction as to which way to proceed in implementing new network solutions.

IRP, Inc. Board of Directors Meeting

- **New Board Member:** Steven Rumsey of British Columbia was appointed and sworn in to the IRP, Inc. Board of Directors as the Region IV Representative, replacing Carl Procuik. Rumsey will serve for a term ending December 1, 1996.
 - **IRP, Inc. Committee Reports:** Committee reports were presented by – Marcel Chevalier, Audit Committee; Greg Hanscom, Dispute Resolution Committee; and Garry Hinkley, Peer Review Committee. Initial peer reviews have been completed for Colorado, Michigan, Virginia, Tennessee, Nevada, Oregon and Minnesota. Follow-up reviews were conducted by conference call for Missouri, South Carolina, California, Maine and Texas. Mr. Hinkley reported that California and Texas were not in compliance, while Arkansas, Missouri, South Carolina, Vermont and West Virginia have come into compliance. IRP Coordinator Jaimie Bright presented to the Board the non-compliance peer review findings on the jurisdictions of Nevada, Oregon and Minnesota:
 - ⇒ Nevada – Sections 9, 1116, 1304 and Audit Section: Standards on Reporting
 - ⇒ Oregon – Sections 1122, 1304, 1202, 1204, 1206 and Audit Section: Jurisdiction Accountability
 - ⇒ Minnesota – Sections 116 and Audit Section: Independent and Jurisdiction Accountability
 - **IRP, Inc. Budget:** AAMVA Executive Vice President Marshall Rickert distributed to the Board the second quarter financial report. He reported that John Mamone, who was hired as director of finance for AAMVA, will be the financial officer working with IRP. Report highlights are as follows:
 - ⇒ IRP had a surplus of \$12,181 for the month of March as well as for the six-month period ended March 31.
 - ⇒ AAMVA support has been confirmed, as needed, throughout the year.
 - ⇒ IRP's fund balance increased from \$31,692 at the beginning of the fiscal year to \$33,080 at the end of the second quarter as a result of earnings on investments, a 4.38% increase.
- President Kelly notified the Board that IRP, Inc. had not yet signed the cooperative agreement with FHWA, but noted that it was ready and that FHWA was sending it to him for signature. Kelly also stated that the invoices for the 1997 IRP, Inc. dues were sent to the jurisdictions. They are due October 1, 1996, and the jurisdictions must make payment by December 31.
- **Communications:** AAMVA Internal Communications Manager Jamie Lacey provided a report on the status of the PACE Committee's interaction with IRP in assessing and providing assistance with regard to the communications of the corporation. Based on jurisdictional complaints, PACE organized a Townhall Meeting during the IRP portion of the MCS Workshop. Chairman Fred Porter moderated with PACE Committee Chair Gina McGuinness representing PACE. One representative from each region and an industry representative also participated. After the Townhall meeting, PACE will analyze the results, develop audience analysis to identify key methods for communicating and determine methods/tools for enhancing communications.
 - **IRP Bulletin Board:** IRP, Inc.'s Rick Breidenstein (who has since left the organization) presented a report on the modifications to ACCESS, the IRP electronic Bulletin Board service, including the creation of six sub-

menus that were added under the "Backgrounds" menu item to report on committee activities and a remote server to which ballot information can be sent automatically.

- **Project Reports:** West Virginia's Mark Holmes reported that the final system business specifications for the Estimated Mileage Project were completed on December 13, 1995, and approved by the Administrative Committee. After the prototype receives approval from the Administrative Committee, the criteria will begin operation, and two rounds of testing will be conducted. A personal computer platform will be piloted in July.

Regarding the Clearinghouse Project, Holmes presented the approved Draft Detailed System User Requirements report. The project is expected to be operational by the end of 1996. The Johns Hopkins Applied Physics Laboratory is developing the X-12 Standard, which will be used in the Project. A draft of the X-12 Standard was sent to jurisdictions for review and comment. Construction and system testing will begin August 1, 1996. System implementation is scheduled to begin August 31, 1996.

