- Which stakeholder groups is USEITI trying to attract, people from the county, students, members of Congress, or others?

During the facilitated discussion following Ms. Kohler's presentation, Mr. Field suggested participants think about successful meetings where lots of people have shown up, and the factors that made these meetings successful. MSG members made the following comments, organized by theme; *direct responses from Ms. Kohler are indicated in italics.*

Messaging

- People show up when they are angry about something, when there is a decision about to be made, when there is controversy surrounding an issue like corruption, or when the meeting involves something very local and directly connected to them. It is hard to get people to come out to "good news" events. Unless there is interest in both the subject matter and the people involved, meetings are unlikely to succeed. For these reasons, USEITI should try to directly link its information to a local policy issue or ongoing policy conflict, in which the data could help create a platform for debate. However, it should avoid being locked into any one controversy. In addition, it should message by geography and demographic, and not publicize using a one size fits all model.
- Targeting people through organizations can be effective. People may be open to new ideas or points of view endorsed by organizations with which they are affiliated. In addition, in the current political climate, communities likely will be paying a lot more attention to how development is conducted. This may present an opportunity for USEITI to foster increased interest in its work.

Advice for more effective meetings

- USEITI should explore engaging in preexisting events, conferences or public meetings, and working with partner institutions such as a local university, local representatives at a high school, or a rotary meeting. However, it should be aware that partnering and joining other events involves a longer planning timeline. In addition, industry representatives may have greater difficulty reaching out to people and getting on a meeting agenda as an EITI member, and it may be easier using a different rationale.
- The best events on complicated policy issues are held in Washington, because people in Washington understand what you are talking about and they know how to translate it back to their constituents back in the states. It is difficult, and more resource intensive, to do events outside Washington even if you use a local partner.
- The Communications Subcommittee should market its meetings by highlighting data of local concern, like the number of jobs created in your county, or the money being brought into your county. *For these most recent sessions, the*

Communications Subcommittee created one-pagers with this kind of information, and it was not effective in increasing participation.

- How does the Communications Subcommittee currently work to keep those people who do show up engaged? *The subcommittee uses sign up sheets at all events and if someone calls in it gets their information and puts them on its email list. Except for in Louisiana and with Congressional outreach, for the most part there have not been repeat attendees.* An MSG member suggested that instead of providing a flier that provides answers, the Communications Subcommittee could ask provocative questions like, "How many jobs have been created?" or "How much money is being generated and how much is coming back?"
- The Communications Subcommittee should do more to document the discussions at the listening sessions, so it can share the key messages that come out or the controversies that interest people with the MSG.

Representation at USEITI meetings

- The MSG may want to revisit the Terms of Reference stating that individuals should not represent the EITI process, so that all subsectors do not need to be represented at every outreach event. Historically, civil society and industry come from different perspectives, with industry trying to justify the value of its work to local communities, and civil society groups being somewhat hostile to industry interests. Over the past few years, members have built a lot of trust within the MSG, and at this point USEITI may be able to have representatives speak across constituencies, for example civil society could speak to the role of industry. *The subcommittee has not proposed this yet, and if it did so it would come back to the MSG first for input. The subcommittee may have a proposal on this issue in February.*

Targeting stakeholders

- USEITI should consider whether it is engaged in a "wholesale" or "retail" activity in collecting and disseminating information, and target more specific sets of stakeholders. It might try to speak more directly to undergraduates, graduate students and others in the communities and states it is working in who may have the time to actually use the data and but do not know it exists. USEITI could also ask university professors to integrate it into their work. Graduate school professors are always looking for datasets for their students to mine and analyze. Other potential target stakeholder groups include policymakers in Washington, DC or state capitals, legislative staff, state civil society, auditors, and landowners interested in pricing data.
- USEITI should explore developing partnerships with schools and universities. However, there is a question as to whether USEITI can go directly on campuses. USEITI cannot go on private campuses, but it may be able to go on public university campuses. The issue is about receiving gifts. However, USEITI has engaged in some outreach to universities. It has developed a list of deans at

particular schools, focusing on 18 priority states, and sent out emails. There may be a need to reach out in a more personal way, such as by phone.

- As USEITI moves forward with this work, it will be critical for MSG members to use their existing networks. For example, with Alaska and Wyoming in 2017, USEITI should put MSG people in the lead who are from those states.

G. State and Tribal Opt-in Subcommittee Update

1. Report Out and Update on Engagement with States and Tribes

Danielle Brian, Project on Government Oversight (POGO), Co-Chair, provided an update on engagement with states and tribes. Ms. Brian thanked MSG members for helping get Alaska, Wyoming, and Montana to agree to opt in to USEITI. She asked MSG members to reflect on which states it should be targeting in the future. For example, last year they connected with a representative from North Dakota who was enthusiastic about further engagement, and North Dakota already has a lot of information online.

Ms. Brian provided an update on tribal opt in. She noted that the Subcommittee recently had a meeting with the Blackfeet Tribe, which invited them to come back for a day-long meeting to talk about what opt-in would mean. They are also planning to try to reengage with the Osage tribe in 2017, which has expressed interest. They are hopeful there will be at least one tribe opt-in in 2017.

MSG members made the following comments and asked the following questions; *direct responses to questions and comments are indicated in italics, with the speaker indicated, as appropriate*:

- USEITI should target specific contacts. Dennis Roller, state auditor for contracting in North Dakota, should be its next target for engagement in North Dakota. Rinn Peterson from Colorado is another potential contact.
- The MSG should continue to use the process that Deloitte has developed for state and tribal outreach. How many states are in the Deloitte contract? *Deloitte representative: The current contract has three states and five total if tribes are included.*
- The USEITI should consider counties that stood out when MSG members were conducting calls to states about counties that were going to be featured, and use the information and contacts it gained from those calls. However, it is hard to say definitively which stood out without documentation. *Ms. Brian: In addition, there is a goal to target more East Coast states because currently USEITI is concentrated in the West.*
- USEITI should think about using a regional approach, since pipelines cross state lines.
- If there is interest from states outside the list of 18 states, could those be brought to the subcommittee? For example, in Virginia parts of the state would be very interested. *Yes, the subcommittee would not turn people away.*

2. Presentation of Request for Extending Adapted Implementation

Mia Steinle, Project on Government Oversight, summarized a draft document being developed to request an extension of Adapted Implementation for USEITI's subnational and tribal opt-in. She noted that the MSG is requesting an extension for subnational reporting to the EITI International Board in light of the barriers to getting all states involved in USEITI. The document also notes that tribes are not subnational governments in the U.S. and USEITI does not believe they fall under the scope of EITI. Because the international audience might not understand the structure of tribal governance and sovereignty in the U.S., and why tribes should not be part of EITI unless they agree to it voluntarily, the document tries to lay this case out carefully.

The document also attempts to show how and why the MSG's view of what opt-in entails has evolved. Before, they had outlined three steps to the process: first they establish a point of contact, second they get a state member on the MSG, and third they move forward with enhanced opt in. Now, they no longer believe they can have members of subnational governments on the MSG because it would not be possible for the MSG to function with an additional 50 members. They have worked and will continue to work to ensure that subnational governments are involved even if they are not on the MSG, and the document describes the various degrees of engagement by Alaska, Wyoming, and Montana.

Jerry Gidner, Office of Natural Resources Revenue, provided further detail as to why tribes cannot be considered "subnational entities" under EITI standards. Tribes are sovereign entities and own their mineral resources. When the federal government collects revenue on these lands, it does so as a trustee and directs all of it back to the tribes. This trust responsibility prohibits the federal government from releasing data or compelling the tribes to release it. The document also notes important progress that has been made on these issues, such as the fact that three tribal governments have representatives on the MSG, and reports that they are in continued discussions with tribes.

MSG members made the following comments and asked the following questions; *direct responses to questions and comments are indicated in italics*:

- Mr. Mussenden commented that initially they referred to this as a request for partial adapted implementation because they can satisfy the requirement for disclosure of payments from the federal government to states. He noted that, in the document, he did not see much discussion of this fact.
    - *Ms. Steinle replied that they took the relevant language from the USEITI candidacy application and bolded the relevant portions of the requirement.*
    - Mr. Mussenden added that USEITI can satisfy the language in Requirement 5.2(a) because USEITI fully discloses transfers from the federal government to the states. He suggested noting this in the request for adapted implementation.

- Mr. Romig suggested that they should include in this request more about voluntary reporting and the government's move towards unilateral disclosure. Unilateral disclosure is a strong pillar of their application process, he suggested, and they have built most of the website around it.
- Mr. Harrington noted that since the U.S.' validation has been deferred until 2018, USEITI may want to look at this issue more closely next year and see if it can make the argument persuasively. *Ms. Steinle responded that this is a renewed request for an extension and it doesn't include a specific date.*
- Mr. Mussenden asked whether there was a decision to separate out the unilateral disclosure argument from this request.
    - *Ms. Brian responded that no such decision had been made to her knowledge, and noted that they can look to add more information on unilateral disclosure into this request.*
    - *Ms. Steinle suggested that this would be a good idea as long as they are clear that it is a Department of the Interior disclosure and not an MSG disclosure.*
- Mr. Romig commented that this document has been developed and vetted, and he did not want to delay it. However, given that they have talked a lot about this topic over the last 1.5 years, and emphasized that their data is reliable, he suggested they should include language about the strength of their unilateral disclosure.

The MSG agreed to add language to the document explaining that federal transfers to states have been unilaterally disclosed. Subsequently, the document was amended and the MSG decided to submit the Application for Extension of Adapted Implementation to the EITI International Board.

- **Decision: The MSG decided to submit the Application for Extension of Adapted Implementation to the EITI International Board. The USEITI Secretariat shall transmit the document to the EITI International Board on or before January 1, 2017.**

H. IA Recommendations for 2017

There were a series of presentations and discussions on IA recommendations for 2017.

1. Improving the Efficiency of the Reconciliation Process

John Mennel and Alex Klepacz, IA team members from Deloitte, presented ideas on how to make the reconciliation process more efficient over time without losing the value of transparency or disclosure. Mr. Klepacz noted that EITI Requirement 4 asks for reconciliation of data, taxes, and revenue. The question is how to meet that requirement more efficiently. The U.S. has now gone through the process for two years, and 19 of the 21 issues that came up in year two were also seen in year one. The IA team had considered three ideas to improve efficiency: sampling, review of the Department of Interior (DOI) audit process, or addressing margins of variance.

a) Sampling

With respect to sampling, the IA recommended a sample size of 27 companies, including all 10 of the companies in the largest size strata, 9 of 13 companies in the middle size strata, and 8 of 18 companies in the bottom size strata. They then looked at the data they received for the full reconciliation process and compared it to what they would have received through sampling. Under the sampling procedure, total government non-tax revenues for in-scope companies went down, as did the total number of companies reconciled.

Mr. Mennel noted that IA was recommending not to go forward with sampling for at least another year for two reasons: 1) EITI countries are required to have a representative sample but because of the voluntary nature of reporting, USEITI might not have enough companies to create such a sample; and 2) right now USEITI has 80% of revenue accounted for, and that percentage would go down under sampling. This could result in bad optics before the EITI Board.

An MSG member asked the following question on sampling; *the response from Mr. Mennel is indicated in italics*:

- Is sampling intended as a one-time exercise to demonstrate whether it can meet the letter and spirit of the requirement, or would USEITI switch to it as means of reporting each year? *The idea was to assess whether USEITI should switch to it on an ongoing basis, and the IA team believes that this would not be advisable at this time.*

b) Review of DOI Audit Procedures

Mr. Klepacz reported on the IA's review of DOI audit procedures. As part of the annual DOI audit process, an independent auditor performs set of procedures, including sampling and testing, to make sure financial statements meet a certain standard. In October 2016, the IA was asked whether USEITI could repurpose this audit process and see if it might satisfy EITI requirements, potentially with some modifications. The IA is set to begin looking at this question, and whether it might be more cost-effective than the current reconciliation process.

Mr. Gould noted that the Implementation Subcommittee would address this issue at its November 30, 2016 meeting, and have a conversation on timing and next steps. There will be a presentation on it at the February 1-2, 2017 MSG meeting. Mr. Gould also reminded the MSG of its intention to include a broader discussion of these issues as part of the contextual narrative, so it can be well documented in the 2017 Report if the MSG decides the new approach workable. An IA representative cautioned that it is unlikely these issues could be resolved in time for reconciliation in 2017. Given that EITI Requirement 4 specifies that governments and companies must provide data, and those data must be reconciled, the approach would likely need Board approval.

Mr. Mussenden suggested that if the IA's analysis supports the view that the current processes are equivalent to reconciliation, then the MSG would promote these processes. He suggested that this analysis may not be completed in time for companies to utilize it in 2017, but if so then the MSG would aggressively pursue it.

MSG members made the following comments and asked the following questions on DOI's audit procedures, organized by theme; *direct responses are indicated in italics, with the speaker's identity noted as appropriate*.

Clarifications and overall reactions

- What does reconciliation actually involve and how deep is the review? *Mr. Klepacz: It involves looking at the payments made and reported by companies, and the information provided by government on revenues reported by companies. The IA reconciles the two numbers and both governments and companies confirm their information is correct. If the company and government both report the same numbers, it is considered reconciled. But if the numbers are different, and outside a margin of variance, then the IA works with both to determine the source of the discrepancy. For example, it could be an issue related to timing, to pay.gov, or to classification.*
- This new approach might not just be more efficient, but also more meaningful and thorough. Currently you get companies' data and DOI's data. But DOI's data has come from those same companies. This new approach would use Treasury Department data on money received, and match it with companies' reporting to DOI. *Mr. Mennel: That characterization of the current approach is not entirely correct. USEITI is not just reconciling company data with company data. It is reconciling what ONRR shows it is owed with what companies say they're providing.*

Safeguards in the current system

- ONRR has a well-developed system and might already be doing what has been suggested.
    - *ONRR Representative: ONRR has a process involving thorough up front edits and data mining to make sure reported figures are reconciled.*
    - *Mr. Mennel: The IA will take a look at this issue. It's a fairly complicated topic so the IA should look at it carefully. The IA is looking at transaction level detail and finding opportunities to clean things up. It's possible the audit procedures will involve a broader set of transactions and be more comprehensive.*
    - *Industry representative: ONNR receives reporting from Oil and Gas Operations Reports (OGORs). Companies are required to submit volumetric information with meter statements, and they get audited on those meters. The auditor considers meters to be similar to cash registers, and they must match the money companies are reporting. The meters*

must have all the required technical specifications and controls, and the volumetric data are evaluated carefully.

- *State Representative: Sometimes, states audit the federal system. In our state, for example, we initiated an audit and arrived at our own conclusions to make sure the state was getting its distributions as appropriate. The U.S. audit process exceeds anything EITI could ever hope to achieve. Reconciliation adds no value in the U.S., and the issue is simply whether to meet the EITI standard.*

- The initial reporting USEITI makes each year is from information reported by industry. It is not audited information. *Industry representative: The information has multiple safeguards to ensure it is accurate. Companies are required to notify the Bureau of Land Management (BLM) and the Bureau of Safety and Environmental Enforcement (BSEE) prior to any meter calibration on a transfer meter, and there are representatives from multiple institutions present witnessing the meter reading. BLM and BSEE get the meter statements and compare them against the reported data that companies file. They are looking monthly at the volume information on key company assets to ensure it matches both the company and the pipeline. Companies also need to show a pipeline statement and deliver it to BLM and BSEE for review. And when companies get audited, this information is turned over again.*
- USEITI needs to explicitly and carefully express where the data is being reported so that there are no questions about USEITI's process when the U.S. is validated. *Mr. Mennel: That is a good point. USEITI already does a fair amount of describing of the validation and controls process in the U.S. This process will help USEITI dig into details even more.*

Industry perspectives

- Industry has new evaluation rules and regulations coming into place in 2017. They will be costly and require realignment of resources. Industry is paying more attention to these requirements, which are mandatory, than to EITI, which is voluntary. In addition, companies are currently going through divestitures, which makes things even more complicated. With commodity prices at their current level, my company has 30% less staff than the first time it did this. Moving forward it will be difficult to maintain the same level of participation.
- The reconciliation process is labor intensive. It takes three or four man-weeks for big companies to do this. Just completing the report takes a lot of time, and then reconciliation takes even more time. The last few years that my company did it, it found nothing of substance. If USEITI were to make it easier it would find a lot more companies willing to participate.
- Companies have to be so careful that there are no inadvertent mistakes made with respect to their mandatory reporting requirements. They are working with fewer resources, managing new requirements, and trying to fulfill requirements that have stiff penalties for any inadvertent errors. They are unlikely to spend additional resources on something voluntary like EITI. *ONRR Representative:*

ONRR constantly tries to make changes and improvements to its process. ONRR tries not to penalize routine mistakes.

Timing

- Although the IA recommendation was to look at the audit process next and make any changes to the reconciliation process in 2018, the MSG should consider whether USEITI can implement recommendations on the DOI audit process and reconciliation in time for the 2017 Report.
    - This is unlikely to be possible in 2017. Unlike the recommendation on margin of variance, which is entirely within the control of the MSG, the recommendation on the audit process involves other parties and will take longer. The MSG needs to ask the Board if it can do what the IA is suggesting.

