

Comment from: jeanpublic1@gmail.com

Public comment on federal register

Videotape all conferences so that the working people of this country can watch the video of your meetings. meet via webinar and save the high costs of everybody travelling to meetings and the webinar can be saved and then posted on the website to let the taxpayers of this nation see what you fat cat bureaucrats do all day in these meetings. It's time to show productivity or are you afraid of that? I think more ordinary people should be on this council and that THEY ARE THE STAKEHOLDERS. YOU SEEM TO FOCUS ON THE PROFITEERS. THIS COMMENT IS FOR THE PUBLIC RECORD. PLEASE ACKNOWLEDGE RECORD. JEAN PUBLIC

Comment from: Regina Morales regina.n.morales@gmail.com

While the EITI does provide revenue information to the public, I believe that transparency in the bidding process would give the public much needed information to keep local politicians accountable. Misallocation of resources could potentially occur in the bidding process if the process is uncompetitive. In order to ensure that the bidding process is competitive and that government funds aren't wasted, information regarding who is bidding for a particular project and approximately how much the bid is for would give more power to the voter and less discretion to those making large and costly contract decisions.

Comment from: Sheila Waddell

Contact Information (Optional): 2824 Begole St. Flint MI 48504 810-233-7129

Comments: DOI has been an enabler of identity theft and collusion with the oil/gas/mineral extractors/operators. My G/G grandfather executed leases with oil companies which were to deposit royalties (& overriding interests) in bank accounts he had at various banks. Instead his assets were stolen and allowed to be used over and over to finance those public companies and their financial agents. There are 3 parties to a trust (settlor-who has been deceased since 1923, the trustees-banks/oil corporations, and the equitable beneficiaries, which does not include the government and if it does, it is pecuniary. BLM is a component of DOI. They were supposed to grant to me an account. I've never heard from them again. In essence, your agency is an enabler of fraud and identity theft.

Comment from: Scott Eustis scott@healthygulf.org

I regret not being able to attend the US EITI hearing today, due to heavy workload and short notice. With the attached letter, I would like to send you several articles and comment letters containing references regarding the effect of extractive industries on our coastal wetlands, and thereby, our coastal populations; and submit them to the public record.

I have two questions, one simple and one complex:

1) Question: What is BSEE and DOI doing to provide for automated, real-time wastewater monitoring for offshore production platforms?

2) Question: How is DOI accounting for the current and historical impact of extractive industries upon Gulf Coast population dynamics, Louisiana in particular?

[See attached letter on following page]



UNITED FOR A HEALTHY GULF

338 Baronne Street, Suite 200 New Orleans, LA 70112
Phone: 504.525.1528 Fax: 504.525.0833

Misty Seemans
U.S. EITI Civil Society Coordinator
[\(302\) 547-2076](tel:3025472076) (mobile)
[@USEITI_CSO](mailto:USEITI_CSO)
mseemans@pwwypusa.org

Ms. Seemans,

I regret not being able to attend the US EITI hearing today, due to heavy workload and short notice.

With this letter, I would like to send you several articles and comment letters regarding the effect of extractive industries on our coastal populations, and submit them to the public record. I have two questions.

- 1) Question: What is BSEE and DOI doing to provide for automated, real-time wastewater monitoring for offshore production platforms?

Please find, in Appendix A, a recent news article on offshore platform wastewater pollution.

- 2) Question: How is DOI accounting for the current and historical impact of extractive industries upon Gulf Coast population dynamics, Louisiana in particular?

Please find, in Appendix B, a table summarizing the recent report by the firm Ecofys on the climate impact of different extractive industries, in the US and abroad. The gist of the report is that the current projections of fossil fuel emissions are on a path that would put carbon dioxide levels far over a budget that would keep temperatures from rising more than 2 degrees centigrade.

Climate change has many impacts, including the displacement of human populations. It is my view, and the view of many GRN members and friends, that populations in southern Louisiana and along the Gulf Coast are already being displaced by these changes in weather trends.

Please find, attached to this same email, previous comment letters in regard to general permitting of oil and gas canals for fluid extraction in Louisiana coastal wetlands, and comments to the State of Louisiana on its Master Plan.

The historic damages of the oil and gas industries to Louisiana wetlands jeopardize the continued habitation of Louisiana, even as the current extraction of offshore Gulf resources aggravates sea level rise in the Gulf of Mexico. As outlined in the predictions in the Louisiana State Master Plan, sea level rise is the largest long-term threat to our coastal wetlands; and thereby, to the inhabitation of coastal Louisiana.

These damages have already resulted in a large internal displacement of Louisiana communities, as well as outward migration¹. I would appreciate it if the EITI would communicate the cost of the population dislocation that is due to extractive industries.

I look forward to your response,

¹ [Overlooked population metric key to analyzing state's performance](#)
By [Buddy Roemer](#), Contributing opinion writer December 17, 2012



UNITED FOR A HEALTHY GULF

338 Baronne Street, Suite 200 New Orleans, LA 70112
Phone: 504.525.1528 Fax: 504.525.0833

For a healthy Gulf,

A handwritten signature in black ink, appearing to read "Scott Eustis". The signature is written in a cursive style and is positioned above the printed name.

Scott Eustis, M.S., Coastal Wetland Specialist
Scott@healthygulf.org
5045 525 1528 x212

Cc: Cyn Sarthou, Gulf Restoration Network
Matt Rota, Gulf Restoration Network
Steve Murchie, Gulf Restoration Network
Michelle Erenberg, Ocean Conservancy
Jonathan Henderson, Gulf Restoration Network

Appendix A

Quote from [news article](#)² on doctoring of water samples from offshore platforms

A recent Department of Justice case offers a glimpse into a practice that some industry workers say is commonplace in offshore operations. The case revealed that one Gulf-based oil company ... had some of its workers “collect” fake water samples so that federal authorities would think no contamination occurred.

Houston-based W&T Offshore [pleaded guilty in January](#) to not alerting federal authorities about its 2009 oil spill near the Louisiana coast. Company officials also admitted to doctoring water samples taken from spill areas.

New Orleans WWL-TV investigative reporter David Hammer found ... that W&T filtered “oil out of the water samples that were sent into a lab and recorded with the federal government. Meanwhile, the water they were dumping back into the Gulf on a constant basis stayed contaminated.”

One oil worker, Jason Bourgeois of Mississippi, told Hammer he and other workers cleaned water samples with coffee filters and corrupted gulf samples collected for contamination inspection with commercial water brands such as Kentwood.

...

W&T has said that the case they pleaded guilty for was a one-time, isolated event. But Bourgeois told Hammer that this practice had been going on for years, at least among his family of oil workers, going all the way back to his grandfather.

... whistleblower Randy Comeaux, who did such doctoring for W&T, ended up suing his employer over the practices and reporting the company to the federal government. Comeaux claims these practices are “widespread” across the industry, stretching back decades, and that workers are often pressured to do this by their supervisors. He [blogs about this regularly](#), sometimes including photos and video of workers molesting water samples.

...

The Interior Department’s Bureau of Safety and Environmental Enforcement was formed after the Deepwater spill as a way to beef up federal monitoring of offshore drilling operations. But the bureau has failed to perform any safety audits of companies operating in the Gulf. According to [another report from Hammer](#), BSEE had one audit scheduled last year, but then cancelled it for unexplained reasons.

² In the Gulf, a long history of oil spills and cover-ups
By Brentin Mock, 7 May 2013

Appendix B Table Summarizing of “Point of No Return” report³
Items in **Bold** are directly relevant to DOI

by David Roberts.

...The metric is simple: how many additional tons of CO₂ the project will emit by 2020.
([See the report](#) for more on methodology.) Here’s how they rank:

1. China’s Western provinces / Coal mining expansion / 1,400
2. Australia / Coal export expansion / 760
3. Arctic / Drilling for oil and gas / 520
4. Indonesia / Coal export expansion / 460
- 5. United States / Coal export expansion / 420**
6. Canada / Tar sands oil / 420
7. Iraq / Oil drilling / 420
- 8. Gulf of Mexico / Deepwater oil drilling / 350**
9. Brazil / Deepwater oil drilling (pre-salt) / 330
10. Kazakhstan / Oil drilling / 290
- 11. United States / Shale gas / 280**
12. Africa / Gas drilling / 260
13. Caspian Sea / Gas drilling / 240
14. Venezuela / Tar sands oil / 190

• Collectively, these projects would raise global CO₂ emissions by 20 percent over and above what current projects are emitting. Another way of putting this is, they would eat up somewhere between 20 and 33 percent of our total carbon budget out to 2050. Just these new projects. By 2020.