- **IRP, Inc. Publications:** The Board adopted a fee increase for the *IRP, Inc. Schedule of Fees* manual from \$50 to \$100.
- **IRP Uniform Instructions Manual:** Jaimie Bright presented a request for the development of a uniform motor carrier manual as a template for jurisdictions to use as a basis to create their own motor carrier information manuals, which they send out with their renewals. Oregon requested this manual to ensure that other jurisdictions do not encounter problems similar to those experienced by Oregon during its peer review. Most of the Oregon findings were related to the lack of information contained in its motor carrier information manual. The Board approved the project and tasked the IRP, Inc. staff with the implementation of an ad hoc committee.
- **CVISN Update:** Scott Amey of RS Information Systems, Inc. (RSIS) presented an update on CVISN (Commercial Vehicle Information Systems & Networks). Amey reported that the inability to share information has resulted in higher costs and lower customer service for the states. A CVISN architecture was developed to create a design that will automate electronic business transactions. The design will be built in two to eight pilot states. Efforts are ongoing to provide automated border crossings and electronic verification of credentials between states and international borders in support of NAFTA. The long-term vision is a paperless vehicle, which would allow for automated fleet and freight management.

A carrier automated transaction system (CAT) is being developed to allow carriers to obtain credentials for registration, fuel tax, OS/OW and HAZMAT, and would allow carriers to file quarterly reports. An Aspen safety system is being developed to upload safety information in a timely, automated fashion.

Commercial Off The Shelf (COTS) systems will be used to facilitate electronic data interchange between states. In some cases, a clearinghouse will facilitate the interchange. Open national standards are necessary to put the systems in place. X12 standards are being developed through the American National Standards Institute. This will allow carriers engaged in electronic data interchange to receive automatically the software necessary to send carrier-to-state transactions.

Amey informed the Board of plans to form a partnership with AAMVA to further define CVISN. AAMVA would be provided the necessary resources to facilitate the partnership – travel funding, technical briefings, technical experts' assistance, etc.

- **IRP New Member Jurisdictions:** The jurisdictions of New Jersey and Rhode Island have joined the Plan. Bright reported that the District of Columbia plans to join this year to comply with the ISTEA mandate.
- **Base State Working Group:** Thom Rubel presented the results of the survey that the Base State Working Group (BSWG) and the National Governors Association (NGA) performed in January and mailed to IRP and IFTA administrators. The survey, created by members of both the IRP and IFTA communities, was designed to discover what the jurisdictions felt was needed to make the repository function more effectively.

Rubel reported that 38 IRP jurisdictions responded. BSWG examined the results at its meeting in March and then forwarded the results to both the IRP and IFTA Boards for review.

The Board directed the IRP, Inc. staff to gather information received from jurisdictions during the MCS Workshop, together with issues raised during the upcoming regional conferences, and present the findings to the Board during the August Board of Directors meeting in Indianapolis. The Board would then develop an action plan to present to the jurisdictions.

Vice Chair Greg Hanscom asked the IRP, Inc. staff to categorize the issues from the survey to see if they fit under the IRP, Inc. Strategic Plan or recommend actions steps. Chairman Porter added that any issues with less than a 50 percent favorable response should be reviewed. President Kelly suggested that the PACE Committee assist IRP, Inc. with this task.

- **Mexican Participation in IRP:** Tom Klingman raised the issue of changes to the IRP and IFTA agreements to adequately address Mexican participation in IRP. The Board moved to establish a task force to research necessary issues to begin discussions with Mexico and directed the IRP, Inc. staff to provide a list of individuals willing to participate on the task force.
- **Strategic Alliance Program:** *(see AAMVA Board Meeting highlights)*
- **President's Report:** IRP, Inc. President Stan Kelly reported on appointments made to standing committees. Garry Hinkley and Randy Leuschke were reappointed to the Peer Review Committee. Marge Noll was appointed to the Peer Review Committee. AAMVA Chairman Gil Holmes appointed Keith Kiser to the Base State Working Group, a position vacated by Joe Pawlowski upon his retirement.
- **New Business:** The Board accepted a proposal to amend the IRP, Inc. bylaws and the industry advisor's charter to state that if a member or industry advisor of the Board is absent from two consecutive Board meetings, the Chairman would contact that Board member to issue a warning. If the Board member misses three consecutive Board meetings, the Board member will have been deemed to have abandoned his/her position on the Board and that position would be replaced either as an elected or appointed position.

If you would like more information about the topics discussed at any of the Association Board Meetings, please contact either AAMVAnet President Barry Goleman, IRP, Inc. President Stan Kelly or me.

jpl/JHS