Concluding thoughts

- Initially, the review of DOI audit procedures was also for purposes of determining the potential for mainstreaming. USEITI should include some linkages to that issue in the report.
- It is clear there is a lot of interesting work at many levels to ensure this data is accurate. However, that is not clear to the public. More information on DOI's audit procedures would help build trust in USEITI's processes. It is critical to document these procedures comprehensively.
- Despite the rigor of the ONRR process and industry data, it might not be sufficient to meet the international standard.

c) Scope and margin of variance

Mr. Klepacz next discussed potential changes to the scope and margin of variance of reporting as part of the MSG's annual agreement on the reconciliation process. The IA found examples of variances where the low dollar values of particular transactions resulted in high variance percentages. In one example, a 64.62% variance resulted from a $2,000 difference in reporting by the government and the company. Given that there are now two years of variances that have all been explained, the IA has suggested that it should study whether there may be ways to adjust the scope and margin of variances that could reduce the level of effort by companies and the government. USEITI now has 40 documented variances, all of which have been explained, and may be able to make some helpful changes.

MSG members made the following comments and asked the following questions on scope and margin of variance; *responses are indicated in italics, with the speaker's identity noted as appropriate*:

- One company had to investigate a $25,000 variance after generating millions of dollars in offshore extraction, instead of focusing on doing their jobs and perfecting safety and performance. *Industry representative: That variance resulted from a field problem.*

- Should these ideas be included in the Report?
    - *Mr. Mennel: They are amplifications of Recommendations 2 and 5. They're not in the Report because those are supposed to be broader recommendations, and because the MSG's thinking has progressed in the few months since the Report was drafted. In addition, this presentation is giving us the details behind the recommendations in the Executive Summary, and the MSG can add it to the Report next year.*
    - *Mr. Field: CBI will make sure to report on these ideas in the meeting summary.*
- Timing issues are very common. Companies and the government spend a huge amount of time reconciling the differences between their fiscal years. USEITI needs clear ways to spot timing issues that lead to variances and fast track them. How can USEITI address the calendar year reporting issue systematically to eliminate wasted time and effort when this issue comes up unexpectedly? *Mr. Klepacz: Now that the government and the company know of this particular issue, they can predict it moving forward and be able to address it very quickly. However, there is no way to look immediately at a variance and see that it is a timing issue. Unless you dig into it you can't know the cause.*
- The Executive Summary does not quite reflect what the MSG is hearing today. It states that USEITI should "include greater disclosure of transaction-level detail." That sounds like the exact opposite of what MSG members are now suggesting. This discussion should be documented, and the website should be supplemented when USEITI goes to the International Board.
- The MSG should be cautious about how it talks about margin of variance. The margin of variance exists because USEITI decided variances below a certain threshold are not material.

Mr. Mennel summarized the IA's recommendations on these options moving forward. Of the three options identified, the IA recommended that sampling not go forward for next year, but sampling could be revisited in the future. The IA also suggested that they review the DOI audit procedures to see if it is possible to supplement or replicate the reconciliation process, to implement in 2018. The IA also suggested the MSG take forward the recommendation to review the reconciliation scope for 2017 in light of the history of transactions they have developed. Additional information can be found in Mr. Klepacz and Mr. Mennel's presentation slides, available online at: https://www.doi.gov/sites/doi.gov/files/uploads/rr_efficiencies_msg_presentation_20161109_vfinal.pdf.

Mr. Gould suggested that the subcommittee would consider the recommendations in the coming year.

2. Key 2017 Decisions and Decision Dates

Sarah Platts reviewed the decisions that the MSG will need to make in February 2017. These include deciding which if any new commodities will be added to the scope of

reconciliation. Adding a new commodity would impact reporting and reconciliation, which requires MSG approval. Per Federal Advisory Committee Act (FACA) requirements, materials on this issue would need to be submitted to ONRR by January 17. Adding a new commodity would also mean generating two new county case studies. For these reasons, if there are any new commodities people want to add, this needs to be brought up to the subcommittee so they can be vetted.

In addition, the State and Tribal Subcommittee will need a final list of states and tribal opt-ins by April. Currently, the IA contract does not include state and tribal opt-ins or new commodities. They can be included if ONRR exercises an option, but ONRR needs to know to do this in time.

The February 2017 meeting will also involve deciding on new contextual narrative additions. In the meeting, the group will need to approve the topics, but not the actual work products. Ms. Platts noted that potential contextual narrative additions for 2017 include the following topics:

- A special highlight on renewable resources
- A special highlight on forestry
- An interactive way to sort through and navigate the laws, statues, and regulations based on relevant lands and natural resources

Mr. John Cassidy, IA team member from Deloitte, added that the February meeting could include more than these three topics, and members were free to suggest additional ideas.

Ms. Platts concluded her presentation by reviewing the reporting and reconciliation timeline for 2017 and the 2017 timeframes and deliverables. Additional information can be found in Ms. Platts's presentation slides, available online at: https://www.doi.gov/sites/doi.gov/files/uploads/20161108_2017_key_dates_and_decisions_vfinal.pdf.

MSG members made the following comments and asked the following questions on Ms. Platts's presentation; *responses from Ms. Platts and Mr. Cassidy are indicated in italics, with the speaker indicated*:

- Where did the three contextual narrative ideas come from?
    - *Mr. Cassidy: The IA collected them throughout the year. The IA tries to keep track of ideas people discuss in MSG or Subcommittee meetings.*
    - *Ms. Platts: They reflect what the IA has heard from members about spaces where there may be opportunities to tell more of the story from the U.S. perspective.*
- It would be helpful to talk about different types of technologies.

- Before the MSG decided on the content for the first report, there were some good materials developed regarding USEITI's thinking on renewables and forestry. The MSG should review those materials.

I. Lease-level Unilateral Disclosure

Robert Kronebusch presented on the potential for DOI to move forward with lease-level unilateral disclosure, a step beyond the current unilateral disclosures. He noted that DOI currently unilaterally discloses calendar year 2013-2015 revenues at the company, revenue stream, and commodity levels on the USEITI Data Portal. There is a $100,000 per company (and its affiliates) reporting threshold. He then reviewed the ONRR definitions of "lease," "right-of-way" (ROW), and "right-of-use and easement" (RUE) as they would relate to the SEC Dodd-Frank Section 1504 definition of a "project'". He noted that the current lowest level of reporting that comes to DOI and ONRR is in the form of a lease. ONRR gets paid on the basis of leases, ROWs, and RUEs.

Mr. Kronebusch reviewed the number of leases, ROWs, and RUEs reported to ONRR in CY2015 (~47,000), which were disclosed on the data portal, and provided data on lease sizes. He noted that the Section 1504 project definition references agreements and that DOI has "communitization agreements" and "unitization agreements," and offered definitions for each. He suggested that unitization agreements can be very large, up to 1 million acres. He then presented figures on the number of agreements reported to ONRR in CY2015. The total number of leases, ROWs, RUEs, mines, and agreements for CY2015 was over 57,000, or roughly 10,000 more than the total number of leases. This is because, even though agreements aggregate leases, a single lease can be associated with many different agreements. The relationship between leases and agreements is complicated, and roughly a third of all leases are involved in communitization or unit agreements.

Mr. Kronebusch further noted that BLM and ONRR have different lease naming conventions and OSM collects at the mine level not the lease level. Additional information can be found in Mr. Kronebusch's presentation slides, available online at: https://www.doi.gov/sites/doi.gov/files/uploads/lease-level_udr_presentation_final_11-09-16.pdf.

MSG members made the following comments and asked the following questions on Mr. Kronebusch's presentation, organized by theme; *direct responses from Mr. Kronebusch, his colleague at ONRR, Nathan Brannberg, and others are indicated in italics, with the speaker identified as appropriate.*

Overall reactions and clarifications:

- Has ONRR looked at geographic interconnections? For example, in the Gulf of Mexico, there is one facility measurement point for oil and one for gas and they cover a dozen leases. Industry would call that one project and it could create a reconciliation problem. Does ONRR have all that information in its system? *Mr.*

Kronebusch: Yes, ONRR has all the information. Production is reported to ONRR at the facility measurement point, to a level of detail of every lease or agreement and well. That's where ONRR does some of its up front editing.

- It creates a reconciliation problem if ONRR reports at the lease level and industry reports at the project level. *Mr. Kronebusch: For reporting at the facility measurement point (FMP) level, there would need to be agreement on what the project is or how many FMPs come together. Some projects have multiple FMPs.*
- Is ONRR looking at both offshore and onshore production? *Mr. Kronebusch: Yes.*
- A ROW is in perpetuity, but the situation is not so clear with leases. USEITI should clarify this issue in the definitions, and not presume everyone knows these details.
    - *Mr. Kronebusch: With a lease, normally you have 10 years to produce and if you do, then it is in perpetuity, but if you don't it's not.*
    - *Industry representative: There is a primary term specified in the lease, and as production is maintained the lease will continue until production ceases.*
    - *Mr. Field: If USEITI goes to this level it sounds like there's a definitional issue of making sure people understand the details.*
- Could you clarify the sources of the data?
    - *Mr. Kronebusch: The source of the ONRR payments data is Form ONRR-2014, which covers oil and gas, NGLs, helium, and some others. For coal and solids it's Form ONRR-4053, the production and royalty report. For the items that cannot be paid on those two forms, ONRR used direct billing activities. Direct billing represents 1-2% of the total revenue.*
    - *Mr. Brannberg: For direct billing, also known as accounts receivables billing, there are a lot of rental payments, meaning that it involves a lot of contracts even if the total amount of revenue is relatively small. The rental payments are shown by lease.*
- What are the sources of revenues in the charts you showed? *Mr. Kronebusch: An estimated 80 is royalties. Bonuses and Rents are also a big source of revenue.*

Understanding unitization and communitization agreements:

- How much do unitization agreements affect accounting and how much are they a response to geology? It would be helpful to understand more about how unitization agreements relate to existing leases, and how many of them there are compared to unique leases. *Mr. Kronebusch: One difference is the complexity regarding reporting royalties. As far as ONRR is concerned, it doesn't matter whether it's a lease, an agreement, or anything else. For companies, it might be tougher because if it's an agreement they have to aggregate all their wells. Roughly half of what is reported to ONRR is from standalone leases and roughly half is from agreements. For auditors, it is important with agreements to make sure every lease is getting the correct allocation, because they have different*

royalty rates and you want to make sure the government gets every dollar it is due.

- What does it look like in practice for industry to report on communitization agreements versus unitization agreements? *Industry representative: With communitization agreements, they want to isolate well by well, so they can see the meter statement on the well head and know it is being reported for that communitization agreement. With a unit, companies take all the wells in that unit and accumulate them, typically designated to an FMP. Each lease will be given an allocation percentage of the unit, and companies will ignore the individual wells. It is easier to track the volume as they're commingled at the FMP.*
- For unitization agreements, the idea is that everyone agrees to an allocation for extraction that they agree is fair for a common reservoir, after a lot of analysis. They agree on an overall allocation but do not measure every well, and measure at the custody transfer point for the entire reservoir. For communitization agreements, they agree on every well. *Mr. Kronebusch: When royalties are reported for agreements, ONRR gets both the lease number and the agreement number. You need the lease number because that is how money gets distributed to the states, counties, or tribes.*

The Trade Secrets Act

- How do you determine if there is a Trade Secrets Act (TSA) problem and how is it handled in the reports?
    - *Mr. Kronebusch: The experts in the government determine what they feel could potentially cause competitive harm. If the government discloses numbers four or five months after the end of the year, and look at yearly not monthly revenues, some might conclude that there is minimal potential for competitive harm.*
    - *ONRR representative: When a request for information comes in, staff look into it to see if it might reach a threshold for causing competitive harm. It is easier for us to respond to these types of requests on a case-by-case basis than to report everything annually. The latter requires tremendous resources and time, although technically it is not difficult. The MSG should discuss this resource issue now and next year.*
- If you determine there's a Trade Secrets Act (TSA) problem, how is that reflected in the reports?
    - *Mr. Kronebusch: Currently in the data portal, there is a "W "for withheld, reported by the company. For oil and gas, if you go to the state website for a lease's production and have the lease number, you could theoretically figure out the price per barrel or mcf. For solid minerals it is stricter.*
    - *Industry representative: As long as there is a delay in the release of the information and it is broken down annually, not by month, there is less risk for companies in oil and gas. For hard rock it is different.*

- USEITI should be sure to explain to and educate the public about why there may be TSA issues with coal and other minerals, to avoid suspicion. USEITI should explain how unitization and communitization agreements work, and potentially even provide visualizations. It should look into creating an animated training module for the data portal.
    - *Mr. Kronebusch: ONRR already has reporter training two to three times a year and has many presentations on what these agreements are, and the life of a lease from cradle to grave. There are many kinds of educational materials like this that USEITI could put on the data portal.*
    - *ONRR representative: The MSG could add this as a special topic to next year's report. Linking the data portal to some of ONRR's training is a great idea. For example, ONRR has a new training system where it uses videos that the MSG could link into the data portal.*

Steps towards ONRR setting up a lease-level disclosures system:

- If ONRR decided to perform lease-level unilateral disclosure, would it just be a matter of feeding data into a spreadsheet once it is set up? *Mr. Kronebusch: ONRR has the information and could do it. ONRR had to do it for this presentation.*
- Based on information on bonuses and rents by lease, should USEITI present the revenues by lease? Would this be more meaningful than doing it by agreement?
    - *Mr. Kronebusch: Doing it by the lease only makes sense. Everyone can agree on what that number means, and it's simpler to track. With agreements it is difficult to keep track of all the layers.*
    - *ONRR representative: ONRR is committed to reporting out the leases at some point. ONRR wants to make it automated, so it does not need to create a spreadsheet each time. Otherwise, the data is out of date very quickly. ONRR has a system where you can send in a FOIA request and the staff will get back to you with the information. This works fairly well and if ONRR changes it, it wants to do it right.*
- From an industry perspective, if this is just unilateral disclosure of lease level data, then this could be a wonderful approach. But if USEITI tries to reconcile projects to the leases it could get messy, and industry likely will not report everything at the lease level under SEC 1504.
- From a stakeholder perspective, it would help to see what the leases look like without having to do a FOIA request, so you can know more about who the industry players are in your community. These developments are part of a wonderful story about something emerging from USEITI that is creating searchable, usable data that is making government more efficient.
- BOEM is already providing lease-level disclosure in the Outer Continental Shelf, so there is the beginning of a precedent for this in DOI.
- What is the source of the wait for ONRR to implement this? *ONRR representative: It is a matter of getting ONRR's technology to the point where it*

can do this in an automated fashion. It is a capacity challenge with respect to implementing a business intelligence unit.

- Does ONRR intend to unilaterally disclose lease level information where it can, except for when there is a TSA issue? *ONRR representative: Yes, ONRR is committed to doing that when it can do it in an automated fashion. If the MSG feels strongly it needs to do it in the interim using a spreadsheet to meet its mandate, then ONRR could do that but it may not make a lot of sense.*
- State and county level reporting seems of more interest to communities than lease level reporting, since leases cross several counties and likely will not mean a lot to people. Currently, the U.S. has reporting by state and county and should at least continue it at that level. However, both are useful and there are also reasons for the lease level data.

The EU system and EITI requirements:

- How does the EU manage this reporting issue? *Industry representative: The EU has a definition that is similar to the SEC definition. In the EU, projects are defined at the lease contractor agreement level, although there's a different term of art. There is the ability for some aggregation above the contract level, but the principle is close to a contract level.*
- What does the EITI require? ? *Industry representative: EITI says that once you start reporting at the project level though the SEC, you need to do that for EITI as well.*
- Does the EITI standard require reporting or reconciliation? *Industry representative: It requires reporting, but that's because project level reporting hasn't really started. Industry does not think it's practical to reconcile on a lease or project level. The government receipts aren't gathered on a project level. It would be difficult to package and report them.*
- USEITI should clarify that the EU rule is already in effect. Companies registered in the EU need to report revenue with respect to worldwide production including in the U.S. So companies there have already reported at the project level. And now SEC 1504 is being implemented.
- Is the expectation that industry will only release this data on an annual basis and USEITI would never go to real-time reporting, to avoid competitive harm? *ONRR representative: ONRR will be studying that issue as it implements this. ONRR sees some opportunities for real-time disclosure as information comes in, but it is not near to implementing that and it would need to consider how to put in appropriate protections.*
- Anything USEITI does that is common between the EU and the U.S. with respect to reporting will be helpful. Under EU Directive 10, it looks like the project is defined at the state level. Does anyone know how that will be implemented?
    - *Industry representative: It's subnational and project disclosure, but current reports may just have state level disclosures.*

- *Civil society representative: We have begun analyzing this issue and reaching out to industry colleagues to ask for the rationale for reporting at the state level. It is pending further analysis. In the EU Accounting and Transparency Directives "Project" is defined as "the operational activities that are governed by a single contract, license, lease, concession or similar legal agreements and form the basis for payment liabilities with a government". There is no reference made to a definition based on a political boundary, such as a state.*

J. Beneficial Ownership Roadmap

Jim Steward, Department of the Interior, Paul Bugala, American University, and Mr. Harrington presented on work by the Beneficial Ownership Workgroup and sought approval from the MSG of a Beneficial Ownership Roadmap. They noted that guidance from the International EITI Secretariat requires that implementing countries agree and publish roadmaps for their beneficial ownership disclosures by January 1, 2017. In addition, implementing countries must request, and companies must disclose, beneficial ownership information for inclusion in their EITI reports as of January 1, 2020.

