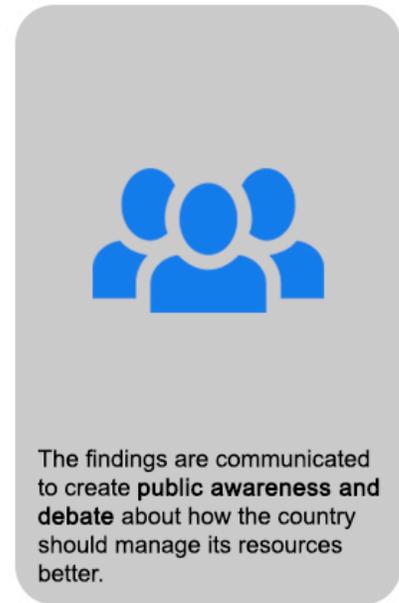
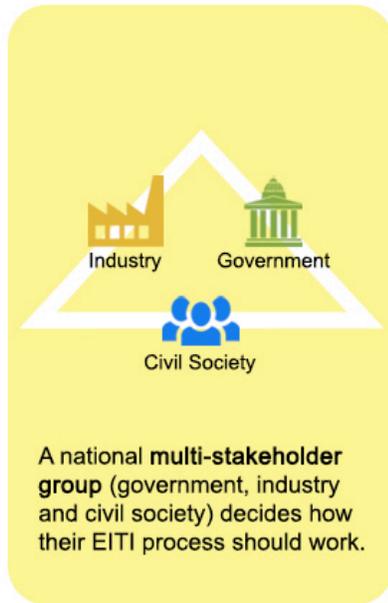


What is EITI?

The Extractive Industries Transparency Initiative, or EITI, is a global standard that promotes revenue transparency and accountability in the extractive sector. Countries that follow the standard publish a report in which governments and companies publicly disclose royalties, rents, bonuses, taxes and other payments from oil, gas, and mineral resources.



What is USEITI?

In September 2011, the U.S. announced that it would begin the multi-year process of becoming an EITI compliant country. The U.S. intends to implement EITI to provide accessible and useful information about public resources and their associated revenues. Doing so better inform public policy and strengthen public trust. With this effort in participatory government and collaborative decision making, public financial management will be enhanced and citizens will have easier and more understandable access to information about public resources which the government manages on their behalf.

MSG members represent Civil Society, Government & Industry:

Project on Government Oversight, Natural Resource Governance Institute, Transparency International-USA, Earthworks, First Peoples Worldwide, North Star Group, Oceana, Calvert Investments, Energy Policy Forum, Goldwyn Strategies, Fineberg Research Associates, United Mine Workers, United Steelworkers, The Lugar Center, Virginia Polytechnic Institute and State University,

Departments of the Interior, Energy, and Treasury; State Compact Commissions for Mining, Oil and Gas; State Government Representatives from California and Wyoming,

British Petroleum, Chevron, Conoco-Phillips, Exxon-Mobil, Noble Energy, Shell Oil, Ultra Petroleum, Walter Energy, Freeport-McMoRan, Rio Tinto, American Petroleum Institute, Independent Petroleum Association of America, National Mining Association.

Initial Steps: In December 2012, following a comprehensive stakeholder assessment and call for nominations, the Secretary of the Interior formed the USEITI Multi-Stakeholder Group Federal Advisory Committee, also known as the MSG. The MSG is comprised of 21 members and 20 alternates who represent a variety of stakeholders.

The USEITI MSG has been meeting regularly since February 2013 to oversee USEITI implementation, define the scope and materiality for initial reporting, prepare an application for EITI candidacy, and meet the requirements contained in the EITI Standard. On December 11, 2013, the MSG approved the U.S. Candidacy Application, and on December 19, 2013, Secretary of the Interior submitted the Application to the EITI International Board.

Milestones: In December 2013, the Secretary of the Interior submitted the application for candidacy and in March 19, 2014, the U.S. became an EITI candidate country.

Next Steps: The U.S. will produce its first USEITI Report by December 2015. The US will publish its second Report in 2016 and submit it to the EITI International Board for validation. If approved, the U.S. will be fully EITI Compliant.

Over the course of several meetings, the USEITI Multi-Stakeholder Group (MSG) has reached consensus on the types of revenues to include in the USEITI reports. The results of these discussions are below.

EITI Requirement	MSG Decisions	Pending Decisions
SCOPE		
Types of commodities and revenues to be included	<p>Commodities: oil, gas, coal, other leasable minerals, non-fuel minerals (hard rock, sand and gravel), geothermal, solar, and wind.</p> <p>Revenue streams: rents, royalties, bonuses and fees collected by US Department of the Interior (DOI).</p> <p>Companies will report Federal corporate income taxes.</p>	<p>Tabled for future discussion: forestry and fisheries.</p> <p>Details of how taxes can be reported.</p>
MATERIALITY		
Threshold for reconciliation	<p>For the initial report, \$50 million total annual revenues paid to DOI by parent company, including its subsidiaries. This equals approximately 80% of DOI natural resources revenues.</p> <p>For the second report, \$20 million total annual revenues paid to DOI by parent company, including its subsidiaries, which equals approximately 90% of DOI natural resources revenues.</p>	
REPORTING		
Background Information	Data and information that is currently publicly available, reliable and accessible for all commodities within scope.	Details and exact level of disclosure.
Unilateral disclosure	For all in-scope commodities, DOI will disclose company-level data to the extent allowable by law (approximately 100% of DOI revenue in scope).	
Third party reconciliation	A third party will compare data from companies on their payments to government with data from government on revenues collected from companies, for in-scope commodities within the reporting materiality threshold.	Details of the opt-in process.
Sub-national reporting	Adapted implementation: revenues paid to or collected for sub-national governments are out of scope due to legal, regulatory, and timeliness issues, but an opt-in process will be available for individual states or other sub-national entities.	
Project level reporting	To be determined.	To align the definition of “project” with SEC Regulation 1504 and European Union per the EITI Standard.
Contract disclosure	To be determined; encouraged by the EITI Standard.	Whether to include contracts.