³ Downloaded from :

<http://www.greenpeace.org/international/Global/international/publications/climate/2013/PointOfNoReturn.pdf>



Appendix C Quote from Opinion article from Gov. Buddy Roemer⁴

...So short-term numbers are not that meaningful. Long-term, however, they mean a lot. They tell you whether a state is magnetic, a place where people see opportunity or at least a fair shake, or whether they see corruption, a poor economy, an unhealthy environment, bad schools and the like.

How does Louisiana do on the population scale?

Let's look at the numbers from 1970 to 2010. That takes us back even before the oil crash of the mid-1980s. And let's compare them with our neighboring States: Texas, Oklahoma, Arkansas, and Mississippi. Just for good measure, let's add Alabama—because it's similar to Louisiana and Mississippi. Let's also throw in both Carolinas, because we compete with them for new plants and industries:

Here's how these states rank in terms of population growth since 1970:

1. TEXAS grew from 11.2 to 25.1 million—124 percent.
2. NORTH CAROLINA grew from 5.1 to 9.5 million—86 percent.
3. SOUTH CAROLINA grew from 2.5 to 4.6 million—84 percent.
4. ARKANSAS grew from 1.9 to 2.9 million—53 percent.
5. OKLAHOMA grew from 2.6 to 3.75 million—44 percent.
6. ALABAMA grew from 3.45 to 4.8 million—39 percent.
7. MISSISSIPPI grew from 2.2 to 2.97 million—35 percent.
8. LOUISIANA, which grew from 3.65 to 4.5 million, a paltry 23 percent.

...

All right then, what about Katrina? That might be a good rebuttal, I thought, so I compared the states' growth without Katrina, cutting off at the 2000 census, five years before the disaster.

Guess what? Louisiana ranks dead last again.

⁴ [Overlooked population metric key to analyzing state's performance](#)
By [Buddy Roemer](#), Contributing opinion writer December 17, 2012

FROM: Andy and Paula Pollak
8669 Delaware Ave.
N. Huntingdon, PA. 15642
724-757-5552

TO: Kim Oliver, USEITI Secretariat, 1849 C Street NW MS 4211, Washington DC 20240

DATE: 11/9/2013

RE: USEITI public comment about direct impacts on communities affected by fracking

From an air quality standpoint:

1. Radiation released during the flaring process at the well
2. Air quality around compressor stations and pumping stations
3. Gas transmission lines need 800 to 900 feet of right-of-way and are so volatile. They have had explosions in Ohio and California. Many people have been injured. There are no guidelines to the installation of these things.
4. Process plants. If you have a gas stove in your home, it is not vented, With the amount of radiation involved with Marcellus gas, can these process plants remove this if this is going to be used domestically?
5. Water quality
 - a. In Dimmock, Pa., drilling companies were required to bring water to the town. Once they bring the water, the story doesn't end there. You have to bail it into your toilets, washing machines, find a way to shower and purchase bottled water. This is not what I'm looking forward to.
 - b. In Bradford, Pa., Cheryl Stroud and her family had their groundwater contaminated and wound up with radioactive elements in their blood.
 - c. In Washington County, the Hanley family had their groundwater contaminated enough to poison farm animals and have radioactive elements in their blood.
6. Food - this gas extraction process is being carried out in and amongst our farmlands. It is proven that approximately 20% of this frack fluid comes back up the well. They have to disperse of this material and it's millions or billions of gallons of fluid . There is no known safe way to treat this fluid but yet there are no regulations to disperse of this. These elements are going to get into our farm animals, into our groundwater, which effects the crops.
7. The value of our house and buildings along with the acreage should be worth \$260,000. This past summer, we had our home for sale for \$215,000 and didn't have a single offer. The tax structure of this region is going to go to "0".
8. Recent involvement with our governor, senate and house members wanting to approve a 1% fee on the extraction of this gas is the lowest of all the states involved in this process some getting as high as 7.5%. Even if this were completely safe and had no side effects, this alone is a good enough reason to wonder why we're compromising our health and safety to put a couple bucks in T. Boone Pickens pocket.
9. Until they can extract this gas without causing harm to the air we breathe, the water we drink, the food we eat, this turns out to be just criminal activity anyway you slice it. They don't have the technology at this time to do this.

Below we have listed our concerns, based on our personal experiences, regarding Marcellus shale development in our region and the environmental, health and economic effects of this industry. We appreciate your review and interest in our experience and the need to place a moratorium on this practice until more comprehensive studies can be done to evaluate the effects.

1. PROPERTY VALUES – We feel we took a \$40,000 loss when we sold our home.
2. NOISE AND SLEEP DEPRIVATION – Approximately 6 yrs ago a shallow well was drilled ¼ mile south of our home. For 8 weeks we could not sleep because of the noise and the lights from the drill site. While driving into work I found myself falling asleep at the wheel.
3. DUST AND DIRT – Dust levels in our home were far higher than normal. We constantly had to dust our kitchen counters of the dust and dirt being created in the air. I developed a dry cough and began needing a prescribed inhaler.
4. RADON IN THE BASEMENT – When we sold our home a radon test was done and the results were high, similar to smoking ½ pack of cigarettes a day.
5. SAND IN OUR WELL – We noticed a large amount of sand deposit in our well water. The in-line sediment filter needed to be changed more frequently. We used to replace the filter once every 3 or 4 months. We had to begin replacing the filter every 5 – 7 days.
6. SKIN RASHES – I began to develop skin rashes which I no longer have since relocating.
7. SEISMIC TESTING – When this occurs in close proximity to your home damage can be significant to walls, doors, windows, etc.

8. RADIATION IN WATER – How do we plan on removing the radiation created in the groundwater in the fracking process? How do we dispose of the fracking waste without polluting our rivers and groundwater? There is no known method of removing radiation from water. It would take 1500 years before the radiation would dissipate in the water.
9. In the process of drilling a well, steel linings are used along with concrete. In the past ore was processed in Minnesota that was 60 to 70% taconite. Today we are mining ore that is 1 to 2% taconite. The steel being buried in these linings cannot be recovered for recycling. This issue will be an economic concern in the future due to the dwindling supply of steel needed to produce steel products.

Hydro-electric power – Along our rivers now are locks and dams. They serve two functions – one is for barge traffic, the other is for flood control. Almost every gallon of water that pours over these structures could be harnessed to create hydro-electric power. Enough generators could be installed to create electricity for the homes and factories in our region. This along with wind and solar energy should be the primary focus for energy development. There is no place in our world for continued destruction of our environment by industries concerned solely with profit.

The above list is certainly not a complete list of reasons for environmental issues created by Marcellus well drilling. They do represent our personal experience with the drilling that was conducted near our previous home.

We would like to address concerns that we have regarding pipeline safety, specifically high pressure liquid propane transmission lines. Below is the letter we sent to Sunoco Logistics outlining the specific questions we have regarding the safety of a proposed pipeline in our community. It is followed by the response from Sunoco. As you will read, our concerns are NOT being fully addressed.

Our main concerns are:

1. Manual shut off valves should not be permitted in a propane line. They should be automatic with spark arresters.
2. Spacing of the valves should not be permitted to be 10 miles apart. In a heavily populated community such as ours the spacing of the shut off valves should be much closer and should be required to be “automatic”.
3. Emergency planning – currently, our emergency planning teams are being advised to allow Sunoco to manage any emergency situation. Sunoco’s concern will be the pipeline itself in an emergency. What about the homes, hospitals, schools, churches, businesses that reside in close proximity to this pipeline? Who will handle appropriate evacuation and protection of our citizens in the event of a leak. Emergency planning should include notification by cell phone to all individuals that could be harmed. This notification could provide details regarding evacuation, etc.

We appreciate your interest in our concerns for the safety of our community.

Andy and Paula Pollak
8669 Delaware Ave.
N. Huntingdon, PA. 15642
724-757-5552

OUR LETTER TO SUNOCO

“Mr. Docherty,

As per your request, I am submitting a list of questions/concerns we have regarding the proposed Sunoco Logistics liquid propane pipeline to be installed between Delmont PA and Houston PA. Our concerns are based on the safe transport of liquid propane and the potential dangers and harm to our community should a leak occur.

What safety precautions will be implemented on the pipeline itself? Will there be automatic or manual shutoff valves? At what distance will they be placed? How will they be monitored? How often will they be inspected? Will these inspections be independent or include a governmental regulatory agency? Will there be inspectors on site during the installation process of the pipeline to ensure safety standards are being met regarding welds, etc.?