The presenters commented on areas in which the U.S. addresses beneficial ownership issues currently, such as the U.S. government's efforts within the G8's Financial Action Task Force (FATF), and a new rule and proposed legislation coming from the U.S. Department of the Treasury. They also reviewed existing avenues for disclosure of information on beneficial ownership in the U.S., including information collected by states, the IRS, and the SEC. They suggested, however, that DOI does not collect beneficial ownership information, and noted that the Workgroup would benefit from developing a more effective understanding of DOI authority. Additional information can be found in Mr. Steward, Mr. Bugala, and Mr. Harrington's presentation slides, available online at: https://www.doi.gov/sites/doi.gov/files/uploads/beneficial_ownership_presentation_draft_10-17-16.pdf.

MSG members made the following comments and asked the following questions on the presentation; *direct responses are indicated in italics, with the speaker identified as appropriate:*

- Zorka Milin, Global Witness, suggested that the U.S. efforts are welcome but insufficient. She asked whether DOI would have authority to request information on beneficial ownership pursuant to its statutory requirement to determine interest in a lease, and suggested DOI might base its authority more broadly on issues related to conflict of interest or breaking the law. *Lance Wenger, DOI Office of the Solicitor, responded that DOI doesn't have a specific statute mandating it can gather this information. It does have a variety of different standards allowing it to get certain information, but the information it can gather under relevant statutes is limited by type of information and purpose. DOI is not authorized to gather more granular beneficial ownership information. DOI*

could, however, look into using the prohibitions on members of government owning leases in order to gather some additional information.

- Aaron Padilla, American Petroleum Institute, suggested that as the MSG considers next steps, a helpful frame could be to think of the problems that can arise from beneficial ownership, and which if any might be concerning in the U.S. He noted that, in the U.S., there are strong instruments preventing conflicts of interest in government, but there may be concerns about whether the public will get a good deal from the extraction of public lands and waters, or whether public policy will be used to enrich individuals.
- Isabel Munilla, Oxfam America, commented that regardless of the specific concerns in the U.S., the U.S. will need to meet the EITI requirement. The draft roadmap should map the existing system in the U.S. and how specifically it fits with the EITI requirements. This exercise might expose problems on coverage of companies, systems for collecting the data, and what governs public access.
- Mr. Dudis suggested that the group should look beyond just the federal context because the majority of all mineral extraction does not take place on federal land and because conflict of interest legislation in states and municipalities has important impacts. He also suggested that the MSG should look at how other countries have tried to define this issue, and be guided by a consideration of past scandals in the extractive industry that could have been prevented or exposed if additional beneficial ownership information had been available.
- Mr. Harrington noted that industry, and in particular large publicly held companies, are sympathetic to the beneficial ownership agenda. These companies face a big challenge with respect to due diligence in developing countries. The question is just mechanically how to implement it.
- Veronika Kohler, National Mining Association, expressed support for the idea of looking towards where the problem is and where the U.S. might still be vulnerable.
- Curtis Carlson, U.S. Department of the Treasury, noted that the beneficial ownership roadmap is focused on federally owned resources and there is no central database for privately owned resources and that in the U.S. there are a lot of privately owned resources.
- Mr. Bugala commented that there are examples in the U.S. where the creation of shell companies and the inability to identify beneficial owners has had detrimental effects. There are also examples of incorporated companies operating anonymously overseas.
- Mike Smith, Interstate Oil and Gas Compact Commission, commented that the U.S. is the only country in world that has private ownership of minerals, and that the judicial system is the most appropriate remedy to problems between private owners.

Mr. Field concluded the discussion by asking members if there were any objections to approving the draft roadmap and forwarding it to the EITI International Secretariat.

There were no objections and the MSG decided to submit the USEITI Beneficial Ownership Roadmap to the EITI International Secretariat.

- **Decision: The MSG decided to submit the USEITI Beneficial Ownership Roadmap to the EITI International Secretariat. The USEITI Secretariat shall transmit the document to the EITI International Secretariat on or before January 1, 2017.**

K. Mainstreaming

John Cassidy, IA team member from Deloitte, presented the IA's assessment of the feasibility of mainstreaming. He commented that mainstreaming is based on an idea that drafting an annual EITI report may not be the best use of time for every country; it might be preferable to automate the process and make it part of the everyday business of the government and companies. He clarified that mainstreaming does not change what the EITI standard requires; rather, it is another way of meeting the requirement.

Mr. Cassidy reviewed the various steps for mainstreaming, noted that from now into next year the MSG is focused on studying the feasibility of mainstreaming, reviewed next steps in the IA's feasibility study, reviewed current processes and procedures related to mainstreaming in the U.S., and suggested a number of potential areas for the U.S. to improve its EITI performance and potential for success with mainstreaming. Potential areas for improvement include doing more to showcase unilateral disclosure already occurring in the U.S., filling the gap on tax and project-level reporting through SEC 1504, and better explaining the audit requirements that currently exist. He concluded by noting that a decision on mainstreaming did not need to be made at the present MSG meeting. Additional information can be found in Mr. Steward and Mr. Cassidy's presentation slides, available online at: https://www.doi.gov/sites/doi.gov/files/uploads/mainstreaming_msg_vfinal.pdf.

MSG members made the following comments and asked the following questions on the presentation; *direct responses are indicated in italics, with the speaker identified as appropriate:*

- I thought the MSG had agreed to conduct a pre-feasibility study, not a feasibility study.
    - *Mr. Gould: The MSG did discuss a pre-feasibility study. ONRR opted to have the IA start on a full feasibility study in order to keep moving forward if USEITI is to pursue mainstreaming. If there are concerns about this, the MSG can discuss this further.*
    - *IA team member: Upon review, the IA determined that the differences between a pre-feasibility study and a full feasibility study were minimal.*
- You mentioned the politics have changed on Dodd Frank. How so? *IA team member: There is now increased uncertainty on what might happen. Dodd Frank would play an important role if mainstreaming goes forward. The IA's view is*

mainstreaming would be a multi-year process, and in many ways would follow a parallel path with SEC 1504.

- What EITI documents authorize the criteria that the data must be comprehensive, up-to-date, and reliable, and are they really an adequate scoping for whether government data is helpful? *IA team member: The comprehensive, reliable and up-to-date standard is from the validation guidelines document. Two additional criteria might be data quality and transparency.*
- Commenters expressed diverse opinions on the significance of corporate income tax reporting and reconciliation. One suggested that what matters is that the USEITI numbers are adding up in reconciliation, and the taxes would therefore add up as well. Another commented that even if the Treasury Department has excellent systems, the U.S. is still falling short on making tax information publicly available. Another noted that it would be helpful for civil society to indicate if its priority right now is EITI compliance or tax reporting, so that USEITI can prioritize its efforts. *Mr. Cassidy noted that the IA will set up stakeholder interviews on the tax issue, which will likely happen between now and February. Mr. Mennel suggested there is an argument that what is required by 1504 is sufficient for mainstreaming.*
- There were various perspectives on how much of a "deal breaker" the tax issue will be for the U.S. One suggested it would definitely be a problem with the EITI International Board. Another noted that ONRR worked closely with the SEC to use USEITI as a means for compliance with the 1504 standard and suggested that will bode very well for mainstreaming. *An IA team member commented that it is impossible to know whether tax reporting is a deal breaker at this time. No other feasibility study has been conducted and the only other country going forward on mainstreaming is Norway. The language in the standard says "all transactions," which implies all companies. However, it is reasonable to assume that the board will draw the line somewhere short of "all transactions" for the sake of practicality but USEITI will need to make a case for where the line should be.*
- USEITI might be able to look at mainstreaming as an opportunity help maintain momentum on government efficiency.

L. Validation Discussion

Mr. Gould initiated the conversation on validation by noting that the current date for the U.S. for validation is April 2018. He suggested the MSG enter the conversation on validation believing that the U.S. will be found compliant but also recognizing that the U.S. probably cannot be found compliant within the existing standard. There will be a global discussion on the standard that the U.S. can influence.

After these initial comments, Ms. Wilson presented an overview of validation. She reviewed the purposes of validation, steps in the validation process, key areas of validation requirements, and the core requirements any country must meet to avoid suspension. She also reviewed a draft pre-assessment for USEITI, estimating the level of progress by the U.S. on various EITI requirements. The draft pre-assessment included

the following suggested findings, using the color scheme of the International Secretariat to indicate the degree of progress:

- Satisfactory progress (marked green) on relevant requirements related to MSG oversight, licenses and contracts, monitoring production, revenue allocation, and socioeconomic contribution.
- Meaningful progress but still not satisfactory (marked yellow) on some revenue collection requirements.
- Progress beyond what is required (marked blue) on public debate and data accessibility.

Additional information and the detailed suggested findings can be found in Ms. Wilson's presentation slides, available online at: https://www.doi.gov/sites/doi.gov/files/uploads/validation_overview.pdf.

MSG members made the following comments and asked the following questions on the presentation, organized by issue; *direct responses are indicated in italics, with the speaker identified as appropriate.*

General comments:

- Under the current validation system most countries will fail, so there will need to be a conversation about flexibility for countries that are doing good things but cannot fully comply with the standard. The compliance challenges the U.S. is facing are not unique.
- There are opportunities within the standard, such as mainstreaming and adapted implementation, that the U.S. should take advantage of to maximize its chances. The U.S. does not have risks in areas like civic space, and it is making many disclosures that are exceeding the standard, which it can highlight. It can also be specific about areas where it has risks, like participation level of reporting and corporate income tax reporting.
- USEITI should not try to define down the standard in order to make it easier to comply. EITI was created to give people insight into where money was coming from in the extractive sector. The fact that USEITI not been able to do so speaks to some of the governance difficulties and corruption in the U.S.

Direct subnational payments:

- Direct subnational payments is yellow but if the USEITI Secretariat were to make it green the board would likely agree. *Ms. Wilson: It indicates USEITI has pursued adapted implementation.*

Data timeliness:

- Data timeliness should be blue because the requirement is no more than two years, and in the current USEITI report it is one year. *Ms. Wilson: That is a good point. The MSG should consider changing it.*

Data comprehensiveness

- Some commenters suggested that data comprehensiveness should be green instead of yellow because it is USEITI's fundamental program. Others suggested yellow is appropriate because many companies have not participated in revenue reporting. These commenters noted that the U.S. has gone above and beyond in some areas of data comprehensiveness (like unilateral disclosures) but is behind in others (like tax reporting), so it evens out to yellow. *Ms. Wilson explained that draft pre-assessment coded this issue as yellow because the government is prohibited from full disclosure of tax revenue and company reporting is voluntary. While Dodd-Frank Section 1504 may improve things, it is not yet implemented so USEITI cannot take credit for it. In addition, government reporting specifically is marked blue, but the overall requirement is marked yellow.*
- Some of the mining companies that are not in USEITI's current universe have shown greater willingness to disclose their taxes. If USEITI expands the universe of its companies, a side effect might be an improvement in USEITI performance on tax reporting.

Data quality

- The data quality requirement looks at the U.S.' audit and assurance practices and how USEITI ensures the quality of the government's unilateral data reporting. USEITI has done a great job of this in the 2016 Report and it should be green.

Disaggregation

- MSG members expressed various opinions on disaggregation. One highlighted the impact of the fact that the U.S. decided not to disclose project level revenues, while another noted that a U.S. regulator has made a commitment to project level reporting using a definition consistent with the global standard. One suggested that disaggregation should be marked "N/A" instead of yellow, because project-level data is not relevant to implementation of the standard, while another suggested it should be green because USEITI has disaggregated by company and commodity and that is the definition of disaggregation until SEC 1504 comes into effect. Another suggested that, regardless of the coding, the MSG should note that it does not think it will be a material issue for validation because the board is waiting until the EU and SEC rules are in place before enforcing the standard.
- In response to a question about whether USEITI needs company level and lease level data for the 2017 Report to say that it has met the disaggregation standard, *an IA representative noted that the main requirement is consistency with the SEC rule when it comes into effect. An ONRR representative further commented that Dodd Frank and the SEC rulemaking allow the U.S. to publish data at company levels but that the MSG can still continue discussions on project-level reporting.*

The EITI International Board will decide if the USEITI MSG's definition of success complies with the guidelines.

- Some comments focused on strategies for meeting the requirement even before SEC 1504 comes into effect, for example by ONRR reporting lease level data. One commenter noted that the Section 1504 law is in place and in effect, which means companies are required to be implementing the law even though first reports won't be out until 2018-19.

Documentation

- The MSG has been good about documenting recommendations from the IA and the associated MSG discussions. The requirement is that the MSG must discuss these issues and document how and why it has decided to address them, and the MSG in fact does that in its meetings.

Nature of the assessment

- Procedurally, what does the MSG need to do? *DOI and ONRR representatives and Mr. Field: The USEITI Secretariat will conduct an initial desk audit and MSG representatives can discuss it with them before the MSG submits it to EITI International. For the International Board to accept the application, the USEITI MSG must reach consensus, but there may be ways to finesse the issue of consensus. Then the International Board will make the final decision.*
- It is in the MSG's best interests to be in full agreement on the scoring for each requirement. It would a powerful statement to send to the Board to say that the U.S. is in complete compliance with the standard and that the full MSG agrees with this self-assessment.
- Can the U.S. still be validated if it fails on one issue? *ONRR and DOI representatives: Overall it is a broad grading system, except for the four requirements that EITI countries cannot fail: government engagement, company engagement, civil society engagement, and timely EITI reporting. The Board will make a determination on every individual requirement then look at all of those assessments cumulatively. They will look at USEITI's implementation in the context of the U.S. and the challenges USEITI has before it.*

Next, Ms. Wilson discussed the validation timeline and consequences of various validation scenarios, depending on the board's assessment of overall progress. She noted that after the first validation, countries have only one additional chance to achieve compliance 3 to 18 months later. If a country is found compliant, it will be reevaluated in three years. Details can be found on Ms. Wilson's presentation slides, as noted above. Participants offered the following comments and questions:

- The U.S. should be light green overall, but the EITI Board seems to believe that the U.S. is orange, indicating inadequate progress, primarily due to the tax issue. The USEITI Secretariat does not think this is a fair assessment. There are other countries considered green that have just as many issues as the U.S. To address

this issue the MSG should come to consensus that the U.S. is light green, and present that to the Board as a unified MSG on April 1, 2018.

- Participants differed in their predictions for how the Board is likely to react to the U.S. candidacy. Some suggested the Board may change how it thinks about validation issues after considering other countries because it will want to avoid suspending a large number of its members. Others suggested that the most essential part of EITI is transparency to citizens on revenues from the extractive sector, and if USEITI cannot provide that through tax information the Board will likely see it as a big problem. One participant suggested that in light of this potential outcome, MSG members should do everything they can to influence the regulatory process in the U.S. in a positive direction. One other participant questioned whether the U.S. will be compared to other wealthy countries or to poor countries that have severe capacity problems.
- Regarding the timing, the Board is currently way behind its validation schedule. It is unlikely that 18 months will actually be the maximum amount of time countries will receive until their second validation. For the U.S., the second validation will be at the end of 2020 at the earliest. It is likely that the regulatory situation in the U.S. will be more settled in time for the U.S. to survive the validation process.
- One participant suggested that USEITI could overcome challenges to validation if companies represented in the MSG agreed to disclose their taxes. Other participants noted that this issue is outside the control of MSG industry representatives, who have tried hard to educate their industry colleagues and leaders. Because corporate decisions on whether to disclose taxes are often made at the Board of Directors level, it is very difficult to get them to pay attention to EITI.

Mr. Gould outlined next steps on validation for USEITI, noting that the Implementation Subcommittee will be working on developing strong documentation to support USEITI's application, especially in the more challenging areas. Mr. Mussenden suggested it might be helpful for Implementation Subcommittee workgroups to explore possible areas of agreement on which requirements could be classified as "green" versus "yellow." Ms. Wilson suggested the MSG should be prepared well before the April 1, 2018 deadline with its validation pre-assessment.

IV. Public Comments

There was one public comment on Day 1 and a second on Day 2. On Day 1, Henry Salisman from the Navajo Nation commented that the data portal looks beautiful and thanked the MSG for its work. On Day 2, Henry Salisman, from a Navajo Nation thanked the MSG for its work. He noted he is a Native American citizen interested in the policy. In listening to the conversation, he heard lots of issues related to transparency, beneficial ownership, and the subnational status of Native American tribes, and he appreciated seeing Native American representatives on the MSG.

V. Wrap Up / Closing

Chris Mentasti, USEITI Secretariat, reviewed the decisions made during the meeting. Mr. Field reviewed the action items and noted that they would be distributed to the group.

Mr. Mussenden, DOI and Acting DFO, closed the meeting with some final words. He noted that he had an incredible experience working with the MSG, and it had been wonderful to observe the evolution of the USEITI project. He suggested that USEITI cannot move forward unless there is consensus, and he was heartened and encouraged by the group's ability to work together. He praised the MSG members, wished them well, and thanked them for the opportunity to collaborate with them. Mr. Mussenden adjourned the meeting at 4:00 pm.

VI. Meeting Participants

A. Participating Primary Committee Members

Civil Society

Danielle Brian, Project on Government Oversight, USEITI MSG Advisory Committee Co-Chair
Paul Bugala, American University
Lynda Farrell, Pipeline Safety Coalition
Mike Levine, Oceana
Veronica Slajer, North Star Group
Betsy Taylor, Virginia Polytechnic Institute and State University

Government

Curtis Carlson, Department of the Treasury
Greg Gould, Department of the Interior, USEITI MSG Advisory Committee Co-Chair
Mike Matthews, State of Wyoming - Department of Audit/Mineral Audit Division
Mike Smith, Interstate Oil and Gas Compact Commission

Industry

Stella Alvarado, Anadarko Petroleum
Phillip Denning, Shell Oil Company
Susan Ginsberg, Independent Petroleum Association of America
John Harrington, ExxonMobil
Veronika Kohler, National Mining Association, USEITI MSG Advisory Committee Co-Chair
Johanna Nesseth, Chevron
Michael Blank, Peabody Energy

B. Committee Alternates in Attendance

Civil Society

Daniel Dudis, Public Citizen
Zorka Milin, Global Witness

Jana Morgan, Publish What You Pay
Isabel Munilla, Oxfam America

Government
Jim Steward, Department of the Interior

Industry
Aaron Padilla, American Petroleum Institute
David Romig, Freeport-McMoRan Oil & Gas
Edwin Mongan, BHP Billiton Petroleum

C. Members of the Independent Administrator Team in Attendance

John Cassidy, Deloitte & Touche
Luke Hawbaker, Deloitte & Touche
Alex Klepacz, Deloitte & Touche
John Mennel, Deloitte & Touche
Sarah Platts, Deloitte & Touche
Kent Schultz, Deloitte & Touche

D. Government and Members of the Public in Attendance

Kimbra Davis, Office of Natural Resources Revenue
Troy Dopke, Department of Interior Office of Inspector General
Jerry Gidner, Office of Natural Resources Revenue
Jennifer Goldblatt, Office of Natural Resources Revenue
Mary Beth Goodman, National Security Council
Emily Hague, American Petroleum Institute
Michele Hertzfeld, GSA 18F
Sally Jewell, Secretary of the Interior
Corey Mahoney, GSA 18F
Tim Musal, Department of Interior Office of Inspector General
Paul Mussenden, Department of Interior
Charles Norfleet, Bureau of Ocean Energy Management
Jodie Peterson, Office of Natural Resources Revenue
Kathleen Richardson, Department of Interior Office of Inspector General
Henry Salisman, Navajo Nation
Mia Steinle, Project on Government Oversight
Alexandria Turner, Office of Natural Resources Revenue
Mary Warlick, Bureau of Energy Resources, U.S. Department of State
Lance Wenger, Department of the Interior Office of the Solicitor
Brenda Young, Office of Natural Resources Revenue

E. Facilitation Team

Patrick Field, Consensus Building Institute
Toby Berkman, Consensus Building Institute

F. DOI MSG Support Team

Chris Mentasti, USEITI Secretariat
Judith Wilson, USEITI Secretariat
Kim Oliver, USEITI Secretariat
Nathan Brannberg, Office of Natural Resources Revenue
Robert Kronebusch, Office of Natural Resources Revenue
Treci Johnson, Office of Natural Resources Revenue

VII. Documents Distributed

- MSG Agenda (PDF)
- June MSG Meeting Summary (PDF)
- Executive Summary and Reconciliation Report (PDF)
- MSG Endorsement of Open Data (PDF)
- Beneficial Ownership Roadmap (PDF)
    - Guidance Note 22 (PDF)
- Request for Extension of Adapted Implementation (PDF)
- USEITI Work Plan Narrative (PDF)
- USEITI Work Plan Spreadsheet (PDF)
- USEITI Reporting Decision Matrix (PDF)

VIII. Transcript of Remarks by Secretary Jewell, November 16, 2016

Thank you all and thanks to all of you in the multi-stakeholder group for your hard work on this. It makes me very proud of our country and what we're able to do when we work together. I'm very proud of the work you do. And a special shout out to the Co-chairs, Veronika Kohler and Danielle Brian. Thank you very much. And of course our team at Interior. Paul [Mussenden] has been the champion for this and enlightened me on the whole process when I first got here, and Greg Gould. I'm really proud of the work that they've done and the work that all of you have done, bringing the perspectives of industry, the broad society, and government together.

I had an opportunity to talk with the governor of Alaska, and I appreciate their efforts joining this, and the governor of Wyoming. I was in Mexico not too long ago and urged Mexico to step up as an EITI country. They lose somewhere on the order 30% of their nation's resources between when it is produced and when it's sold and accounted for. There are a whole variety of reasons for that. But the purpose is to address the challenges of resource rich countries where it doesn't benefit all people.

I've played on the website and it's terrific. It's not something I might do for recreation, but it's great and it's making it easier to use. That's really important. I want to thank you

for the work you do and how proud you make me. Few people understand how resource extraction on public lands works in the country.

We just did an event earlier today with Blackfeet tribal leadership — we had them all in my office — and Devon Energy. Devon was voluntarily relinquishing its leases in the Badger-Two Medicine area in Montana. This is a sacred site to the Blackfeet Nation. It's an area bordering Glacier National Park.

There's growing awareness that places are appropriate for development and some places are too special for development. EITI helps shine a spotlight on where development is happening, how important it is to the economy and our country to power our future, and also that it needs to be done in the right ways in the right places. You're helping shine a spotlight and put the data in a much more usable format than it would be available otherwise. I think that's really helpful

The other thing I'd say is it was really chatty when I walked in here. I think that's terrific. Because we might be considered in some cases to be at opposite sides of issues, but when we come together as human beings with a common interest and love of our country, a common interest in economic development, and environmental protection. And if you're a company extracting resources, you want people to know how much you're contributing to the Treasury of the United States. This is exactly what you're doing. We shouldn't be sneaking around and we are not sneaking around.

From the first iteration of the website to where we are now it keeps getting easier to use, and more fun for recreational use. What you're also doing is providing a template, open source, that other people will use. The richest country in the world should be doing that. As the only G7 nation involved in this we are really putting ourselves out there. Open government data is really important.

I was in California for other business. I spent time visiting Google. Google has taken landsat data provided by USGS — what our nation's lands looked like since the satellite functions of 1970s. It's taken all of those magnetic tapes and put them in petabytes of machine-readable format. You can now go to Google Earth and look at a time lapse since the 70s, and see the changes in the landscape, see what's happened to reservoirs, see what's happened to development, see the impact that we have had, see what happened from Superstorm Sandy — it's very obvious when that came through. Open data, machine-readable data, accessible data, in a way that puts it in the hands of ordinary people, helps ordinary people make extraordinary decisions about not just the here but about future generations. That's what you've done with EITI. I want to congratulate you. Now we need to just get certified as an EITI country and then we can take what we've done to the rest of the world as we're already encouraging countries to do. I'm very proud of the work you do. Thank you.

To my colleagues in the Department of Interior who are going to be looking at a transition in political leadership but not a transition of career staff, the importance of staying the course on something like this I can't overstate enough. Those of you in civil society and the industry sectors, and other stakeholders, put yourself in the seat of our career staff right now who have no idea who they're going to be working for. It has got to be really difficult. Things like this help move our nation forward and there's no reason we should go backwards, and they won't because of the work you're doing in this multi-stakeholder group.

A profound thank you to all of you. This is will be my last meeting with all of you, I can guarantee that — unless I become a stakeholder, but I'll take a long break before I do that.

It has been a privilege and a pleasure to get to know your work, to meet with you in a setting like this, and see the contributions you've made that will make a difference not just now but for many generations to come. Thank you and congratulations.

USEITI
The United States Extractive Industries Transparency Initiative

Reporting Template

General Information (Box 1)	
Corporate Entity Name	
Entity Type	
Period for Reporting	1/1/2016 - 12/31/2016

Reported Payments (Box 2)		
Government Payee	**Revenue Streams**	
ONRR		
	Royalties	
	Rents and Bonuses	
	Other Revenues	
BLM		
	Bonus and First Year Rentals	
	Permit Fees	
	Other Revenues	
OSMRE		
	AML Fees including Audits and Late Charges	
	Civil Penalties including Late Charges	
IRS		

DRAFT as of 1/17/2017

USEITI

The United States Extractive Industries Transparency Initiative

Reporting Template Guidelines

DRAFT

DRAFT as of 1/17/2017

Table of Contents

DRAFT as of 1/17/2017

A. Introduction

The purpose of this document is to provide guidance for companies to complete the United States Extractive Industries Transparency Initiative (USEITI) Reporting Template. As a part of the USEITI process, the US will publish a report that discloses the payments made by extractive industry companies for extractive related activities, including royalties, rents, bonuses, taxes, and other payments. This primarily refers to payments listed on page 2 of this document, made to government entities for extractive activities occurring on Federal leases and properties, with few exceptions. More information on USEITI is included at http://www.doi.gov/eiti.

A Multi-Stakeholder Group (MSG) oversees the USEITI process. An Independent Administrator (IA) is appointed by the MSG; Deloitte & Touche LLP serves as the IA for this report. The IA's role for the 2017 USEITI report is to collect and report the revenue data submitted by companies. Data submitted will not be subject to any audit or reconciliation procedures by the IA and no reconciliation procedures will be performed on the data submitted by companies for the 2017 Report.

Appendix A: Terms and Definitions Reference Guide contains a listing of definitions of terms included in this document and on the 2017 USEITI Reporting Template.

B. General Template Instructions

Please utilize the information included in this document to complete the 2017 USEITI Reporting Template.

An electronic version of the Reporting Template has been provided. If there are questions about the template or the information needed to complete the template, please send questions to:

USEITIDataCollection@Deloitte.com

General Information (Box 1)

Corporate Entity Name: Indicate the name of your corporate entity.

Entity Type: We request that you identify the type of incorporation for your company (S Corporation, C Corporation, Limited Partnership, Limited Liability Company, etc.).

Period for Reporting: Companies should provide payment data only for the period of CY 2016, which is January 1, 2016 through December 31, 2016. Only the payments made or reported during CY 2016 should be included in the amounts reported on the template.

The period in which the fees were incurred is not relevant; reporting should be based on the period in which the actual transaction to pay or report the fees occurred.

The reporting currency for the USEITI report is US dollars (USD); all amounts reported in the Reporting Template should be in USD.

Table B-1 provides a summary of the government revenue streams determined in-scope for USEITI reporting for CY 2016 by the USEITI MSG. The table lists these streams by the government entity that collects the revenue along with a brief description of each revenue stream. Companies only need to report payments made for these specific revenue streams. Please report payment amounts in Box 2, Reported Payments, in the column titled "Amount Paid (USD $)" on the template.

This request is only for total payment amount data for each revenue stream.

Table B-1 In-Scope Revenue Streams

Government Payee	Revenue Stream	Description
ONRR	Royalties	All Royalties reported to ONRR on Form ONRR-2014 or CMP-2014, the Production and Royalty (P&R) Reporting System, or through direct billing activity **(see Reporting Guidelines: Table C-1)**
ONRR	Rents and Bonuses	All Rents and Bonuses reported to ONRR on Form ONRR-2014, the Production and Royalty (P&R) Reporting System, or through direct billing activity **(see Reporting Guidelines: Table C-2)**
ONRR	Other Revenues	All non-royalty, rent, or bonus revenues reported to ONRR on the Form ONRR-2014 or CMP-2014, Production and Royalty (P&R) Reporting System, or through direct billing activity; *and* Fees for annual inspections performed by BSEE on each offshore permanent structure and drilling rig that conducts drilling, completion, or workover operations; *and* Civil Penalties collected by ONRR on behalf of ONRR, BOEM, and BSEE **(see Reporting Guidelines: Table C-3)**
BLM	Bonus and First Year Rentals	Payments made by the winning bidder of an onshore lease at a BLM lease sale **(see Reporting Guidelines: Table C-4)**
BLM	Permit Fees	All Permit Fees paid such as Application for Permit to Drill Fees, Mining Claim and Holding Fees, any Fees paid pursuant to the Mineral Leasing Act, etc. **(see Reporting Guidelines: Table C-5)**
BLM	Other Revenues	Wind, Solar, and Biomass Projects **(see Reporting Guidelines: Table C-6)**
OSMRE	AML Fees	Abandoned Mine Land (AML) Fees including AML Fees assessed from audits as well as any late charges paid **(see Reporting Guidelines: Table C-7)**
OSMRE	Civil Penalties	Civil Penalties assessed on violations of the Surface Mining Control and Reclamation Act including any late charges paid **(see Reporting Guidelines: Table C-8)**
IRS	Taxes	Corporate Tax Payments to IRS **(see Reporting Guidelines: Table C-9)**

Additional details and guidance for each of the revenue streams listed in table *B-1 In-Scope Revenue Streams* are included in the respective tables within section C. These details provide explanation for how companies should determine the amounts to report for each revenue stream. The additional guidance includes information on the specific transaction types on government reporting forms that are included in the amounts companies should report.

There may also be instances where companies make payments to government entities based on direct billing activity, or other means such as only a check with a lease number referenced, rather than through a specific government reporting form. In these instances, the "Report Type" column in the table will show "Direct Billing" rather than the name of a standard reporting form with a related transaction code.

C. Reporting Guidelines

Payments to Office of Natural Resources Revenue (ONRR)

Royalties Paid to ONRR

Table C-1 outlines the transactions that make up the Royalties revenue stream. These include amounts reported or paid to ONRR on the Form ONRR-2014, Form CMP-2014, Form ONRR-4430, or through direct billing activity from ONRR. The amount reported for royalties should equal the amounts your company reported to ONRR on the respective forms during CY 2016 in addition to any invoices actually paid during CY 2016.

Table C-1 Royalties Paid to ONRR

Report Type	Transaction Code (ONRR-2014) *or* Submit Type Code (P&R)	Transaction Description
ONRR-2014 *or* CMP-2014	01	**Royalty Due**—Report royalties due in value on producing Federal leases
ONRR-2014 *or* CMP-2014	08	**Royalty In Kind (Other)**—Report non-Strategic Petroleum Reserve transactions for RIK oil and gas leases
ONRR-2014 *or* CMP-2014	10	**Compensatory Royalty Payment**—Report royalty value due on oil and gas that has been drained from Federal land by a well on another property
ONRR-2014 *or* CMP-2014	11	**Transportation Allowance**—Report a transportation allowance against the royalty due
ONRR-2014 *or* CMP-2014	15	**Processing Allowance**—Report a processing allowance against the royalty due
ONRR-2014 *or* CMP-2014	40	**Net Profit Share - Profitable**—Report sales and royalties on NPS leases for profitable months
ONRR-4430 (P&R)	ADJ	**Royalty Due**—Report royalties due in value on producing Federal leases - adjust volume and/or value
ONRR-4430 (P&R)	PR	**Royalty Due**—Report royalties due in value on producing Federal leases - original submission
Direct Billing	N/A	**Interest on Royalties**—Report payor reported interest due to ONRR

Rents and Bonuses Paid to ONRR

Table C-2 outlines the transactions that make up the Rents and Bonuses revenue stream. These include amounts reported or paid to ONRR on the Form ONRR-2014, Form ONRR-4430, or through direct billing activity from ONRR. The amount reported for rents and bonuses should equal the amounts your company reported to ONRR on the respective forms during CY 2016 in addition to any invoices actually paid during CY 2016. In the case of any duplicate rent payments made during the period, please do not include the duplicate rent amount paid.

Table C-2 Rents and Bonuses Paid to ONRR

Report Type	Transaction Code (ONRR-2014) *or* Submit Type Code (P&R)	Transaction Description
ONRR-2014	04	**Rental Payment**—Report the payment of un-recoupable rent for a lease
ONRR-2014	05	**Advance Rental Credit**—Report the payment of recoupable rent for a lease
ONRR-2014	25	**Recoup Advance Rental Credit**—Report a recoupment of a previously paid recoupable rent against net royalties paid
ONRR-4430 (P&R)	RENT	**Rental Payment**—Report the payment of un-recoupable rent for a lease
ONRR-4430 (P&R)	RCPRN	**Advance Rental Credit**—Report the payment of recoupable rent for a lease
ONRR-4430 (P&R)	RERNT	**Recoup Advance Rental Credit**—Report a recoupment of a previously paid recoupable rent against net royalties paid
Direct Billing	N/A	**Nominally-Deficient Rent**—Report deficient rental payments
Direct Billing	N/A	**Rental Payment**—Report the payment of un-recoupable rent for a lease
Direct Billing	N/A	**Rental Recoupment**—Report a recoupment of a previously paid recoupable rent against net royalties paid
Direct Billing	N/A	**Right of Way/Use Rent Assessment**—Report annual right of way/use payments for offshore properties
ONRR-2014	67	**Bonus Rentals**—Deferred
ONRR-4430 (P&R)	DBONS	**Bonus Rentals**—Deferred
Direct Billing	N/A	**Bonus Payment** (Winning Bidder Only)
Direct Billing	N/A	**Underpaid Deferred Bonus**

Other Revenues Paid to ONRR

Table C-3 outlines the transactions that make up the Other Revenues revenue stream. These include amounts reported or paid to ONRR on the Form ONRR-2014, Form ONRR-4430, or through direct billing activity from ONRR, fees for annual inspections performed by BSEE which ONRR collects on behalf of BSEE through direct billing activity, and civil penalties issued by ONRR, BOEM, or BSEE collected by ONRR through direct billing activity. The amount reported for other revenues should equal the amounts your company reported to ONRR on the respective forms during CY 2016 in addition to any invoices actually paid during CY 2016.