Is Sunoco Logistics meeting with local emergency management authorities to develop an appropriate evacuation plan in the event of a leak or other catastrophic emergency? How will this plan be shared with surrounding communities to inform

local residents? Will there be a siren or horn system, for example, to alert residents of any danger? Will this plan include routing of traffic in or out of our communities, i.e., closure of roads, etc.?

It is our understanding that a final route for this pipeline has not yet been determined. When determining the final route, will consideration be made regarding proximity to public buildings, i.e., schools, health facilities, etc.? This is a heavily populated area, both residential and commercially. Will you conduct public informational meetings when a final location is determined? How will residents be individually informed of Sunoco's intent to traverse private properties? Will the private homeowners have an option to refuse a right-of-way or will property be taken via eminent domain? How many feet is required for the right-of-way on private property? How will the property owners be compensated? What is the target date for construction of the pipeline?

In the event of a leak or explosion, will Sunoco be responsible for any loss of life, injury or personal property loss and environmental damage?

We appreciate your response and answers to the above questions and concerns and look forward to your reply. We may have additional questions and thank you in advance for your cooperation.

Andy Pollak
8669 Delaware Ave., N. Huntingdon, PA. 15642 724-757-5552"

RESPONSE FROM SUNOCO

"Dear Mr. Pollak:

It was good to discuss the Mariner East pipeline with you earlier this week. Regarding your emailed questions, I grouped them into four categories and respond below:

1. "What safety precautions will be implemented on the pipeline itself?
Will there be automatic or manual shutoff valves?
At what distance will they be placed?
How will they be monitored?
How often will they be inspected?
Will these inspections be independent or include a governmental regulatory agency?
Will there be inspectors on site during the installation process of the pipeline to ensure safety standards are being met regarding welds, etc.?"

RESPONSE: Pipelines are the safest method of transporting oil and gas in the United States.

(http://www.aopl.org/pdf/Pipelines_Are_Safe_2_.pdf + http://www.manhattan-institute.org/html/ir_17.htm)

The pipeline and related facilities will be designed, constructed and operated to meet or exceed all regulations, including inspection requirements. All welds will be inspected and x-rayed. The pipeline system will be controlled and monitored twenty-four hours a day, every day, by our pipeline control center in Pennsylvania. The valves along the pipeline will be spaced approximately 10 miles apart and on both sides of river crossings and will be a combination of manual and motor operated valves remotely controlled by the pipeline control center. The pipeline right of way will be patrolled more frequently than required by regulations. The pipeline will have a protective coating and use a cathodic protection system to prevent corrosion. The pipeline will be buried within the right of way and marked with pipeline markers showing the approximate location of the pipeline. The pipeline markers will indicate the type of product transported through the pipeline and a toll-free emergency phone number to the pipeline control center. Sunoco Pipeline (SPLP) responds to every notice of intent to excavate near the pipeline and must authorize and be present for all digging near the pipeline in order to prevent third-party damage. Additional information on pipeline safety is available from:

<http://www.sunocologistics.com/Public-Awareness/Pipeline-Safety/70/> and <http://www.aopl.org/pipelineSafety/>.

2. "Is Sunoco Logistics meeting with local emergency management authorities to develop an appropriate evacuation plan in the event of a leak or other catastrophic emergency? How will this plan be shared with surrounding communities to inform local residents? Will there be a siren or horn system, for example, to alert residents of any danger? Will this plan include routing of traffic in or out of our communities, i.e., closure of roads, etc.?"

RESPONSE: SPLP has a very aggressive training program that we will offer to local emergency responders prior to the Mariner East pipeline becoming operational and will conduct regular follow up sessions when the pipeline is operational. The training will be offered to local officials, Emergency Management, police, fire, and other emergency responders. The pipeline will be designed, constructed and operated to meet or exceed all regulations. Evacuation planning and traffic access controls are determined by local authorities.

3. "When determining the final route, will consideration be made regarding proximity to public buildings, i.e., schools, health facilities, etc.? This is a heavily populated area, both residential and commercially. Will you conduct public informational meetings when a final location is determined? How will residents be individually informed of Sunoco's intent to traverse private properties? Will the private homeowners have an option to refuse a right-of-way or will property be taken via eminent domain? How many feet is required for the right-of-way on private property? How will the property owners be compensated? What is the target date for construction of the pipeline?"

RESPONSE: The alignment of the pipeline has been determined and is based on variety of factors, including the use of existing utility corridors and those items mentioned in your question. We work with individual property owners when their property is identified as having the potential to have the pipeline located on it. We prefer to obtain easements from the property owners and provide fair and reasonable compensation for the easements. We do not publicly discuss easement negotiations with individual property owners. Generally, the pipeline right of way will be fifty feet wide. The pipeline is expected to begin construction before the end of 2013 and be operational by mid-2014. SPLP has a very active Public Awareness Program and regularly communicates with our neighbors in the communities where we operate pipelines. This communication includes regular mailings that include pipeline safety information. SPLP is also a leader in pipeline damage prevention and is member of the Common Ground Alliance, and a platinum sponsor of the Pennsylvania One Call System's Excavator Safety Days – which are the premier excavator education events in Pennsylvania. The Western PA Safety Day will take place on Thursday, September 12th in Monroeville (http://www.pa1call.org/pa811/Public/POCS_Content/Event/PA_Safety_Day/SafetyDays.aspx).

4. In regards to your last question, we don't respond to hypothetical's, but SPLP is bound by the requirements of the Oil Pollution Act of 1990 and will be the responsible party for pipeline releases until a determination is made designating otherwise.

Thank you for your questions. Additional information on Sunoco Pipeline L.P. is available from our website:

www.sunocologistics.com.

Regards,

Kevin E. Docherty
Public Education & Damage Prevention Coordinator
Sunoco Pipeline L.P.
610-670-3266"

Comment from: Barbara Williamson bawmson1027@juno.com

I believe that the US EITI needs the following changes/modifications:

- Provide further strategic, administrative and technical support for disaggregated reporting of payments to governments (e.g. company-by-company and project-by-project).
- Identify ways the EITI can contribute to accountability and sustainability in host countries and support relevant research on these linkages.
- Develop guidance on good practice in subnational reporting, and support pilot initiatives, such as reporting on public monitoring of community development spending.
- Prioritize capacity building as an essential part of the EITI agenda, especially for local government and civil society organizations.
- Ensure new rules and procedures are clear, to strengthen minimum requirements and avoid any ambiguity that allows too much flexibility in implementation.
- Develop self-evaluation criteria and processes for EITI, such as progress ranking among member countries, based on competitive and motivational indicators.

I believe that natural resources should translate into tangible benefits for citizens when extracted from their natural environs.

There is clear potential for it to move beyond transparency and push also for greater accountability and enable civil society to make use of the information it generates to hold governments and companies to account.

Comment from: Bobbie Montgomery Bobbie.Montgomery@pcusa.org

Dear Ms. Compton Christian,

Please find attached correspondence from Gradye Parsons, Stated Clerk of the General Assembly, Presbyterian Church (U.S.A.). regarding the Extractive Industries Transparency Initiative.

If you have any problems opening the document, please let us know. Thank you.

[See attached letter on following page]



PRESBYTERIAN CHURCH (U.S.A.)

OFFICE OF THE GENERAL ASSEMBLY

November 14, 2013

Rosita Compton Christian
U.S. Extractive Industries Transparency Initiative Secretariat
U.S. Department of the Interior
1849 C Street NW
MS 4211
Washington, DC 20240

Dear Ms. Compton Christian:

I write on behalf of the Presbyterian Church (U.S.A.) to urge the U.S. Multi-Stakeholder Group of the Extractive Industries Transparency Initiative (EITI) to be a global leader by setting the highest possible international standards in transparency within the oil, gas and mining sectors. We applaud the Department of the Interior's strong commitment to voluntarily disclose data about 100 percent of the revenues from extraction on U.S. federal lands and offshore areas. We also support efforts to expand the parameters of the U.S. EITI to include subnational revenues in order to gather data about the consequences for communities within these sectors and to assure that tax dollars benefit citizens who are impacted by these industries.

In addition, we urge state and county governments to choose to participate in the U.S. EITI.

The Presbyterian Church (U.S.A.) was the first denomination to sign onto the global Publish What You Pay Campaign, following a call from our African partners, and, this church remains a strong voice for mandatory transparency in financial reporting. After more than one hundred years of ministry across Africa, it is clear to us that charity is never going to solve the deep structural problems that mire people in unrelenting poverty through no fault of their own. Such ingrained social patterns – inadequate healthcare, poor education and deficient infrastructure – generally always accompany the resource curse in nations with rich reserves in the oil, gas and mining sectors, a consequence of government corruption and corporate complicity.