Table C-3 Other Revenues Paid to ONRR

Report Type	Transaction Code (ONRR-2014) *or* Submit Type Code (P&R)	Transaction Description
ONRR-2014	02	**Minimum Royalty Payment**—Report the minimum royalty payment for a lease
ONRR-2014	03	**Estimated Royalty Payment**—Report an estimated royalty payment
ONRR-2014	07	**ONRR Settlement Agreement**—Report royalty due on a contract settlement with ONRR
ONRR-2014	09	**Production Fee Incentive**—Report incentives paid for production
ONRR-2014	13	**Quality Bank and Gravity Bank Adjustment**—Report adjustments that reflect the difference in quality (gravity and/or sulfur) between the oil measured at the approved point of royalty settlement and the common stream quality of the pipeline
ONRR-2014	14	**Tax Reimbursement Payment**—Report the royalty on a tax reimbursement
ONRR-2014	16	**Well Fees**—Report a flat fee payable periodically as specified in the lease agreement
ONRR-2014	17	**Gas Storage Agreement - Flat Fee**—Pay for storage of gas when the fee is a fixed amount or is based on the number of acres used to store gas
ONRR-2014	18	**Gas Storage Agreement - Injection Fee**—Report the fee for gas injected into a gas storage formation
ONRR-2014	19	**Gas Storage Agreement - Withdrawal Fee**—Report the fee for gas that was injected into and then withdrawn from a gas storage formation
ONRR-2014	21	**Interest Amount Due ONRR**—Report payor-calculated interest owed to ONRR

Report Type	Transaction Code (ONRR-2014) *or* Submit Type Code (P&R)	Transaction Description
ONRR-2014	22	**Interest Amount Owed To Payor**—Report payor-calculated interest ONRR owes payor (for Federal leases only)
ONRR-2014	31	**Contract Settlements Payment**—Report royalty due on contract settlement payments between you and a third party
ONRR-2014	32	**Advance Royalty**—Report advance royalty amount due for specific products (all coal and non-coal)
ONRR-2014	33	**Recoup Advance Royalty**—Report a recoupment of a previously paid advance royalty (all coal and non-coal products)
ONRR-2014	37	**Royalties Due In Lieu Of Severance Tax**—Report royalties due for leases subject to Section 6(a)(9) of the OCS Lands Act of 1953, as amended
ONRR-2014	38	**Additional Royalty Due For OCSLA, Section (6)(A)(9) Leases**—Report additional royalties of 1/32, 1/48 and 1/64 due under Section 6(a)(9) leases
ONRR-2014	39	**Net Profit Share – Unprofitable**—Report incentive for drilling in areas that otherwise wouldn't be profitable
ONRR-2014	52	**Recoup Minimum Royalty Paid in Advance (MRPIA)**—Report a recoupment of a previously paid minimum royalty recoupable amount.
ONRR-4430 (P&R)	ADVRY	**Advance Royalty**—Report advance royalty amount due for specific products (non-coal only)
ONRR-4430 (P&R)	CONSP	**Contract Settlements Payment**—Report royalty due on contract settlement payments between you and a third party
ONRR-4430 (P&R)	MNROY	**Minimum Royalty Payment**—Report the minimum royalty payment for a lease
ONRR-4430 (P&R)	MRPIA	**Minimum Royalty Payment**—Report the minimum royalty payable in advance for a lease (non-coal only)
ONRR-4430 (P&R)	RADRY	**Recoup Advance Royalty**—Report a recoupment of a previously paid advance royalty (all coal & non-coal products)
ONRR-4430 (P&R)	RCPMR	**Recoup Minimum Royalty Paid In Advance**—Report the recoupment of a previously paid advance minimum royalty (non-coal only)
Direct Billing	N/A	**Gas Storage Fee**—Fee for the storage of natural gas

Report Type	Transaction Code (ONRR-2014) *or* Submit Type Code (P&R)	Transaction Description
Direct Billing	N/A	**In Lieu of Production**—Report payments in lieu of production
Direct Billing	N/A	**Interest Amount Due ONRR**—Report difference between payor-calculated interest and ONRR calculated interest results in underpayment to ONRR
Direct Billing	N/A	**Interest Amount Owed To Payor**—Report difference between payor-calculated interest and ONRR calculated interest results in overpayment to ONRR
Direct Billing	N/A	**Interest Amount Due ONRR**—Report difference between payor-calculated interest and ONRR calculated interest results in underpayment to ONRR
Direct Billing	N/A	**Interest Amount Owed To Payor**—Report difference between payor-calculated interest and ONRR calculated interest results in overpayment to ONRR
Direct Billing	N/A	**Interest on Invoices**—Report interest billed for any invoice paid late
Direct Billing	N/A	**Liquidated Damages**—Report charges for providing incorrect or no payment information
Direct Billing	N/A	**Minimum Royalty**—Report the minimum royalty for a lease
Direct Billing	N/A	**Oil and Gas Adjustment**—Report oil and gas adjustments
Direct Billing	N/A	**On Account**—Report payments on account to ONRR
Direct Billing	N/A	**Payor Calculated Interest**—Report payor-calculated interest
Direct Billing	N/A	**Storage Fee**—Report fees for storage
Direct Billing	N/A	**Underpaid Advance Royalty (Solids)**
Direct Billing	N/A	**Underpaid Minimum Royalty**—Report additional minimum royalties due
Direct Billing	N/A	**Underpaid Rent**—Report additional rental payments due
Direct Billing	N/A	**Well Fees**—Report a flat fee payable periodically as specified in the lease agreement
Direct Billing	N/A	**Fees for annual inspections** performed by BSEE on each offshore permanent structure and drilling rig that conducts drilling, completion, or workover operations

Report Type	Transaction Code (ONRR-2014) *or* Submit Type Code (P&R)	Transaction Description
Direct Billing	N/A	**ONRR Civil Penalties**
Direct Billing	N/A	**BOEM Civil Penalties**
Direct Billing	N/A	**BSEE Civil Penalties**

Payments to Bureau of Land Management (BLM)

Bonus and First Year Rentals Paid to BLM

Table C-4 outlines the transactions that make up the BLM Bonus and First Year Rentals revenue stream. We understand that companies generally make and record a payment to BLM of the bid amount (bonus) and the first year rental amount when awarded the winning bid on a lease. Companies should report payments made only where the bid submitted was the winning bid. **Companies should exclude payments made for deposits where their bid did not win and BLM returned the deposit amount.**

Although BLM subsequently transfers these payments of bonus and rent to ONRR, they are a separate revenue stream for USEITI. This separation better reflects how companies make and record these payments to government agencies.

Table C-4 Bonus and First Year Rentals Paid to BLM

Report Type	Transaction Code	Transaction Description
Form 3000-002	N/A	Payments made by the winning bidder of an onshore lease at a BLM lease sale

Permit Fees Paid to BLM

Table C-5 outlines the transactions that make up the BLM Permit Fees revenue stream. These include amounts reported or paid to BLM on various forms. These fees include all types of permit fees paid to BLM, such as Application for Permit to Drill Fees, Mining Claim and Holding Fees, and any fees paid pursuant to the Mineral Leasing Act.

Table C-5 Permit Fees Paid to BLM

Report Type	Transaction Code	Transaction Description
Form 3160-003	N/A	Application for Permit to Drill Fee - APD (O&G)
Form 3000-002, Form 3000-003, Form 3000-003a, *or* Form 3160-008	N/A	Processing Fees for Assignments/Record Title, Competitive/Non-Competitive Leases, Name Changes/Mergers, On Railroad R/W, Overriding Royalty Assignment, Reinstatements, Transfer Operating Rights, Closed Cases (O&G)
Notice of Intent to Abandon (NIA) *or* Subsequent Report Plug and Abandon (SRA) using: Form 3160-005 *or* Form 3160-009	N/A	Incidents of Non-Compliance related to Abandonment, Drilling, Environmental, and Production Penalties (O&G)
Form 3400-012 *or* Form 3440-001	N/A	Processing Fees for Competitive Lease, Exploration License, Lease Modification, Logical Mining Unit Formation/Modification (Coal)
Form 3520-007 *or* Form 3600-009	N/A	Processing Fee and Bonds for Competitive/Non-Competitive Lease Sale (Mineral Materials)
Form 3520-007 *or* Form 3600-009	N/A	Sand and Gravel Sales (Mineral Materials)
Form 3830 *or* Form 3860	N/A	Mining Claim Fee—Not New $155 (Locatable Minerals)
Form 3830 *or* Form 3861	N/A	New Mining Claim Location Fee $37(Locatable Minerals)
Form 3830 *or* Form 3862	N/A	New Mining Claim Maintenance Fee $155 (Locatable Minerals)
Form 3830 *or* Form 3863	N/A	New Mining Claim Processing Fee $20 (Locatable Minerals)
Form 3150-004 *or* Form 3150-008a	N/A	Oil Shale R&D Nominations Processing Fee (Locatable Minerals)

Other Revenues Paid to BLM

Table C-6 outlines the transactions that make up the BLM Other Revenues revenue stream. The BLM collects these fees for various renewable projects through direct billing activities.

Table C-6 Other Revenues Paid to BLM

Report Type	Transaction Code	Transaction Description
Direct Billing	N/A	Wind, Solar, and Biomass Project Fees

Payments to Office of Surface Mining, Reclamation and Enforcement (OSMRE)

AML Fees Paid to OSMRE

Table C-7 outlines the transactions that make up the OSMRE AML Fees revenue stream. These include fees paid or reported to OSMRE quarterly on the OSM-1 Form. This also includes amounts paid for fees assessed from audits and any late charges incurred. Payments made to OSMRE may relate to activities on all land categories (Federal, Indian, State, and Fee/Private).

Table C-10 AML Fees Paid to OSMRE

Report Type	Transaction Code	Transaction Description
OSM-1	N/A	Abandoned Mine Land (AML) Fees paid quarterly on coal tonnage reported on the Coal Reclamation Fee Report (OSM-1 Form) including AML Fees assessed from audits, as well as any late charges paid

Civil Penalties Paid to OSMRE

Table C-8 outlines the transactions that make up the OSMRE Civil Penalties revenue stream. These include amounts paid directly to OSMRE from civil penalties assessed by OSMRE through direct billing activity. Payments made to OSMRE may relate to activities on all land categories (Federal, Indian, State, and Fee/Private).

Table C-8 Civil Penalties Paid to OSMRE

Report Type	Transaction Code	Transaction Description
Direct Billing	N/A	Civil Penalties assessed on violations of the Surface Mining Control and Reclamation Act where OSMRE is the regulatory authority (Tennessee, Washington, and certain tribal lands) including any late charges paid

Payments to Internal Revenue Service (IRS)

Taxes Paid to the IRS

Table C-9 outlines the IRS transaction codes that make up the Taxes revenue stream. These include all corporate income tax payments made to the IRS by C Corporations during CY 2016 and any tax refunds paid out. Companies should report a net amount of actual tax payments and tax refunds made or received during CY 2016, regardless of the period of activity to which the taxes relate. **For companies that are not C Corporations and do not pay consolidated federal corporate income taxes, this section of the template is not applicable.**

Table C-9 Taxes paid to the IRS

IRS Transaction Codes Tax Payments	Transaction Description
610	Remittance with Return
620	Initial Installment Payment, Form 7004
640	Advanced Payment of Determined Deficiency or Underreported Proposal
660	Estimated Tax - Federal Tax Deposit
670	Subsequent Payment
680	Designated Payment of Interest
690	Designated Payment of Penalty
720	Refund Payment
IRS Transaction Codes Tax Refunds	**Transaction Description**
840	Manual Refund
841	Cancelled Refund Check Deposited
846	Refund of Overpayment

D. Company Contact Information

On the template in Box 4, Company Contact Information, we request that your company provide contact information; including name, title/position, phone number, and email address, for an appropriate individual that the IA can reach out to directly if additional communication is required.

E. Reliability of Data – Management Sign-off

The EITI Standard requires that the IA and the MSG obtain a sign-off from a senior company official to attest that the completed reporting template is a complete and accurate record. We are requesting that your company identify an appropriate senior level official according to your organizational structure to provide the necessary assurance and sign the completed template in Box 5, Management Sign Off.

F. Company and Subsidiary Identification

In the event your company is a parent company with subsidiary and affiliate companies, please report all figures in the template at a consolidated parent company level, meaning that the reported amounts should reflect total payments made by each consolidated company.

We ask that you please also complete Box 6 of the reporting template, List of Parent Company Subsidiaries, in order to help us identify all subsidiary or affiliate companies included in your consolidated payment amount. Please list each of the subsidiaries that make payments to each DOI bureau and any related payor or customer identification codes used for each of those companies for each respective bureau.

G. Submission

We request all companies submit completed Reporting Templates to the USEITI IA no later than **September 30, 2017**. Companies can submit completed Reporting Templates through email (including digitally signed PDF or a signed and scanned document) or through a mailed, physical hard copy.

Commented [AK1]: This date should be discussed.

Address templates submitted by mail to:

USEITI Independent Administrator
C/O Deloitte & Touche, LLPF
1919 North Lynn Street
Arlington, VA 22209

Send electronic copies to the USEITIDataCollection@Deloitte.com mailbox.

H. Data Security Measures

The IA will take precautions to safeguard the data as follows:

IA Responsibilities

- The IA will provide password protected reporting templates to companies when distributed electronically.
- The IA will destroy or delete non-relevant information inadvertently provided.
- The IA will work on security-encrypted laptops and email communications will be through secure email servers.
- Each template will have a different password that addresses current government encryption standards.

Reconciling Company Responsibilities

Companies submitting the reporting template via electronic submission should utilize the following guidelines:

- Submit completed templates directly to the IA.
- The reporting templates should be password encrypted when submitted to the IA.
- If the template password has changed from the password sent with the template, please provide a separate communication to the IA to notify of the new template password.

I. Questions and guidance regarding completion of template

Should any questions arise while completing the reporting template, you should contact the Independent Administrator at:

USEITIDataCollection@Deloitte.com

We will reply to any such queries as soon as possible.

Appendix A: Terms and Definitions Reference Guide

This document uses the following acronyms and abbreviations:

Abbreviation	Definition
AML	Abandoned Mine Land Reclamation Program
BLM	Bureau of Land Management
BOEM	Bureau of Ocean Energy Management
BSEE	Bureau of Safety and Environmental Enforcement
CY	Calendar Year
DOI	Department of the Interior
EITI	Extractive Industries Transparency Initiative
Form ONRR-2014	Report of Sales and Royalty Remittance
Form ONRR-4430	Solid Minerals Production and Royalty Report
Form CMP-2014	Compliance Activity Specific Report
Form OSM-1	Coal Reclamation Fee Report
IA	Independent Administrator
IRS	Internal Revenue Service
OCSLA	Outer Continental Shelf Lands Act
O&G	Oil and Gas
ONRR	The Office of Natural Resources Revenue
OSM	The Office of Surface Mining
OSMRE	The Office of Surface Mining, Reclamation and Enforcement
P&R	Production and Royalty Reporting System (see Form ONRR-4430)
USEITI	United States Extractive Industries Transparency Initiative

RE: Curtis Carlson - Mainstreaming Feasibility Interview

From:	"Platts, Sarah (US - Arlington)" <splatts@deloitte.com>
To:	"Carlson, Curtis" <curtis.carlson@treasury.gov>, "Hawbaker, Luke Malcolm (US - San Francisco)" <lhawbaker@deloitte.com>
Cc:	"Cassidy, John Kenneth (US - Arlington)" <jocassidy@deloitte.com>
Date:	Thu, 19 Jan 2017 18:30:29 +0000
Attachments:	Mainstreaming Feasibility Preread_2017Jan_vF.pdf (259.16 kB); USEITI Mainstreaming Feasibility Study Interview Guide_Jan2017_vF.pdf (196.8 kB)

Hi Curtis –

Look forward to chatting soon! Attached is a pre-read document for your reference as well as a copy of some of the questions we'll go through.

Best,
Sarah

-----Original Appointment-----
From: Platts, Sarah (US - Arlington)
Sent: Tuesday, January 17, 2017 9:59 AM
To: Platts, Sarah (US - Arlington); Curtis.Carlson@treasury.gov; Hawbaker, Luke Malcolm (US - San Francisco)
Cc: Cassidy, John Kenneth (US - Arlington)
Subject: Curtis Carlson - Mainstreaming Feasibility Interview
When: Thursday, January 19, 2017 2:00 PM-3:00 PM (UTC-05:00) Eastern Time (US & Canada).
Where: 1-888-998-2663,,59339#

FW: [SHORT FUSE] Statement of Administration Policy on Bills to Nullify Several Agency Rules [MJR-115-2]

From: "Hurley, John" <john.hurley@treasury.gov>
To: watsonml@state.gov
Cc: "Carlson, Curtis" <curtis.carlson@treasury.gov>
Date: Mon, 30 Jan 2017 20:52:29 +0000
Attachments: HJRes __ Combined CRA SAP Circulation.docx (14.35 kB)

Hi Micah,

Any views from State on the EITI-related joint resolution referenced below that you care to share?

John

From: LLR
Sent: Monday, January 30, 2017 1:24 PM
To: _DL_Int'l Affairs (Front Office Staff); Adams, Christopher; (b)(6) (b)(6) Baker, Susan L; Baukol, Andrew; Bell, Douglas; (b)(6) Berry, Clay; (b)(6) Disabled; (b)(6) Bouzis, Evangelia; (b)(6) (b)(6) L.; Cohen, Arnold D.; (b)(6) (b)(6) Dohner, Robert; (b)(6) Fagan, John; (b)(6) Gacki, Andrea; (b)(6) Granat, Rochelle; (b)(6) Hinton, Veronica; (b)(6) Hull, Leslie; (b)(6) (b)(6) (b)(6) (b)(6) Kaplan, Michael; Kanroth, Robert; Kirby, Jimmy; Latortue, AlexiaDisabled; 'llritems@fms.treas.gov'; (b)(6) Mahaffie, Bob; (b)(6) (b)(6) Martinez, LeonardoDisabled; McDonald, Larry; Meisels, Amy (Greer); Meyer, Eric; Mir, Aimen; Mohlenkamp, Matthew; Orlando, Jason; Peters, Daniel W.Disabled; Pollard, Patricia; (b)(6) (b)(6) ; (b)(6) Schindler, Frederick W.; (b)(6) Disabled; (b)(6) (b)(6) (b)(6) Smith, Bradley; (b)(6) (b)(6) Trew, Heather; (b)(6) Weeks, John; West, Thomas; (b)(6) (b)(6)
Cc: LLR; Ahern, Paul; (b)(6) Ballman, Luke; (b)(6) (b)(6) (b)(6) Bhagowalia, Sonny; (b)(6) (b)(6) Blair, Anita; (b)(6) (b)(6) (b)(6) Cole, Lorraine; Cooper, Iris; Copenhaver, David T.; (b)(6) H.'; 'Counsel.Office@tigta.treas.gov'; (b)(6) Delmar, Richard K.; (b)(6) (b)(6) (b)(6) (b)(6) (b)(6) (b)(6) Harvey, Mariam; (b)(6) Heller-Stein, Colleen; (b)(6) (b)(6) (b)(6) IOC Watch Officers; (b)(6) (b)(6) (b)(6) (b)(6) Klein, Jeffrey; Law, Ryan; (b)(6) (b)(6) (b)(6) (b)(6) @fiscal.treasury.gov'; (b)(6) (b)(6) (b)(6) (b)(6) (b)(6) Merritt, Kristin C.; Metz, Brian L.; (b)(6) Miller, Eli; (b)(6) Munk, Russell; (b)(6) (b)(6) O'Hearn, Francis; (b)(6) ; Peretti, Brian; (b)(6) Phillips, Craig; Prabhakar, Rahul; (b)(6) (b)(6) (b)(6) (b)(6) @irs.gov'; (b)(6) (b)(6) (b)(6) (b)(6) (b)(6) Solomon, Karen O.; Sonfield, Brian; (b)(6) Sutton, Gary; (b)(6) (b)(6) Thomas, Michael, O.; (b)(6) TOC; (b)(6) (b)(6) (b)(6) (b)(6) Vallabhaneni, Krishna; (b)(6) (b)(6) (b)(6)
Subject: [SHORT FUSE] Statement of Administration Policy on Bills to Nullify Several Agency Rules [MJR-115-2]

DEADLINE: 5:00PM TODAY Monday, January 30, 2017

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RE: [SHORT FUSE] Statement of Administration Policy on Bills to Nullify Several Agency Rules [MJR-115-2]

From: "Carlson, Curtis" <"/o=ustreasury/ou=do/cn=recipients/cn=carlsonc">
To: "Hurley, John" <john.hurley@treasury.gov>
Cc: "Baker, Susan L" <susan.baker@treasury.gov>, "Pelton, Billy (Bill)" <bill.pelton@treasury.gov>
Date: Mon, 30 Jan 2017 21:44:02 +0000

This is a policy call. They should know that elimination of the disclosure rule would probably kill the U.S. Extraction Industry Transparency Initiative (U.S. EITI). They may not be concerned about this however.

Curtis Carlson
Office of Tax Analysis
U.S. Department of the Treasury
(b)(6)
curtis.carlson@treasury.gov

From: Hurley, John
Sent: Monday, January 30, 2017 3:50 PM
To: Carlson, Curtis
Cc: Baker, Susan L; Pelton, Billy (Bill)
Subject: FW: [SHORT FUSE] Statement of Administration Policy on Bills to Nullify Several Agency Rules [MJR-115-2]

Hi Curtis,

Flagging for you in case you hadn't seen. Any thoughts?

John

From: Wisner, Peter
Sent: Monday, January 30, 2017 3:46 PM
To: Baker, Susan L; Hurley, John
Cc: Natalucci, Fabio; Sullivan, Matthew; Pelton, Billy (Bill); Berg, Katie; Severens, Alex
Subject: RE: [SHORT FUSE] Statement of Administration Policy on Bills to Nullify Several Agency Rules [MJR-115-2]

Thanks for flagging, Susan.

E&E sees this as more of an anti-corruption and development policy issue, although it also has environmental impacts (mainly through increased transparency in these sectors).

From: Baker, Susan L
Sent: Monday, January 30, 2017 1:31 PM
To: Natalucci, Fabio; Sullivan, Matthew; Pelton, Billy (Bill); Wisner, Peter; Hurley, John
Subject: FW: [SHORT FUSE] Statement of Administration Policy on Bills to Nullify Several Agency Rules [MJR-115-2]

Dear colleagues, It looks like the administration is going to support cancellation of the SEC's rule on extractive industry payments to governments. DFA Section 1504. I'm flagging for E&E and the Development Policy office, since I am not sure how this would feed into the US decision to implement the EITI. Deadline is 5pm today. Susan

H.J. Res. XX would nullify the Securities and Exchange Commission (SEC) rule that requires resource extraction issuers to report payments made to governments for the commercial development of oil, natural gas or minerals. The rule requires companies to disclose information that the host nation of their project prohibits from disclosure or is commercially sensitive. This rule imposes unreasonable compliance costs on American energy companies that are not justified by quantifiable benefits. Moreover, the rule's disclosure requirements are not applied to their foreign competitors, putting American businesses at a competitive disadvantage.

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Sent: Monday, January 30, 2017 1:24 PM
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RE: [SHORT FUSE] Statement of Administration Policy on Bills to Nullify Several Agency Rules [MJR-115-2]

From: "Carlson, Curtis" <"/o=ustreasury/ou=do/cn=recipients/cn=carlsonc">
To: "Watson, Micah L" <watsonml@state.gov>
Cc: "Hurley, John" <john.hurley@treasury.gov>
Date: Mon, 30 Jan 2017 21:45:44 +0000

Eliminating 1504 would make implementation of the EITI standard virtually impossible. It is a policy call, however, if this is what they want to do.

Curtis Carlson
Office of Tax Analysis
U.S. Department of the Treasury
(b)(6)
curtis.carlson@treasury.gov

From: Watson, Micah L [mailto:WatsonML@state.gov]
Sent: Monday, January 30, 2017 4:13 PM
To: Hurley, John
Cc: Carlson, Curtis
Subject: RE: [SHORT FUSE] Statement of Administration Policy on Bills to Nullify Several Agency Rules [MJR-115-2]

Hi – I assume you're referring the DF1504 item, the second in the list, in yellow below. (b)(5) DP

(b)(5) DP

(b)(5) DP Thanks, Micah.

SBU
This email is UNCLASSIFIED.

From: John.Hurley@treasury.gov [mailto:John.Hurley@treasury.gov]
Sent: Monday, January 30, 2017 3:52 PM
To: Watson, Micah L
Cc: Curtis.Carlson@treasury.gov
Subject: FW: [SHORT FUSE] Statement of Administration Policy on Bills to Nullify Several Agency Rules [MJR-115-2]

Hi Micah,

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John

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To: _DL_Int'l Affairs (Front Office Staff); Adams, Christopher; (b)(6) Baker, Susan L; Baukol, Andrew; Bell, Douglas; (b)(6) Berry, Clay; (b)(6) Disabled; (b)(6) Bouzis, Evangelia; (b)(6) L.; Cohen, Arnold D.; (b)(6) ; Dohner, Robert; (b)(6) ; Fagan, John; (b)(6) Gacki, Andrea; (b)(6) ; Granat, Rochelle; (b)(6) Hinton, Veronica; (b)(6) ; Hull, Leslie; (b)(6) (b)(6) Kaplan, Michael; Kaproth, Robert; Kirby, Jimmy; Latortue, AlexiaDisabled; 'llritems@fms.treas.gov'; (b)(6) ; Mahaffie, Bob; (b)(6) Martinez, LeonardoDisabled; McDonald, Larry; Meisels, Amy (Greer); Meyer, Eric; Mir, Aimen; Mohlenkamp, Matthew; Orlando, Jason; Peters, Daniel W.Disabled; Pollard, Patricia; (b)(6) Schindler, Frederick W.; (b)(6) Disabled; (b)(6) Smith, Bradley; (b)(6) Trew, Heather; (b)(6) Weeks, John; West, Thomas; (b)(6)
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From: "Baker, Susan L" <susan.baker@treasury.gov>
To: "Hurley, John" <john.hurley@treasury.gov>
Cc: "Carlson, Curtis" <curtis.carlson@treasury.gov>, "Pelton, Billy (Bill)" <bill.pelton@treasury.gov>, "Natalucci, Fabio" <fabio.natalucci@treasury.gov>
Date: Mon, 30 Jan 2017 22:55:35 +0000

All valid points, but probably nothing we can do about it.

From: Hurley, John
Sent: Monday, January 30, 2017 4:23 PM
To: Baker, Susan L
Cc: Carlson, Curtis; Pelton, Billy (Bill)
Subject: FW: [SHORT FUSE] Statement of Administration Policy on Bills to Nullify Several Agency Rules [MJR-115-2]

FYI

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Sent: Monday, January 30, 2017 4:13 PM
To: Hurley, John
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RE: USEITI MSG Meeting

From: "Carlson, Curtis" <"/o=ustreasury/ou=do/cn=recipients/cn=carlsonc">
To: "Wilson, Judith" <judith.wilson@onrr.gov>
Date: Tue, 31 Jan 2017 14:02:15 +0000

I will be there through the morning on Wednesday. If there is a day two, I can probably be there in the morning.

Curtis Carlson
Office of Tax Analysis
U.S. Department of the Treasury
(b)(6)
curtis.carlson@treasury.gov

From: Wilson, Judith [mailto:judith.wilson@onrr.gov]
Sent: Tuesday, January 31, 2017 9:00 AM
To: Carlson, Curtis
Subject: USEITI MSG Meeting

Curtis,

I know saying you have limited bandwidth and time is an understatement. We still need your support to get us a quorum for the government sector. We have 2 MSG Decisions on Day 1 (Feb. 1) at 10:15 session the MSG has to approve the November Meeting Minutes; at the 10:30 - 12:30 session we have MSD discussion and decision of the 2017 Reconciliation and Reporting Approach.

On Day 2 we have the MSG discussion and approval of the 3 additions to the contextual narrative for the 2017 report (9:45 - 11)

--
Judy Wilson
Program Manager USEITI Secretariat
Office of Natural Resources Revenue
judith.wilson@onrr.gov
202-208-4410

Re: USEITI MSG Meeting

From: "Wilson, Judith" <judith.wilson@onrr.gov>
To: "Carlson, Curtis" <curtis.carlson@treasury.gov>
Date: Tue, 31 Jan 2017 15:03:39 +0000

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On Tue, Jan 31, 2017 at 9:02 AM, <Curtis.Carlson@treasury.gov> wrote:

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>
> Â
>
> ---
>
> Curtis Carlson
>
> Office of Tax Analysis
>
> U.S. Department of the Treasury
>
> (b)(6)
>
> curtis.carlson@treasury.gov
>
> Â
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>
> **Judy Wilson**
>
> **Program Manager USEITI SecretariatÂ**
>
> **Office of Natural Resources Revenue**
>
> **judith.wilson@onrr.gov**
>
> **202-208-4410**

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Judy Wilson
Program Manager USEITI SecretariatÂ
Office of Natural Resources Revenue
judith.wilson@onrr.gov

National Secretariat Circular - February 2017

From: "OS, USEITI" <useiti@ios.doi.gov>

To: Betsy Taylor <betsyt@vt.edu>, Betsy Taylor <betsy.taylor@gmail.com>, Brian Sanson <bsanson@umwa.org>, Daniel Dudis <ddudis@citizen.org>, Danielle Brian <dbrian@pogo.org>, David Chambers <dchambers@csp2.org>, Isabel Munilla <imunilla@oxfamamerica.org>, Jana Morgan <jmorgan@pwypusa.org>, Jennifer Krill <jkrill@earthworksaction.org>, Keith Romig <kromig@usw.org>, Lynda Farrell <lynda@pscoalition.org>, Michael Levine <mlevine@oceana.org>, Michael Ross <mlross@polisci.ucla.edu>, Neil R Brown <neil@neilrobertbrown.com>, Paul Bugala <pbugala@gmail.com>, Rebecca Adamson <radamson@firstpeoples.org>, Veronica Slajer <vaslajer@northstargrp.com>, Zorka Milin <zmilin@globalwitness.org>, Bruce Barnett <bbarnett@choctawnation.com>, Claire Ware <claire.ware007@yahoo.com>, "Carlson, Curtis" <curtis.carlson@treasury.gov>, Greg Gould <greg.gould@onrr.gov>, Jim Steward <jim.steward@onrr.gov>, Julie A Lenoir <jlenoir@blackfeetnation.com>, Marina Voskanian <marina.voskanian@slc.ca.gov>, Michael D Matthews <mike.matthews@wyo.gov>, Mike Smith <mike.smith@iogcc.state.ok.us>, Aaron P. Padilla <padillaa@api.org>, Christopher Chambers <christopher_chambers@fmi.com>, David Romig <david_romig@fmi.com>, Edwin Mongan <edwin.mongan@bhpbilliton.com>, Johanna Nesseth Tuttle <johanna.nesseth@chevron.com>, Michael Gardner (RTHQ) <michael.gardner@riotinto.com>, Nicholas Cotts <nicholas.cotts@newmont.com>, Nicholas Welch <nick.welch@nblenergy.com>, Phillip Denning <phillip.denning@shell.com>, Stella Alvarado <stella.alvarado@anadarko.com>, Susan Ginsberg <sginsberg@ipaa.org>, Veronika Kohler <vkohler@nma.org>

Cc: Alex Klepacz <aklepacz@deloitte.com>, John Kenneth Cassidy (US - Arlington) <jocassidy@deloitte.com>, John Mennel <jmennel@deloitte.com>, Luke Malcolm Hawbaker (US - Arlington) <lhawbaker@deloitte.com>, Sarah Platts (US - Arlington) <splatts@deloitte.com>, amaxwell@deloitte.com

Date: Tue, 31 Jan 2017 18:56:29 +0000

Message from the EITI International Secretariat

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National Secretariat Circular - January 2017

Dear colleagues,

Since October, 18 EITI Reports and 43 beneficial ownership roadmaps have been published, now five countries have made meaningful progress in implementing the EITI Standard, and 25 open data policies are available to the public. These are exciting developments that show how governments,

companies and civil society have used the EITI to help address their challenges, including making direct recommendations on reforms in the extractive sector. Additionally, Timor-Leste became the first country to make a financial contribution to the international management of the EITI.

The EITI is changing and the old world of pass-fail is making way for a more encouraging model which recognises that progress is ongoing and that the focus should be as much on making meaningful reforms as on ticking boxes. Six more Validations began on 1 January including Honduras, Iraq, Mozambique, Philippines, Tanzania and Zambia. Moving forward with beneficial ownership, the next step is now to implement the roadmaps.

I would like to inform you that the EITI Board is carrying out a consultation to help improve how constituencies govern themselves and interact with the EITI at the global level. This consultation will run until 20 February 2017. Your assistance in informing your national stakeholders about this consultation is much appreciated. More details will follow in the coming days.

The EITI Board will hold its next meeting in March in Colombia. If you have specific input to the various Board committee papers, you are invited to contact directly the implementing country representatives on each committee. The contact details are enclosed in this circular.

I look forward to this year as we continue to work together to strengthen the EITI and the impact that it is having in our countries. Open data will be a catalyst for public debate. Taking that further, integrating EITI data collection and presentation into government systems will reduce the costs and need to produce long EITI Reports. I hope that this will free up MSGs and national secretariats to analyse data, contribute to public debate and continue to make recommendations for policy reforms aimed at improving extractive sector governance.