It is disturbing to see similar patterns in resource-rich regions of the U.S., consigning people to poverty through the ordinary operations of the economy. While the resource curse often engenders overt violence abroad, violence always assumes multiple forms – and some voices in the U.S. who push back against well-organized special interests can face physical risks and threats. Many people in these regions are stereotyped as being responsible for their own

situations, a way by which their voices may be silenced or delegitimized. If they remain invisible to the wider population of the U.S., then some of the consequences of resource extraction – such as toxic slurry ponds, destroyed streams or generational poverty – can be ignored.

In the Publish What You Pay effort, we have learned:

- **Secrecy in reporting is generally not in the public interest.** There is often a reason why deals are struck in the shadows. Our work on trade reform, land grab, seed security and corruption in the oil, gas and mining sectors, makes it clear that corporate secrecy is problematic when communities have little say in decisions that impact their lives. Regular reporting about the full extractives chain will enable citizens to make better decisions about the dynamics in these industries and about how their state or county government addresses the information. The church has never accepted a market free of moral considerations, and, secrecy often hides relevant data.
- **Companies are often incapable of self-regulating.** The core of the Reformed tradition is realism about human sin. Since no individuals or even nations are without sin, it is imperative to have working systems for accountability. The temptation is too great to serve self-interest only, rather than the common good. To further this end, the church has supported project-level reporting in order to understand not only industrial outcomes and the production of commodities, but to better grasp the impact on communities and on the environment. Further, investors who wish to do no harm – such as people of faith -- need as much data as possible to assess operations for denominational portfolios and individual investments, disaggregated by commodity, company, revenue stream and by project. Information gathered at this level will enable us to affirm good corporate stewardship. In our denomination, as well as others, increasing numbers of church members are asking for ways to assess how our portfolios match our religious values, as well as avenues to communicate the necessity for accountability and regulation. People of faith are tracking these issues on all levels and will continue to do so.
- **Long-term strategies are essential for even short-term gains, and, the extractive resources are always finite.** In resource-rich regions, there is often little incentive to develop other forms of employment, both to diversify the economy and to create a better business climate when the resources dry up. If portions of state revenues for resource extraction could be utilized to build stronger education and healthcare systems, citizens could obtain a direct benefit

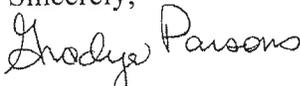
Letter to Rosita Compton Christian
November 14, 2013
Page 3 of 3

for the resources in their state. Further, the EITI's multi-stakeholder approach, brings together unions, companies, investment firms, and local citizens. That is a tremendous base to consider long-term sustainable approaches that will better the business climate and ordinary lives. It helps ensure that civil society has a voice in determinative decisions taken by governments and corporations. The moral test of any economy is whether it serves humanity and the larger creation in all of its fullness.

- **Government agencies are often power-imbalanced in resource-rich regions.** One of the risks globally in resource-rich countries is that extractive agencies accumulate too much power, and, weaker departments flounder without adequate budgets or staff. The EITI attempts to complement transparency regulations under the Dodd-Frank Wall Street Reform Act and new European Union regulations. It is no secret that the perception in many resource-rich countries is that state-level agencies are subservient to the dominant interests, either through corruption or sheer political will. Gathering regular data on the implementation of federal laws – and exceptions granted to industry by government– will be helpful information, from the Safe Drinking Water Act, to the Clean Water Act, to the Emergency Planning and Community Right to Know Act, as well as others.

The Presbyterian Church (U.S.A.) understands the work of the EITI as a good effort in moving toward a positive vision for God's earth and its people. It is the responsibility of the community of faith to be critical participants in the society in which we find ourselves, rather than simply accepting the protection of narrow economic interests. Of course, transparency itself does not correct existing patterns that are harmful. Gathered data can move us forward toward better management of resources and revenues, and, recognize and replicate corporate models that create good stewardship, as well as state and local governments that are developing innovative responses for long-term sustainable development. The many people for whom the extractive industries provide not only a livelihood, but a very proud identity, deserve the very best from all of us.

Sincerely,



Gradye Parsons
Stated Clerk of the General Assembly
Presbyterian Church (U.S.A.)

Comment received from: Vernon Haltom vernoncrmw@gmail.com

Dear Sir or Madam,

Coal River Mountain Watch supports the U.S. application to join the Extractive Industries Transparency Initiative. Our organization's mission is to stop the devastation of our communities and environment by mountaintop removal mining, improve the quality of life in our area, and help rebuild sustainable communities. In our work we encounter coal companies and government agencies that seek to keep their deeds out of the public awareness. We are encouraged that the EITI will provide accountability for the operations on public lands. We are concerned that our nation's property, our children's inheritance, is being liquidated for a fraction of its worth, and that liquidation is causing unacceptable harm to the environment and public health.

When it comes to extractive industries extracting from public lands, the public has every right to know what is happening with our natural resources, how much money is coming in, and where that money is going. It is, after all, the public's property. Please accept these comments for Coal River Mountain Watch's support of the US joining the EITI.

Comment received from: Vivian Stockman vivian@ohvec.org

To the USEITI Secretariat:

OVEC, the Huntington, W.Va.-based Ohio Valley Environmental Coalition, supports the U.S. application to join the Extractive Industries Transparency Initiative.

OVEC strongly supports Betsy Taylor's recommendations on what EITI national reports should encompass, as detailed in *Social Accounting of Extractive Industry*, available at http://www.academia.edu/5021751/Social_Accounting_of_Extractive_Industry. We hope you will implement her recommendations.

We are concerned about inclusion of the Trade Secrets Act. It has been our experience that industry invokes the Act to hide critical information from the public, information the public needs for health and safety. For instance, although many workers and community members working with / living near coal prep plants and coal prep plant waste sites are dealing with terrible health problems, we cannot find out the composition of chemical formulations used in these plants due to industry's claims that such formulations are trade secrets. Knowing what chemicals the workers and community members are exposed to would help health care workers treat the health problems.

Thank you for your consideration,
Vivian Stockman
Vivian Stockman, OVEC project coordinator

[Please see attached letter on following page]



Ohio Valley Environmental Coalition

Supporting Organized Voices and Empowered Communities Since 1987

**P.O. Box 6753
Huntington, WV 25773-6753**

www.ohvec.org

**Ph. 304-522-0246
Fax 304-522-4079**

November 15, 2013
USEITI Secretariat
1849 C Street NW MS 4211
Washington DC 20240

USEITI@ios.doi.gov
cc: betsy.taylor@gmail.com

To the USEITI Secretariat:

OVEC, the Huntington, W.Va.-based Ohio Valley Environmental Coalition, supports the U.S. application to join the Extractive Industries Transparency Initiative.

OVEC strongly supports Betsy Taylor's recommendations on what EITI national reports should encompass, as detailed in *Social Accounting of Extractive Industry*, available at http://www.academia.edu/5021751/Social_Accounting_of_Extractive_Industry. We hope you will implement her recommendations.

We are concerned about inclusion of the Trade Secrets Act. It has been our experience that industry invokes the Act to hide critical information from the public, information the public needs for health and safety. For instance, although many workers and community members working with / living near coal prep plants and coal prep plant waste sites are dealing with terrible health problems, we cannot find out the composition of chemical formulations used in these plants due to industry's claims that such formulations are trade secrets. Knowing what chemicals the workers and community members are exposed to would help health care workers treat the health problems.

Thank you for your consideration,

Vivian Stockman, OVEC project coordinator

Comment received from: Jennifer Rosete-Busby jerosete@syr.edu

Hello,

I am very excited by the announcement of the US intention to seek candidacy in the Extractive Industries Transparency Initiative. I strongly support transparency and accountability in extractive industries for the benefits it provides to investors, local populations, governments, and the environment. Transparency is imperative to create a stable investment environment in which all people may prosper from their natural resources. Accountability is the keystone to democracy, whether political or economic. Please institute the EITI standard, and strengthen it to meet the needs and responsibilities of our economy. Strong guidelines on project-level reporting should be implemented in line with those of the EU Directives to ensure consistency for investors.

All the best to you as you work on legislation which help the US maintain its position as a leader in the campaign against corruption.