Best wishes,
Jonas Moberg
Head of the International Secretariat

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Regards,

USEITI Secretariat
202-208-0272 Voicemail

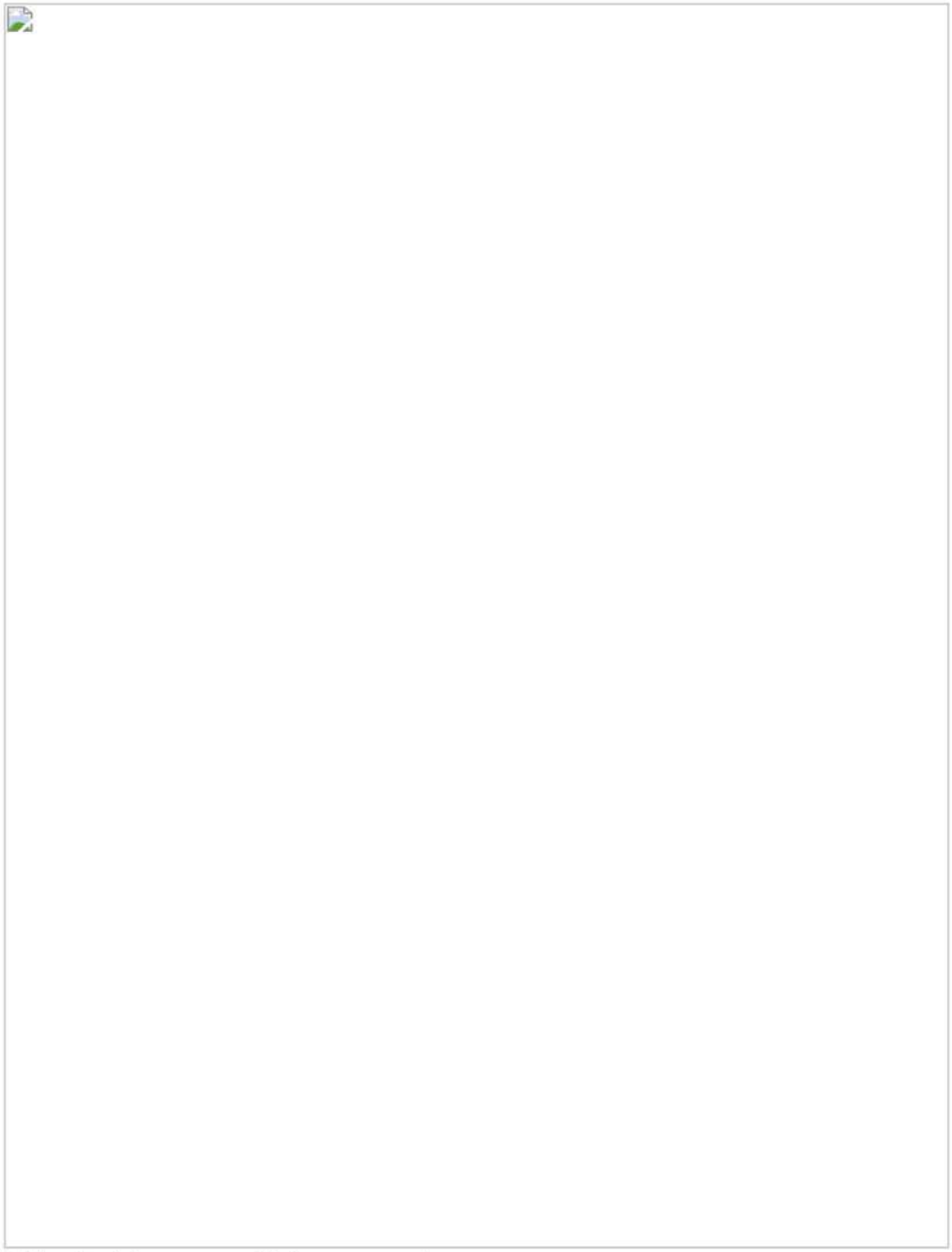
Contents

1. Validations

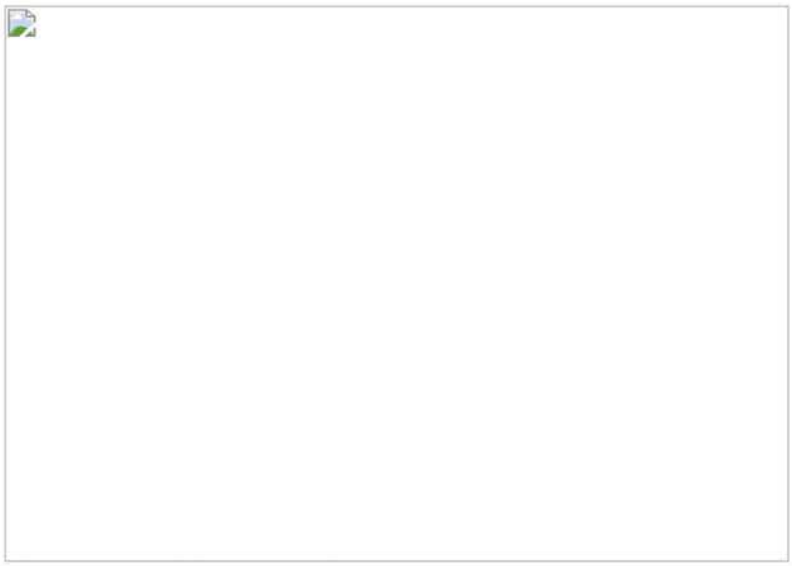
On 11 January, the EITI Board agreed that Mongolia, Nigeria, Peru and Timor-Leste all had made meaningful progress overall in implementing the 2016 EITI Standard. An overview of the Validation results is found below. This decision followed the recently published EITI Validation reports for each of these countries. A decision on Tajikistan has been deferred to the Board meeting in March.

Fredrik Reinfeldt, EITI Chair, said:

"These early cases of Validation under the new EITI Standard show that the process is more demanding and the assessments more nuanced. All four countries have been judged by the EITI Board to have achieved meaningful progress against the new Standard, which assesses the progress that has been made in bringing greater transparency and more effective governance to the sector. The information in these assessments has shown the strengths and weaknesses in each country's extractive sector. Governments, companies and civil society should now reflect on this information and work together to bring further reform."



* Meaningful progress with improvements



2. Beneficial ownership and implementation support

We are excited that 43 of the 51 implementing countries agreed and published beneficial ownership roadmaps by the end of the year, and we understand that several others are in the pipeline. Moreover, at least 20 of these roadmaps include commitments to establish public beneficial ownership registers. This effort places more firmly than ever the EITI on the global agenda terms of the international movement to fight corruption, tax evasion, transfer pricing and other malpractice resulting from hidden ownership. The roadmaps can be accessed here.

The most important next step is to start implementing these roadmaps. To this end, the International Secretariat has prepared more practical and targeted guidance on many of the topics covered in the roadmaps, including developing definitions and thresholds, data collection and publication, level of data and data verification. We encourage you to use these in your discussions with the multi-stakeholder group (MSG) and wider stakeholders on beneficial ownership. Please let us know if there are other topics that you would like guidance on.

Implementation support: The EITI's advisory group on beneficial ownership will from now on increasingly seek to support implementing countries with roadmap implementation. This informal advisory group gathers experts on beneficial ownership to exchange advice and share experience on technical challenges that implementing countries may encounter, and exchange plans on capacity building and other technical and financial assistance plans and opportunities.
National Coordinators and national secretariat staff are invited to join these calls to raise questions related to beneficial ownership as well as support and capacity building needs on the topics indicated for discussion. The calls take place in English. If you are unable to participate in the call, let your Country Manager know and we will bring your requests and questions to the advisory group and facilitate a response. Written input and questions can of course also be in other languages than English. If there is demand for it, we will seek to arrange parallel conversations in other languages.

The schedule for advisory group meetings is the following (call-in details available here):

- **Tuesday 31 January 16:00-17:00 CET** (Overview of beneficial ownership roadmaps, ongoing activities and support needs)
- **Tuesday 28 February 16:00-17:00 CET** (Definitions of beneficial ownership and PEPs)
- **Wednesday 29 March 16:00-17:00 CET** (Data collection approaches and beneficial ownership registers)
- **Thursday 27 April 16:00-17:00 CET** (Data assurance and verification)
- **Tuesday 30 May 16:00-17:00 CET** (Use of beneficial ownership data)
- **Wednesday 28 June 16:00-17:00 CET** (Topic to be suggested)

We are also delighted to report that alongside the targeted support by DFID, the European Bank of Reconstruction (EBRD) has committed to work with us and financially support efforts to advance beneficial ownership transparency in a number of countries in Central Asia, including Armenia, Kazakhstan, Kyrgyz Republic, Mongolia and Tajikistan, and possibly also Azerbaijan and Ukraine.

3. Open Data Policy

As of 31 December 2016, a requirement for multi-stakeholder groups (MSGs) to "Agree a policy on the access, release and re-use of EITI data" (requirement 7.1.b) came into force, as agreed by the EITI Board through the decision on Board paper 34-4-A *Transitional arrangements for the 2016 EITI Standard.*

As of 20 December, 25 countries have agreed open data policies and the policies are published here. An analysis of this work will follow in the next Implementation Progress Report, based on a survey of the International Secretariat.

Preliminary findings show 18 of these open data policies are linked and/or refer to government-wide policies and commitments towards open data. On existing open data practices, the findings are that 31 countries have submitted Summary data files to the Secretariat. However, the majority of EITI countries do not publish data in open formats on their national webpages. Therefore, it is important that we now shift our focus, from creating policies to *implementing* them.

Some examples include US-EITI, as they have not approved an open data policy, but has one of the most comprehensive and interactive EITI data portals. On the other hand, Madagascar has approved and published a policy which refers to wider government commitments, but hasn't published nor submitted any EITI data. Guatemala and Ghana are on opposite sides of the scale, with no policy nor practice so far in Guatemala, while Ghana has an MSG-agreed open data policy, and has a repository covering information from EITI Reports.

4. Upcoming Board meeting in Bogota

The EITI Board is scheduled to hold its first meeting of 2017 on 8-9 March in Bogota, Colombia. Among topics in the agenda are discussions related to EITI Validations including Ghana, Liberia, and São Tomé e Príncipe. The EITI Board will review the beneficial ownership roadmaps and Open Data Policies.

The Government of Colombia is planning several events to coincide with the Board meeting. Events

include hosting an EITI Colombia national event to present progress on EITI implementation covering the 2014-2015 Colombia EITI Report, the results of a pilot of online reporting systems and their online training modules on extractive industries governance across the value chain [Access the virtual modules here]. The International Secretariat will publish news and blogs on www.eiti.org as well as communicate via the various social media during EITI week in Bogota.

5. EITI Reports

Eighteen new **EITI Reports** have been published in the past few months. The Secretariat is still reviewing many of these, but some highlights include:

- In December 2016, **Azerbaijan** published its EITI data for 2015 including details about the country's legal and fiscal regimes, license allocation and registration, contracts, oil sales by the State Oil Company of the Azerbaijan Republic (SOCAR). See the news item here.
- **Cameroon**'s 2014 Report shows an increase in government revenues despite the falling oil prices, thanks to a significant upsurge in oil and gas production and a 50% growth in transit fees from the Chad-Cameroon pipeline.
- **Chad**'s 2014 Report includes for the first time, information about the repayment of oil backed loans from Glencore to the Government of Chad.
- **Colombia**'s 2014-2015 Report includes new information on the enforcement of environmental regulations in the oil, gas and mining sectors.
- **Cote d'Ivoire**'s 2014 Report shows significant increase in gold production and expending mining sector, that reflects government policy to reduce the country's dependence on Cocoa export.
- **Iraq** published its 2015 EITI Report in December including reconciled oil sales by shipment and information on local consumption, explanations of oil-sale processes and, for the first time, some information on subnational transfers.
- **Madagascar**'s 2014 EITI Report includes data on gold exports which provides information on the country's informal gold sector and helps to address the lack of reliable information on employment, production and the informal sector's contribution to the economy.
- **Mongolia**'s 2015 Report includes details of the licensing process, financial management of state-owned enterprises including loans, artisanal and small-scale mining. It also highlighted discrepancies within the government's management the award and transfer of licenses.
- **Nigeria** published its 2014 Oil and Gas and 2014 Solid Mineral reports in December. As in previous years, the reports show that there continued to be unremitted funds to the Federal Account to the tune of some USD 4.7 billion in 2014, while losses from crude-for-product swaps and Offshore Processing Agreements were estimated at almost USD 200 million.
- The **Philippines**'s 2014 EITI Report contains important findings on the mining sector's contribution to the economy both at the national and local levels, and complements and informs other reviews of the sector.
- The **United States** published its second EITI Report in December covering 2014 and 2015. The accompanying data portal (https://useiti.doi.gov/) is one of the most advanced and impressive examples of open EITI data.
- **Zambia**'s 2015 Report shows how the government will seek to fight corporate tax evasion data by improving their systems to monitor mineral resources from extraction to exportation.

6. Committee stocktake

The **Implementation Committee** held its first meeting in 2017 on 19 January, at which Committee members discussed a draft review of the beneficial ownership roadmaps. Requests for extending the deadlines for EITI reporting from four countries (Afghanistan, Indonesia, Timor-Leste and Ukraine) have been submitted for consideration by the Committee. More generally on implementation, in upcoming meetings the Committee will be considering an analysis of published open data policies as well as further updates on mainstreaming and commodity trading (to be included in the Implementation Progress Report for October 2016-February 2017).

- If you have input to these agenda items, please contact your implementing country representative serving on this committee: Committee co-chair, Maria Isabel ULLOA (mulloacruz@gmail.com); Ms Zainab AHMED (ahmedzainab16@hotmail.com); Ms Olga BIELKOVA (d.narezhneva@gmail.com) and Ms Agnès Solange ONDIGUI OWONA (ondiguiagnessolange@yahoo.com).

The **Validation Committee** is meeting several times in the coming weeks to process additional cases ahead of the Board meeting in Bogota. This is expected to include papers on Azerbaijan, Kyrgyz Republic, Ghana, Liberia, Mali, Mauritania, Norway, São Tomé and Príncipe and Solomon Islands.

- If you have input related to these papers, please contact your implementing country representative serving on this committee: Mr Bazarbay NURABAEV (eiti_secretariat@geology.kz); Mr Didier Vincent Kokou AGBEMADON (ico.kodiera@gmail.com) and Professor Jeremy Mack DUMBA (mack.dumba@itierdc.org).

The Secretariat received a candidature application from **Armenia** on 28 December. The application has been made publicly available on the EITI website. The application will be reviewed by the **Outreach and Candidature Committee** on 1 February.

The **Governance and Oversight Committee** held its first call of the year on 10 January and is currently focusing on a number of issues. These include developing a survey that the Board can use to assess its work, updating the 2017 Committee work plan, raising awareness and assessing the EITI's grievance mechanisms and preparing a broad stakeholder consultation to help improve constituency governance.

- If you have input to this work and consultation, please contact your implementing country representative serving on this committee: Mr Didier Vincent Kokou AGBEMADON (ico.kodiera@gmail.com); Professor Jeremy Mack DUMBA (mack.dumba@itierdc.org) and Mr Victor HART (victorhart9@gmail.com).

7. Funding from implementing countries

Following the agreement that implementing countries were required to provide at least USD 10 000 per year to the EITI international management, Timor-Leste has become the first implementing country government to make a contribution, providing USD 25 000 for 2017. The International Secretariat thanks them sincerely and understands that many implementing countries are making arrangements to provide their contributions. If you have any questions on making these contributions, please contact Leah Krogsund (lkrogsund@eiti.org).

8. New: Board decisions register available online

Since the first EITI Board meeting, the Board decisions have always been recorded in the Board minutes, which are publicly available on our website. To make the decisions easier to access, the Secretariat has set up a register of Board decisions on our website: eiti.org/board-decisions. So far the register covers Board meetings since Lima in February 2016. The page is available in English only for the moment, with a French version planned to follow shortly.

The aim is to provide more clarity on what and when decisions are taken by the EITI Board. Please note that approved minutes and Board circulars, the sources, take precedence over any information made available in the register.

9. Consultation to improve constituency governance

The EITI Board invites all EITI stakeholders to participate in a broad consultation amongst stakeholders to help improve how constituencies govern themselves and interact with the EITI at the global level. The consultation runs until 20 February 2017.

Your assistance in informing your national stakeholders about this consultation is much appreciated. More information can be found here.

Our mailing address is:
EITI International Secretariat
Ruseløkkveien 26
Oslo, Oslo 0251
Norway

RE: reconciliaiton -- reporting

From: "Carlson, Curtis" <"/o=ustreasury/ou=do/cn=recipients/cn=carlsonc">
To: "Wilson, Judith" <judith.wilson@onrr.gov>
Date: Wed, 01 Feb 2017 21:59:31 +0000

Thanks

Curtis Carlson
Office of Tax Analysis
U.S. Department of the Treasury
(b)(6)
curtis.carlson@treasury.gov

From: Wilson, Judith [mailto:judith.wilson@onrr.gov]
Sent: Wednesday, February 01, 2017 4:49 PM
To: Carlson, Curtis
Subject: Re: reconciliaiton -- reporting

Yes

On Wed, Feb 1, 2017 at 3:20 PM, <Curtis.Carlson@treasury.gov> wrote:
Can you let me know if the MSG approved the new reporting template? I want to let IRS know that we are out of the reconciliation business one way or another even if the MSG were to continue.

Thanks,
Curtis

Curtis Carlson
Office of Tax Analysis
U.S. Department of the Treasury
(b)(6)
curtis.carlson@treasury.gov

--
Judy Wilson
Program Manager USEITI Secretariat
Office of Natural Resources Revenue
judith.wilson@onrr.gov
202-208-4410

RE: EITI

From: Johnson Barry W <barry.w.johnson@irs.gov>
To: "Carlson, Curtis" <curtis.carlson@treasury.gov>
Date: Wed, 01 Feb 2017 22:24:39 +0000

Thanks for the update. I appreciate your keeping me in the loop.

Barry W. Johnson
Director, Statistics of Income Division
Internal Revenue Service
(b)(6)

From: Curtis.Carlson@treasury.gov [mailto:Curtis.Carlson@treasury.gov]
Sent: Wednesday, February 01, 2017 5:18 PM
To: Johnson Barry W
Subject: EITI

Barry,

I wanted to let you know that we are out of the EITI reconciliation business. There is a good chance the entire US EITI process will collapse as Congress is voting to kill the 1504 SEC regulations, which are the foundation of EITI and they only need a majority to make this change under the Congressional Review Act. Even if US EITI were somehow to limp along, the multi-stakeholder group just voted to only report payments but not attempt to reconcile payments relying on the underlying auditing process to argue that the figures have already been reconciled. They were planning on relying on the reported payments to the SEC under 1504 for taxes but the Congressional action is putting this in doubt. Even with 1504 reporting, this may not be deemed to be compliant with the international EITI rules but I think everyone thought this was the only realistic way forward.

I'm betting that this entire process is over but regardless of where things go we shouldn't have to worry about reconciliation.

Curtis

Curtis Carlson
Office of Tax Analysis
U.S. Department of the Treasury
(b)(6)
curtis.carlson@treasury.gov

RE: Enrolled Bill HJRes 41

From: "Klein, Jeffrey" <jeffrey.klein@treasury.gov>
To: "Driano, Susan" <susan.driano@treasury.gov>, "Hurley, John" <john.hurley@treasury.gov>, "Carlson, Curtis" <curtis.carlson@treasury.gov>, "Baker, Susan L" <susan.baker@treasury.gov>, "Stuart, Patrick" <patrick.stuart@treasury.gov>, "Veltri, Joanna" <joanna.veltri@treasury.gov>
Cc: "Wisner, Peter" <peter.wisner@treasury.gov>, "Sullivan, Matthew" <matthew.sullivan@treasury.gov>, "Pelton, Billy (Bill)" <bill.pelton@treasury.gov>
Date: Mon, 06 Feb 2017 20:34:50 +0000

Just to the original IA group – yes, it's possible to be wishy-washy. Capital Markets disagrees on the points IA and tax policy inserted in the memo (on materiality and the EITI), so the purpose of the call is to see if we can resolve those two sentences and agree on a final recommendation.

From: Driano, Susan
Sent: Monday, February 06, 2017 2:37 PM
To: Klein, Jeffrey; Hurley, John; Carlson, Curtis; Baker, Susan L; Stuart, Patrick; Veltri, Joanna
Cc: Wisner, Peter; Sullivan, Matthew; Pelton, Billy (Bill)
Subject: RE: Enrolled Bill HJRes 41

Doing that now.
I messed up and was editing the wrong memo – tried to back out of it but it may have autosaved.

Does Treasury have to take a pro or con position? At most, it seems the facts bring us to neutral.
Can we be wishy/washy?
SD

From: Klein, Jeffrey
Sent: Monday, February 06, 2017 2:21 PM
To: Hurley, John <John.Hurley@treasury.gov>; Carlson, Curtis <Curtis.Carlson@treasury.gov>; Baker, Susan L <Susan.Baker@treasury.gov>; Stuart, Patrick <Patrick.Stuart@treasury.gov>; Driano, Susan <Susan.Driano@treasury.gov>; Veltri, Joanna <Joanna.Veltri@treasury.gov>
Cc: Wisner, Peter <Peter.Wisner@treasury.gov>; Sullivan, Matthew <Matthew.Sullivan@Treasury.gov>; Pelton, Billy (Bill) <Bill.Pelton@treasury.gov>
Subject: RE: Enrolled Bill HJRes 41

Great, I'll look forward to edits. All should take a look at the AM on the CT case (Enrolled Bill HJRES41, 2017-SE-0220). The current recommendation (proposed by Capital Markets) is to support the bill disapproving the SEC Rule. If folks disagree, now is the time to raise with Capital Markets. If all are ok with the proposal, then the goal would simply be to accurately reflect the policy effects.

From: Hurley, John
Sent: Monday, February 06, 2017 1:50 PM
To: Klein, Jeffrey; Carlson, Curtis; Baker, Susan L; Stuart, Patrick; Driano, Susan; Veltri, Joanna
Cc: Wisner, Peter; Sullivan, Matthew; Pelton, Billy (Bill)
Subject: Re: Enrolled Bill HJRes 41

I am fine with that sentence, but defer to Curtis who is much more attuned to the potential impacts than I am.

Sent from my BlackBerry 10 smartphone.

From: Klein, Jeffrey
Sent: Monday, February 6, 2017 1:27 PM
To: Carlson, Curtis; Hurley, John; Baker, Susan L; Stuart, Patrick; Driano, Susan; Veltri, Joanna
Cc: Wisner, Peter; Sullivan, Matthew; Pelton, Billy (Bill)
Subject: RE: Enrolled Bill HJRes 41

On process -- Exec Sec has asked for comments to be inputted into the Action Memo on CT. I have added a sentence in CT that might get at Susan's concern, and have added a comment bubble stating that IA may add a sentence on the EITI.

Since this is supposed to go out at 4pm today, I suggest proposing a sentence that explains the EITI ramifications and inserting it into the CT memo. I'm not sure I know enough about the initiative to do so, but perhaps something like [fill in the blanks]:

"If the SEC Rule is disapproved, it may have significant effects on [U.S. participation in] the Extractive Industry Transparency Initiative, including potentially …"

From: Carlson, Curtis
Sent: Monday, February 06, 2017 1:19 PM
To: Hurley, John; Baker, Susan L; Stuart, Patrick; Klein, Jeffrey; Driano, Susan; Veltri, Joanna
Cc: Wisner, Peter; Sullivan, Matthew; Pelton, Billy (Bill)
Subject: Re: Enrolled Bill HJRes 41

As a practical matter the civil society members of the USEITI expressed the view that with out 1504 rules they may be unwilling to continue with EITI.

In addition, of the approximately 41 companies who operate on federal land and are part of USEITI around 5 are passthroughs. USEITI only focuses on firm operating on federal land that represent around 80 percent of royalty and bonus payments. The focus has really been on public companies and the latest USEITI recommendation was to use taxes reported to SEC for compliance. The few private firms left would be an issue with the international EITI Board but I think the USEITI members including civil society members would be willing to argue that SEC reporting was enough. Without the SEC reporting there is nothing to point to. Voluntary reporting under USETI has not been very succesful.

I'd be happy to discuss this more when I am back in the office.

Sent from my BlackBerry 10 smartphone.

From: Hurley, John
Sent: Monday, February 6, 2017 12:59 PM
To: Baker, Susan L; Stuart, Patrick; Klein, Jeffrey; Driano, Susan; Veltri, Joanna
Cc: Wisner, Peter; Carlson, Curtis; Sullivan, Matthew; Pelton, Billy (Bill)
Subject: RE: Enrolled Bill HJRes 41

I defer to Curtis, who knows much more about this than me. But I was told that the USG made a commitment to implement EITI (https://www.doi.gov/eiti) and that the new action would make it very difficult, if not impossible, to move ahead with implementation.

From: Baker, Susan L
Sent: Monday, February 06, 2017 12:42 PM
To: Hurley, John; Stuart, Patrick; Klein, Jeffrey; Driano, Susan; Veltri, Joanna
Cc: Wisner, Peter; Carlson, Curtis; Sullivan, Matthew; Pelton, Billy (Bill)
Subject: RE: Enrolled Bill HJRes 41

I don't think that's true. 1504 got you disclosure from publicly listed firms, but to be compliant with EITI, you would also need disclosure from private firms. The effort to get the private firms to disclose could be expanded to include all of them.

Securities markets disclosure only gets you so far. Not all companies are subject to SEC rules.

From: Hurley, John
Sent: Monday, February 06, 2017 12:40 PM
To: Stuart, Patrick; Klein, Jeffrey; Driano, Susan; Veltri, Joanna; Baker, Susan L
Cc: Wisner, Peter; Carlson, Curtis
Subject: RE: Enrolled Bill HJRes 41

+ Curtis.

I believe it would be appropriate to include a statement that eliminating 1504 would make implementation of the EITI standard in the United States virtually impossible. That is arguably relevant information.

JH

From: Stuart, Patrick
Sent: Monday, February 06, 2017 11:15 AM
To: Klein, Jeffrey; Driano, Susan; Hurley, John; Veltri, Joanna; Baker, Susan L
Cc: Wisner, Peter
Subject: RE: Enrolled Bill HJRes 41

+ Susan Baker since this has an SEC angle.

From: Klein, Jeffrey
Sent: Monday, February 06, 2017 11:00 AM
To: Stuart, Patrick <Patrick.Stuart@treasury.gov>; Driano, Susan <Susan.Driano@treasury.gov>; Hurley, John <John.Hurley@treasury.gov>; Veltri, Joanna <Joanna.Veltri@treasury.gov>
Cc: Wisner, Peter <Peter.Wisner@treasury.gov>
Subject: RE: Enrolled Bill HJRes 41

Thanks. John and Joanna – on the resource extraction transparency letter, Susan has raised, among other things, the impact on the EITI. Shouldn't the letter mention the effect of disapproving the rule on U.S. participation in the EITI?

From: Stuart, Patrick
Sent: Monday, February 06, 2017 10:10 AM
To: Klein, Jeffrey; Driano, Susan; Hurley, John; Veltri, Joanna
Cc: Wisner, Peter
Subject: RE: Enrolled Bill HJRes 41

The Development and Debt Policy Office has usually taken the lead.

From: Klein, Jeffrey
Sent: Monday, February 06, 2017 9:44 AM
To: Driano, Susan <Susan.Driano@treasury.gov>
Cc: Wisner, Peter <Peter.Wisner@treasury.gov>; Stuart, Patrick <Patrick.Stuart@treasury.gov>
Subject: RE: Enrolled Bill HJRes 41

I've made an edit and comments along these lines. Who is the lead in the USG for the EITI?

From: Driano, Susan
Sent: Monday, February 06, 2017 8:57 AM
To: Klein, Jeffrey
Cc: Wisner, Peter; Stuart, Patrick
Subject: RE: Enrolled Bill HJRes 41

Sorry – my other question is (b)(5) AC
(b)(5) AC
SD

From: Driano, Susan
Sent: Monday, February 06, 2017 8:54 AM
To: Klein, Jeffrey <Jeffrey.Klein@treasury.gov>
Cc: Wisner, Peter <Peter.Wisner@treasury.gov>; Stuart, Patrick <Patrick.Stuart@treasury.gov>
Subject: Enrolled Bill HJRes 41

Enrolled Bill HJRES41, 2017-SE-0220.

Clearance Tracker Homepage

Jeff – I put a question in the CT doc. (b)(5) AC
(b)(5) AC

I will be at NSC from 9:30 to 11:00.

Susan

RE: Call on HJRes41?

From: "Smith, Brian" <brian.smith@treasury.gov>
To: "Hurley, John" <john.hurley@treasury.gov>, "Carlson, Curtis" <curtis.carlson@treasury.gov>, "Baker, Susan L" <susan.baker@treasury.gov>, "Klein, Jeffrey" <jeffrey.klein@treasury.gov>, "Roscoe, Jared" <jared.roscoe@treasury.gov>, "Barrows, Stephen" <stephen.barrows@treasury.gov>, "Driano, Susan" <susan.driano@treasury.gov>
Cc: "Milligan, Stephen" <stephen.milligan@treasury.gov>, "Nickoloff, Peter" <peter.nickoloff@treasury.gov>, "Pelton, Billy (Bill)" <bill.pelton@treasury.gov>, "Sullivan, Matthew" <matthew.sullivan@treasury.gov>
Date: Mon, 06 Feb 2017 21:45:45 +0000

I'm fine with your update as well Curtis. I will reflect in CT

From: Hurley, John
Sent: Monday, February 06, 2017 4:45 PM
To: Carlson, Curtis; Smith, Brian; Baker, Susan L; Klein, Jeffrey; Roscoe, Jared; Barrows, Stephen; Driano, Susan
Cc: Milligan, Stephen; Nickoloff, Peter; Pelton, Billy (Bill); Sullivan, Matthew
Subject: RE: Call on HJRes41?

Looks great.

From: Carlson, Curtis
Sent: Monday, February 06, 2017 4:44 PM
To: Smith, Brian; Baker, Susan L; Klein, Jeffrey; Roscoe, Jared; Barrows, Stephen; Driano, Susan; Hurley, John
Cc: Milligan, Stephen; Nickoloff, Peter; Pelton, Billy (Bill); Sullivan, Matthew
Subject: RE: Call on HJRes41?

I would suggest a slight change to the wording to indicate the current voluntary reporting is insufficient to meet EITI standards. I would also add the word tax, as tax reporting is the issue not all revenue streams such as royalties.

Thanks,
Curtis

Curtis Carlson
Office of Tax Analysis
U.S. Department of the Treasury
(b)(6)
curtis.carlson@treasury.gov

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Cc: Milligan, Stephen; Nickoloff, Peter; Pelton, Billy (Bill); Sullivan, Matthew
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Subject: RE: Call on HJRes41?

Works for me. We can use (b)(6) ..

From: Klein, Jeffrey
Sent: Monday, February 06, 2017 3:00 PM
To: Driano, Susan; Carlson, Curtis; Hurley, John; Baker, Susan L; Smith, Brian
Cc: Roscoe, Jared; Barrows, Stephen; Milligan, Stephen
Subject: Call on HJRes41?

All,

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Thanks,
Jeff

RE: Extractive Industry Disclosure

From: "Carlson, Curtis" <"/o=ustreasury/ou=do/cn=recipients/cn=carlsonc">
To: "Hurley, John" <john.hurley@treasury.gov>, "Meisels, Amy (Greer)" <amy.meisels@treasury.gov>, "Sullivan, Matthew" <matthew.sullivan@treasury.gov>
Cc: "Baker, Susan L" <susan.baker@treasury.gov>, "Driano, Susan" <susan.driano@treasury.gov>
Date: Mon, 06 Feb 2017 22:04:47 +0000

FYI: Tax Policy would also prefer not to send a formal memo.

Curtis Carlson
Office of Tax Analysis
U.S. Department of the Treasury
(b)(6)
curtis.carlson@treasury.gov

From: Hurley, John
Sent: Monday, February 06, 2017 5:03 PM
To: Meisels, Amy (Greer); Sullivan, Matthew
Cc: Baker, Susan L; Driano, Susan; Carlson, Curtis
Subject: RE: Extractive Industry Disclosure

Just to be clear, the issue isn't whether Treasury supports or does not support the bill. It is whether Treasury sends a formal letter on its position in support (I do not think anyone is suggesting that we recommend a veto).

From: Meisels, Amy (Greer)
Sent: Monday, February 06, 2017 4:58 PM
To: Sullivan, Matthew
Cc: Baker, Susan L; Hurley, John; Driano, Susan; Carlson, Curtis
Subject: RE: Extractive Industry Disclosure

Got it. Thanks.

From: Sullivan, Matthew
Sent: Monday, February 06, 2017 4:57 PM
To: Meisels, Amy (Greer)
Cc: Baker, Susan L; Hurley, John; Driano, Susan; Carlson, Curtis
Subject: Extractive Industry Disclosure

Greer,

As Susan mentioned, we are looking to get Andy's guidance on a on developing a Treasury recommendation on whether the President should sign a bill that would nullify the extractive industry disclosure rule that is part of Dodd-Frank. The memo on this issue is pasted below and on CT here.

IMB, along with DF, supports the recommendation to sign, but the Africa Office and Debt and Development have concerns with this recommendation, particularly because of its implications for US participation in the Extractive Industries Transparency Initiative. We wanted to see if we could meet with Andy to discuss briefly. Susan will be joining a meeting at 5:30pm with DF on this issue.

Let me know if you have any questions.

Thanks,

Matt

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Re: Call on HJRes41?

From: "Barrows, Stephen" <stephen.barrows@treasury.gov>
To: "Baker, Susan L" <susan.baker@treasury.gov>, "Hurley, John" <john.hurley@treasury.gov>, "Smith, Brian" <brian.smith@treasury.gov>, "Carlson, Curtis" <curtis.carlson@treasury.gov>, "Klein, Jeffrey" <jeffrey.klein@treasury.gov>, "Roscoe, Jared" <jared.roscoe@treasury.gov>, "Driano, Susan" <susan.driano@treasury.gov>
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Date: Mon, 06 Feb 2017 22:28:01 +0000

Thanks.

From: Baker, Susan L
Sent: Monday, February 6, 2017 5:26 PM
To: Hurley, John; Smith, Brian; Carlson, Curtis; Klein, Jeffrey; Roscoe, Jared; Barrows, Stephen; Driano, Susan
Cc: Milligan, Stephen; Nickoloff, Peter; Pelton, Billy (Bill); Sullivan, Matthew
Subject: RE: Call on HJRes41?

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I would favor Option 4.

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Date: Mon, 06 Feb 2017 22:29:34 +0000

I really do not understand what is gained by sending a note supporting the SAP.
And, as noted in email that crossed in ether, EITI is a piece of our concern but there is a broader problematic message being conveyed about USG commitment to transparency and combating corruption (which ultimately hurts us) around the world.
Susan

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