Sincerely,

Jennifer Rosete-Busby

M.A. International Relations

C.A.S. Conflict Negotiation

Maxwell School at Syracuse University

Comment received from: Dr. Herbert G. Reid hgreid01@email.uky.edu

Comments: In my 40 year career as a member of the University of Kentucky Faculty, I devoted over 30 years to research, teaching, and service focused on Appalachia, especially its coal-mining areas. For 3 years I served as the UK Appalachian Center director, a center I helped found in the mid-1970s. I strongly support the Extractive Industry Transparency Initiative because I know how badly needed it is for intelligent decision-making at all levels of government. Already it is garnering high public expectations from some of the region's most able and articulate citizen activists. Climate change is a main driver of the growing regional and American concern to transition to a new energy system engaging such realities before they become overwhelming. The Appalachians I know best are well aware of the great social costs already incurred from some forms mining has taken in the past. "Sustainability," "transparency," etc are terms in their new vocabularies seeking serious, unambiguous projects rather than "runarounds" familiar in their pasts. "Climate Justice" is an idea that has a strong political future in the near future. This will come to be the case in Appalachia & in much of coastal America as well as the Global South. Failing to deliver on transparency in this context is not a wise option. Genuine participation for Appalachians and similar groups is the route I'd advise. I know from decades of experience that there is much historically-informed citizen concern with profiteering and abuse of public lands and resources. This local knowledge and expertise should be respected and used. These people have earned my respect and I have learned much from them. Whether or not "Beltway blinders" are a problem, these Americans will not be hoodwinked. I profoundly believe that if our communities are to be strengthened, this perspective will be essential at the federal level of action. Thanks for your attention. Herbert Reid

Comment received from: Kathy Selvage <kselfage@gmail.com>

Dear Sir or Madam:

Because I am on the last day of submitting comments on this very important subject, please acknowledge that you are in receipt of these comments. They are attached to this email.

Thank you in advance for you co operation.

Best regards,

Kathy

A safe, healthy, attractive, prosperous, sustainable and nurturing community is ours for the making!

[Please see attached letter on following page]

COMMENTS ON THE EXTRACTIVE INDUSTRY TRANSPARENCY INITIATIVE

By Kathy Selvage (Affected Community Member in Far SW VA)

There are numerous benefits to transparency, many of which will shine in the Extractive Industry Transparency Initiative (EITI). Transparency can educate citizens, empower them, encourage them to share their ideas, and builds trust.

I am indeed happy that the United States intends to participate in the EITI to unveil the benefits and costs of the extraction of one's natural resources.

And because the transmission of tar sands oil has been imagined to flow through the United States, *we should consider including transmission lines in the list of natural resources covered.* It should be explored because of the possibility of negative impacts while little or no positive benefits for the public or the world at large will ever materialize.

Dealing with facts as the basis for society's collective decisions will be of maximum benefit to elected leaders and to the public to inform their thinking and participation in the process.

Because of the very localized effects of resource extraction, there is a need for reporting focused on local geographic areas to maximize the effect of informing the public, igniting their curiosity, and encouraging their participation.

The permitting process for resource extraction represents the first occurrence for the public to participate in any meaningful way and we should therefore utilize 21st century technology to facilitate access to the entirety of the permit application submission. Presently, an interested citizen in far southwest Virginia has to travel some distance to the regulatory agency and then pay for copies in order to gain

access but instead should be able to access at home in comfort at their leisure through the use of technology. The computer program utilized by operators here to submit applications is only available to the operator and the regulatory agency, unless this has been changed in the recent past.

However, if this is not possible, at the very least the data collection should include all the public information available congregated in a single place.

At the very least the Environmental Impact Assessment (EIA's) and the Social Impact Assessment (SIA's) should be available online in the database with the geographic areas both of the permit application and the geographic boundaries covered by the assessments.

With the expansion of the permitted area through revisions to permits, there must be at least a disclosure that the EIA no longer covers the same geographic area.

All information should be housed on a single website as a gateway to materials organized with the mission of making access and availability as easy as possible to locate.

Then, ***brand the website*** as the most accurate and complete first stop website for all natural resource extraction information. There is an intersection to transparency about natural resources and their extraction, their benefits and cost, and their future, the world over, that should be addressed. This website could be that intersection.

A report should be delivered bi-annually that lays out the true impacts of the industry from the positive financials to the negative social and structural impacts. A multi-tiered media campaign plan should be designed to announce it to elected officials and the general public upon rollout.

For real financial numbers and for verification, one should choose either accrual or cash basis accounting for reporting financial contributions to avoid any discrepancies between the industry's accounting and the government's verification. These must then be accompanied with the entire costs of the extraction impacts on society.

Positive local financial impacts to governmental authorities should be coupled with prominence of the best verifiable reserves of natural resources remaining that are economically feasible to extract.

Providing local governmental, agencies, and the public with as much information as possible about resources remaining will promote futuristic economic thinking.

Determine if there is adequate sharing of the financial benefits reaped from the extraction process on a local area basis.

It would be helpful to identify in some manner the geographical location of extraction as well as naming the benefactors and identifying geographical boundaries of the benefactors in order to answer the questions of environmental justice and economic fairness. In other words, does our natural resource extraction promote one area accruing all the negative impacts while another area reaps all the financial benefits? I believe that this, if occurring, promotes the sacrifice of some areas without the financial hope of a future. In addition, this kind of possible hopeless future and the disappearance of a "place to be" should be explored in the psychological effects arena.

If the compilation of data is not done on a macro level, I would suggest that U.S. mapping be utilized to highlight and color code extraction and benefactor sites so that any inclination toward environmental injustice might at least be exposed and illuminated.

In addition, for a complete canvas, one will necessarily have to explore the negative impacts left behind by the extractive industry on the terrain and the people who call it home.

Negative impacts should be outlined or shown as a negative subset to the positive and wherever possible assigned a realistic and best available financial figure.

These negative impacts should include psychological wellbeing or detriment if a monetary value can be assigned. I say this because we are just beginning to think about the detrimental effects it has on one to see your geographical surroundings change so dramatically in such a short time and a sense of environmental and financial hopelessness as young people mature. There is some important work to be done here. Nonetheless, these impacts should be calculated and monetized as best we can.

Other community health costs that are verifiable, such as higher asthma rates compared to similar regional non-extractive communities, loss of income or assets from a premature death, loss from the decrease in property values and loss of the building of future wealth in some very poor families (the worth of the home being passed on), loss of local education finances due to decreased real property taxes on properties held by the extractive industries and destroyed, increased transportation costs associated with the heavy traffic flows from the extractive industry, and many other such costs that are not borne by the extractive industry should be monetized and reported on.

Though industry would like the Trade Secrets Act included, the community at large is highly suspicious of the numerous components and scientific mixtures that may be used by the extractive industries that are harmful to human health and the environment they live in. We must find a way to be more open about this. It is a hindrance to transparency.

Figures derived from industry, governments, and agencies must by necessity be audited periodically for in-depth verification.

I often wonder just how much natural resource wealth disappears just because no one is looking or verifying. Any discrepancies in the collection of data should be noted, reconciled, and/or exposed but at least partial audits should be performed periodically. The errors found in a partial audit, whether they are gross or not, can help determine whether a full audit is called for. These results should of course be shared with local governmental authorities and the public. It provides a path for correcting mistakes but more importantly exposing corruption and also serves as a deterrent.

A healthy discussion of audit procedures for the intuitive should be engaged.

I believe that we should seek support for this at least at the federal level if not both the federal and state levels. We should put together an information package and deliver to our federal Senators and our House of Representative member and our VA General Assembly representatives followed up by a planned group visit by citizens to our federal and state representatives to ask for their support. It should, however, be well understood that their own political financial coffers have created an undue influence by the extraction industry. I believe it would be nearly impossible for a local governing body to approve of such when a large portion of their tax base comes from severance taxes for the extraction of natural resources.

It should be duly noted that *in the United States, resource extraction can be performed on privately held property, on land where the surface and natural resource ownership is separated, on leased land, and on force pooled lands, for example.* It would be my hope that you consider it a must to record whatever information you have. It

actually might be the most beneficial of information on a very local level. It could really inspire people to utilize information they have at their fingertips as it relates to their very close geographic surroundings.

May I conclude by saying the foregoing comments are not exhaustive and that as a citizen of an affected community, I hope the relationship with our representative member on the committee, Betsy Taylor, continues to be a link to the Intuitive.

This is indeed an ambitious project but one well worth the work.

Respectfully submitted,

**Kathy Selvage
6611 Kemper Rd.
Wise, VA 24293
Email: kselvage@gmail.com
PH: (276) 328 1223
CPH: (276) 219 2721**

/ks

Comment received from: Joseph Kraus joseph.kraus@one.org

To whom it may concern,

Please accept the attached letter as a formal submission from the ONE Campaign to the Department of the Interior on the implementation of the US-EITI. Please direct any comments or questions to the contact numbers below.

Warm regards,
Joseph Kraus

[Please see attached letter on following page]



November 18, 2013

Rosita Compton Christian
U.S. Extractive Industries Transparency Initiative Secretariat
U.S. Department of the Interior
1849 C Street, NW, MS 4211
Washington, DC 20240

Dear Ms. Compton Christian,

I am writing on behalf of The ONE Campaign to urge the United States Extractive Industries Transparency Initiative (U.S. EITI) to include measures that will promote robust transparency, both domestically and internationally.

ONE is a campaigning and advocacy organization with more than 3.5 million members taking action to end extreme poverty, including by demanding greater transparency from industry and governments. We support the EITI standard because of its potential to stop illicit financial flows and to empower citizens to demand government accountability for revenues derived from natural resources.

The EITI standard also means that communities most impacted by the extractive industries are given the information they need to understand how oil, gas, and mineral extraction affects them. As the U.S. EITI Federal Advisory Committee makes decisions about how the standard will be applied in the United States, we urge the Committee to include the following information in U.S. EITI reporting:

- **A consistent project definition:** U.S. EITI should include project-level reporting as it was agreed to in the new EITI standards adopted in May 2013. We believe project should be defined in line with the rules and guidance issued by the SEC in August 2012 pursuant to Section 1504 and the European Union definition included in the Transparency and Accounting Directives.¹
- **Beneficial ownership information:** U.S. EITI should require transparency of beneficial ownership information from petroleum companies and domestic mining companies. Accordingly, the Department of the Interior should investigate the necessity for a rulemaking process to require that companies submit ownership information that is not currently being collected.

¹ The DC District Court decision did not require the SEC to change its requirements on project definition.

Thank you for the work the U.S. EITI Federal Advisory Committee has done thus far to develop a strong EITI standard that demonstrates US leadership in increasing the transparency of resource revenue flows in the extractive industries.

Sincerely,

Tom Hart
US Executive Director
ONE

Comment received from: Michael LeVine mlevine@oceana.org

Hi Rosita,

I hope this email finds you well, and I very much look forward to seeing you in December. Hopefully, the weather will cooperate for that journey!

Attached please find a public comment letter on the US EITI draft candidacy application. It is being submitted on behalf of Alaska Wilderness League, Audubon Alaska, Earthjustice, Ocean Conservation Research, Ocean Conservancy, Oceana, Sierra Club, and The Wilderness Society. Please let me know that you receive the letter and if you need additional information.

Thank you,

Mike

[Please see attached letter on following page]

ALASKA WILDERNESS LEAGUE – AUDUBON ALASKA – EARTHJUSTICE – OCEAN CONSERVANCY –
OCEAN CONSERVATION RESEARCH – OCEANA – THE SIERRA CLUB – THE WILDERNESS SOCIETY

Ms. Rosita Compton Christian
U.S. Extractive Industries Transparency Initiative Secretariat
U.S. Department of the Interior
1849 C Street, NW
MS 4211
Washington, DC 20240

November 18, 2013

Dear Ms. Compton Christian:

On behalf of our organizations and members, we write to express our support for implementation of the Extractive Industries Transparency Initiative (EITI) and to encourage the U.S. to facilitate as broad and inclusive a process as possible. EITI can provide an important tool through which the public can better understand the costs and benefits of allowing private extraction of common resources. To best meet that goal, the EITI process should include comprehensive disclosures and should be viewed as only one step toward open and transparent government.

Our organizations work to ensure that decisions about Arctic resources are based on good science, preparedness, and an inclusive public process. We support President Obama's Open Government Initiative and the efforts that have been undertaken thus far to improve transparency and public involvement in decisions about whether and under what conditions to allow industrial activities in the Arctic.

As part of that effort, we support the United States' effort to join EITI, and we encourage the United States to be as inclusive as possible in the information disclosed pursuant to EITI. For example, by disclosing production data alongside payment information, the government can provide the public a more complete picture of the value we receive for our resources. Similarly, EITI is an appropriate venue through which to aggregate and disclose the costs of externalities—including air, water, noise, climate, and other pollution—that are caused by extraction and borne by the public.

We also encourage the administration to further other efforts to implement the "system of transparency, public participation, and collaboration" called for by President Obama in his Memorandum for the Heads of Executive Departments and Agencies, Transparency and Open Government issued the day after his first inauguration. Consistent with this directive, data, studies, and other information relevant to decisions about oil and gas planning, leasing, and exploration in the Arctic Ocean should be made readily available to the public. Relatively simple steps—like promptly publishing plans, letters, approvals, and data on agency websites and committing to accepting and responding to public comments on consequential decisions, such as consideration of exploration and spill response plans—would go a long way toward building trust, improving public participation in the decision-making process, and fulfilling President Obama's pledge to ensure openness in government. They would also help ensure that the disclosures made by companies and the government are comprehensive, as contemplated by the EITI standards and principles.

Attached here is a letter submitted on behalf of many of the organizations below to the Interagency Working Group on Coordination of Domestic Energy Development and Permitting in Alaska outlining

Alaska Conservation Organizations Comments on
US EITI Candidacy Application
November 18, 2013
Page 2 of 2

problems and solutions related to transparency and disclosure of information related to industrial activities in the Arctic Ocean.

Thank you again for your efforts to increase transparency and open government. We look forward to working with you on these and related issues.

Sincerely,

Cindy Shogan
Executive Director
ALASKA WILDERNESS LEAGUE

Jim Adams
Policy Director
AUDUBON ALASKA

Erik Grafe
Attorney
EARTHJUSTICE

Andrew Hartsig
Director, Arctic Program
OCEAN CONSERVANCY

Michael Stocker
Director
OCEAN CONSERVATION RESEARCH

Susan Murray
Vice President, Pacific
OCEANA

Dan Ritzman
Alaska Program Director
SIERRA CLUB

Lois Epstein
Engineer & Arctic Program Director
THE WILDERNESS SOCIETY

**ALASKA WILDERNESS LEAGUE * AUDUBON ALASKA * EARTHJUSTICE * OCEANA * OCEAN
CONSERVANCY * PACIFIC ENVIRONMENT * PEW ENVIRONMENT GROUP * SIERRA CLUB * THE
WILDERNESS SOCIETY**

February 20, 2013

Mr. David J. Hayes
Chair, Interagency Working Group on Coordination of Domestic
Energy Development and Permitting in Alaska
Office of the Deputy Secretary of the Interior
Department of the Interior
1849 C Street, N.W.
Washington DC 20240

Dear Deputy Secretary Hayes and members of the Interagency Working Group:

Our organizations appreciate the steps you have taken to help ensure that decisions about our Arctic Ocean resources are based on good science, preparedness, and an inclusive public process. We look forward to engaging with the Working Group and agency staff in the future, including providing the government with the benefit of our scientific, technical, and legal expertise.

Participating effectively in the decision-making process requires access to information, and we write to encourage you to implement fully this Administration's commitment to open government. President Obama has committed to create "an unprecedented level of openness in Government," and "a system of transparency, public participation, and collaboration." Memorandum for the Heads of Executive Departments and Agencies, Transparency and Open Government (Jan 21, 2009). Consistent with this directive, we ask that you make available to the public data, studies, and other information relevant to decisions about oil and gas leasing and exploration in the Arctic Ocean.

Over the course of the past year, federal agencies—including the Bureau of Ocean Energy Management (BOEM), the Bureau of Safety and Environmental Enforcement (BSEE), the National Marine Fisheries Service, the Environmental Protection Agency (EPA), and the Coast Guard—have issued permits or granted approvals related to proposals by Shell Gulf of Mexico, Inc. and Shell Offshore, Inc. (collectively, "Shell") to drill exploration wells in the Chukchi and Beaufort seas. As we have seen, Shell was not prepared to operate in Alaskan waters. We are hopeful that the review being overseen by BOEM will not just document Shell's near-disasters but also will result in reform of the federal process including the manner in which decisions were made to allow Shell to operate, the oversight and scrutiny to which companies are subject, and the information available to the public about the activities private companies conduct on our oceans. As you consider whether or how companies should be allowed to drill for oil in the Arctic Ocean, we encourage you to provide better public access to information. Transparency is essential to ensure accountability of, and good performance by, industrial operators and contractors as well as regulatory agencies.

Many of our organizations participated actively in the public processes surrounding the decisions that authorized Shell to drill exploration wells in the Arctic Ocean. We submitted substantive comments based on scientific and technical review from our experts, attended public meetings, and undertook outreach to our members and others. Through this participation, we sought to provide decision-makers the benefit of our expertise, experience, and perspective, as well as to educate our members and the

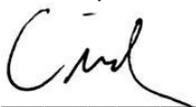
public at large about how the government makes decisions that affect public resources in the Arctic. In many instances, however, our participation in the public process was hindered or substantially precluded because important documents were not made publicly available. For example, agency staff rejected specific requests for intra-agency communications and communications between Shell and BOEM, BSEE, EPA, and the Coast Guard (see Attachment).

In response to our requests, agency staff tells us regularly that documents will be provided only pursuant to formal Freedom of Information Act (FOIA) requests. Requiring FOIA requests is neither efficient nor consistent with this Administration's commitment to making documents available. To ensure that agencies include relevant documents, FOIA requests often seek broad categories of records, requiring agency staff to spend valuable time preparing responses. Moreover, demanding that documents be obtained through FOIA can needlessly reinforce a perception of government secrecy. Rather than requiring FOIA requests, we urge you to take immediate action to make available—to the fullest extent allowed under the law—all data, correspondence, and other information relevant to decisions about Shell's 2012 drilling program.

Going forward, federal agencies should make similar information available to the public in a timely fashion and on a proactive basis. Relatively simple steps—like publishing letters, approvals, and data on agency websites and committing to accepting public comments on exploration and spill response plans (as was the case for Shell's Chukchi and Beaufort sea plans)—would go a long way toward building trust, improving public participation in the decision-making process, and fulfilling President Obama's pledge to ensure openness in government. Similarly, BSEE should post its enforcement activities¹ and make data from incidents and near-misses, including causal information, available to the public. Last, any information BSEE has or learns about significant international offshore incidents—particularly those regarding operators in the U.S. like Shell—should be posted on BSEE's website. A more complete description of our experience over the past year regarding the Arctic and additional transparency recommendations are included in the Attachment to this letter.

We look forward to working with you on these important issues.

Sincerely,



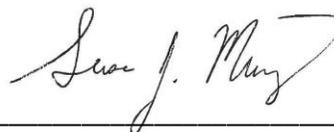
Cindy Shogan
Executive Director
Alaska Wilderness League



Eric Myers
Policy Director
Audubon Alaska



Jessica Ennis
Legislative Representative
Earthjustice



Susan Murray
Deputy Vice President, Pacific
Oceana

¹ See, for example, the posting of pipeline safety enforcement orders at <http://www.phmsa.dot.gov/public/enforcement>).



Andrew Hartsig
Director, Arctic Program
Ocean Conservancy



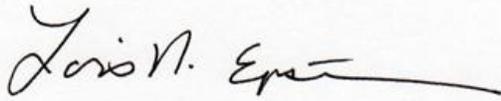
Kevin Harun
Arctic Program Director
Pacific Environment



Marilyn Heiman
Director, U.S. Arctic Program
Pew Environment Group



Dan Ritzman
Alaska Director
Sierra Club



Lois N. Epstein, P.E.
Arctic Program Director
The Wilderness Society

ATTACHMENT

A number of oil and gas companies hold leases in federal waters in the Beaufort and Chukchi seas. Of those companies, Shell has been most aggressive in seeking to drill exploration wells. Since 2007, government approvals awarded to Shell and the ongoing negotiations between the company and federal agencies have been the subject of substantial public interest from conservation organizations, Alaska Native entities, local and state governments, and others.

During that time, conservation organizations made repeated requests for specific documents and information related to Shell's proposed activities and related matters. To date, the government has not responded fully or provided many of the documents requested. As a result, we respectfully renew our requests for the following documents and information:

- Correspondence between Shell and BOEM/BSEE/Coast Guard regarding the standards Shell's *Arctic Challenger* oil spill response barge was required to meet;
- Letters from Shell and government agencies relevant to Shell's request to conduct preparatory drilling in advance of completion of its *Arctic Challenger* spill response barge and to potential extensions of the 2012 drilling season;
- Communications and other documents relevant to the compliance order issued by EPA allowing Shell to exceed limits in its Clean Air Act permit;
- Information about BOEM's progress in developing regulations to implement its new obligation to ensure clean air resources are protected in the Arctic; and
- Clarification about the manner in which BOEM will determine Shell's compliance with the terms of the "conditional approvals" of its Exploration Plans.

In addition to providing documents and information that we requested previously, federal agencies should take steps to improve their transparency and compliance with the President's open government directives. With regard to ongoing and future exploration drilling proposals in Arctic waters, the agencies should act proactively to make publicly available information concerning:

- **Exploration Plans:** BOEM should make all proposed exploration plans, accompanying documents, correspondence, and analyses available for public review when received and should provide accompanying NEPA and ESA consultation documents on a rolling basis for public review and comment. If any such exploration plans are approved, agencies should alert the public to any updates or modifications to those plans including, for example, updated information about vessel construction. Agencies should immediately make available to the public any changes or modifications to approved exploration plans. For any conditional approvals, BOEM should provide information about whether and how companies meet those conditions.
- **Oil Spill Prevention and Response:** BSEE should make all oil spill response plans and accompanying NEPA and ESA consultation documents available for public review and comment. In addition, information about testing and verification of operators' response capacity should be made available to the public in a timely fashion. This information should include design and

results of equipment tests performed by BSEE and the Coast Guard, design standards required for Coast Guard certification and BSEE and BOEM requirements, and updates on the status of vessels that have not yet complied with the applicable standards.

- **Exploration drilling activities:** If oil and gas companies are authorized to conduct seismic exploration or exploratory drilling operations in the Arctic Ocean in the future, federal agencies should provide regular updates about these activities in an easily accessible way. Such updates should include “daily summary reports” and accompanying “marine mammal reports”—such as those that Shell is required to file with BSEE pursuant to Condition 7 in Attachment A to the conditional APD dated August 30, 2012—to document marine mammal interactions. Updates should also include the positions of seismic vessels, drillships, rigs, icebreakers, and other support vessels in the region. Alternatively, agencies could require all vessels associated with seismic exploration and oil and gas exploration activities in the Arctic Ocean to report to an existing tracking site, such as vesseltraffic.com. Agencies should also make available any additional environmental monitoring reports submitted by the companies.
- **Environmental Conditions:** During the open water season, federal agencies should make available to the public information about the state of ice and other hazardous conditions, including communications between monitors, industry operators and government officials. Agencies should make it easy for the public, including local residents of the North Slope, to see industry operators’ sea ice and weather monitoring data. For example, they could make this data available in real-time on a website, and could potentially include “ice-cams” on industry or government vessels to broadcast real-time ice data.
- **Safety and enforcement:** Federal agencies should ensure that operators report data on all gas releases and near-misses during Arctic Ocean operations and should make these data available on a publicly available website as quickly as possible. In addition, agencies should report on a publicly available website the dates of inspections, as well as outcomes, enforcement actions and penalties imposed.
- **Federal Decision-making:** Official correspondence between federal agencies and companies that are applying for approvals or conducting activities should be made public as soon as received or sent by those agencies. In addition, the Alaska Interagency Working Group should document its proceedings and formal communications among its members, and those records should be made public.
- **International Offshore Incidents:** When a significant offshore incident occurs in non-U.S. waters, BSEE should provide the public with information about those incidents, including their causes, as such information becomes available. This information may, in some cases, reflect on the safety culture of operators and/or contractors and thus may be important for federal government decision-makers and the public to know.

Comment Received from: Sofia Plagakis <splagakis@foreffectivegov.org>

To the U.S. Extractives Industries Transparency Initiative Secretariat:

Please accept the attached letter on the U.S. EITI Candidacy application. The attached letter is on behalf of members of the Right-to-Know network and the Coalition for Sensible Safeguards and organizations working on openness, accountability and the environment, in support of the U.S. EITI.

Thank you.

Sincerely,

Sofia Plagakis
Sofia Plagakis
Policy Analyst, Environmental Right-to-Know
Center for Effective Government (formerly OMB Watch)
2040 S Street, NW, 2nd Floor
Washington, DC 20009
(202) 683-4840
splagakis@foreffectivegov.org

[Please see attached letter on following page]

November 18, 2013

Rosita Compton Christian
U.S. Extractive Industries Transparency Initiative Secretariat
U.S. Department of the Interior
1849 C Street, NW
MS 4211
Washington, DC 20240

Dear Ms. Compton Christian,

We are writing, as members of the Right-to-Know network and the Coalition for Sensible Safeguards, and organizations working on openness, accountability and the environment, in support of the United States Extractive Industries Transparency Initiative (U.S. EITI). The extractive industries in the United States need greater accountability and transparency and the fiscal transparency proposed by the U.S. EITI is an important step forward. We believe much more needs to be done by the U.S. EITI Federal Advisory Committee, however, to reflect the community costs of the extractive industries.

The EITI is a global standard that promotes revenue transparency and accountability in the extractive sector. The United States began the process of becoming an EITI compliant country in 2011. The EITI standard requires the extractives industry, including oil, gas, and mining companies, to publish what it pays and the government to publish what it receives. The goal is to ensure that the numbers match and that citizens get every federal dollar they deserve for natural resources extracted from public lands.

Revenue transparency is not sufficient, however, to ensure that the U.S. EITI will measure costs borne by communities impacted by the extraction of natural resources. The U.S. EITI should not only include disclosure of data that will capture the publicly borne costs of extractive activity, but the data should be meaningful. To be truly meaningful, there needs to be transparency on the types of activities that are being conducted. The U.S. EITI report should:

- Make clear the laws and reporting requirements that apply to any extractive activities on public lands, so that industry and the public fully understand the information and documents that must be filed and made public, such as environmental impact statements. These documents should be made available to the public in a central online location.
- Explain the economic impacts of the extractive industries on the national, state, and local levels including, but not limited to, data on job creation, costs of damage to infrastructure, and costs of reclamation.
- Describe the social impacts of natural resource extraction on communities. There is increasing evidence that areas more dependent on extractive industry also bear hidden costs of higher rates of car accidents, crime, and even health problems; ~~and~~ the U.S. EITI reports need to review such impacts to give a better long-term picture of the effects of the extractive industries.

Furthermore, we urge you to expand the EITI program as quickly as possible to include reporting and disclosure around chemical use, emissions, and environmental impact. Disclosing the chemicals and emissions associated with various types of extraction methods is necessary to ensuring that domestic energy supplies do not compromise our water resources or threaten public health.

Hydraulic fracturing, the primary method used to extract natural gas or oil, uses numerous toxic chemicals in fluids pumped underground to cause fissures in rock and release the fossil fuels. In addition, extractive industries produce significant amounts of greenhouse gases. Recent data by the U.S. Environmental Protection Agency placed the oil and natural gas industry as the second-highest contributor of greenhouse gases. For these reasons, the EITI program should include reporting and disclosure around chemical use, emissions and environmental impact.

Thank you for all of the work the U.S. EITI Federal Advisory Committee has done thus far to promote an enhanced public understanding of what our government does and how it operates when it comes to extracting our precious natural resources. Not only does the public have a right to know what happens in our backyard, but government and industry have an obligation to report the consequences.

Questions about these comments can be directed to Sean Moulton, Director of Open Government, Center for Effective Government, (202) 234-8494 or smoulton@foreffectivegov.org.

Sincerely,

Sean Moulton, Director of Open Government
Center for Effective Government

Lisa Graves, Executive Director
Center for Media and Democracy

Lynn Thorp, National Campaigns Director
Clean Water Action

Anna Aurilio, Director, Washington DC Office
Environment America

Darcey O'Callaghan, International Policy Director
Food and Water Watch

Ellen Smith, Owner and Managing Editor
Mine Safety and Health News

Patrice McDermott, Executive Director
OpenTheGovernment.org

Dr. Andrew Rosenberg, Director
Center for Science and Democracy
Union of Concerned Scientists

Comment received from: Misty Seemans mseemans@gmail.com

Hi Rosita,

Please see the attached letter for US EITI public comment.

Best,
Misty

[Please see attached letter on following page]

November 18, 2013

Rosita Compton Christian
U.S. Extractive Industries Transparency Initiative Secretariat
U.S. Department of the Interior
1849 C Street, NW
MS 4211
Washington, DC 20240

Dear Ms. Compton Christian,

As civil society members familiar with the United States Extractive Industries Transparency Initiative (U.S. EITI), we are writing to voice our support for the U.S. EITI and encourage the U.S. EITI to take greater strides on the issues we care about.

The EITI is a voluntary global standard that promotes revenue transparency and accountability in the extractive sector. The United States began the process of becoming an EITI compliant country in 2011. The EITI standard requires the extractives industry, including oil, gas, and mining companies, to publish what it pays and the government to publish what it receives. The goal is to ensure that the numbers match and that citizens get every federal dollar they deserve for natural resources extracted from public lands.

While we commend the U.S. EITI Federal Advisory Committee civil society, industry, and government representatives on your efforts thus far, much more must be done to make the U.S. EITI a meaningful process. A robust U.S. EITI will mean that the communities most impacted by the extractive industries will have more information than ever about the positive and negative effects of resource extraction. Furthermore, a vigorous U.S. EITI will set the standard for the host of other countries planning to apply to the International EITI Secretariat.

We highly encourage the U.S. EITI to include the following:

- USEITI should include project-level reporting as it was agreed to in the new EITI standards adopted in May 2013. We believe project should be defined in line with the rules and guidance issued by the SEC in August 2012 pursuant to Section 1504 and the European Union definition included in the Transparency and Accounting Directives.¹
- Production data should be included for hardrock minerals.
- The U.S. EITI should include proven reserves data.
- The community impact of the extractive industries should be included.
- The federal government and the U.S. EITI must do more to encourage states and tribal governments to opt in. For example, one or two states and tribal governments should be identified as pilots.
- The U.S. EITI report should include full industry tax disclosure because of tax fairness and revenue collection concerns.

¹ The DC District Court decision did not require the SEC to change its requirements on project definition.

- The U.S. EITI should require transparency of beneficial ownership information from independent petroleum companies and domestic mining companies. Accordingly, the Department of the Interior should investigate the necessity for a rulemaking process to require that companies submit ownership information that is not currently being collected.

The U.S. EITI has the opportunity to make a difference in our local communities and on the international stage. We hope the Federal Advisory Committee considers our suggestions and finds further ways to seize this opportunity.

Sincerely,

Jennifer Krill,
Earthworks

Tutu Alicante,
EG Justice

Global Financial Integrity

Global Witness

Tom Hart,
ONE

Ian Gary,
Oxfam America

Presbyterian Church (USA)

Jana Morgan,
Publish What You Pay – US

Revenue Watch Institute

Leah Butler,
Graduate student at Yale University

Zorka Millan,
Yale Law School Fellow

Regina Morales,
Graduate student at American University

Jennifer Rosete-Busby,
Maxwell School Graduate Student

Comment received from: Aaron Mintzes amintzes@earthworksaction.org

Please find attached Earthworks' comments on the US EITI Draft Candidacy Application. For questions, please contact me at the information below.

Thank you in advance for your consideration.

Aaron Mintzes

=== EARTHWORKS: Protecting Communities and the Environment

Aaron Mintzes

Policy Advocate

202-887-1872x116 (D.C. office)

919-302-6393 (cell)

skype:aaron.mintzes-ewa

amintzes@earthworksaction.org

twitter: @Earthworksrocks

[Please see attached letter on following page]

November 18, 2013

Rosita Compton Christian, U.S. Extractive Industries Transparency Initiative Secretariat
U.S. Department of the Interior

1849 C Street, NW MS 4211 Washington, DC 20240

Dear Ms. Compton Christian,

Thank you for the opportunity to submit comments on the US Extractive Industries Transparency Initiative (US EITI) Draft Candidacy Application. Please accept these comments on behalf of Earthworks, a national non-governmental organization dedicated to protecting communities and the environment from the impacts of irresponsible mineral and energy development while seeking sustainable solutions.

Earthworks also associates ourselves with the comments we joined from the members of the Publish What You Pay Coalition. We intend these comments to provide a little more background and substance with respect to the need to include hardrock production data and bonding/financial assurances in the first US EITI Report.

The EITI Report Must Include Production Data from Hardrock Mines

The Extractive Industries Transparency Initiative Standard (The Standard) adopted in July 2013 clearly requires including production data in the EITI report. In particular, the Standard EITI Requirement 3.5 reads:

The EITI Report must disclose production data for the fiscal year covered by the EITI report, including:

- a) Total production volumes and the value of production by commodity, and when relevant, by state/region
- b) Total export volumes and the value of exports by commodity, and, when relevant by state/region of origin.

The Standard is unequivocal. Requirement 3.5 bears particular import in the American context since the Federal Government receives no royalties for the hardrock minerals extracted from public lands. As a recent GAO reportⁱ revealed, we have no data on the amounts, types or values of minerals removed from public lands. Nor do we know how much mining companies sell or the overall value of each mining operation on public lands.

USGS does estimate sales volumes by surveying companies, but they do not distinguish between public and private lands, and the data is sourced by the companies themselves rather than from the government. The US EITI Report could narrow this vast transparency gap in a publicly sourced narrativeⁱⁱ that captures production volumes that would otherwise escape the EITI scope since there is no

money to track. There are two ways that this could be done: first, the government could begin tracking the volume of ore produced on public lands, and second, mining companies could begin reporting how much of the public's minerals they extract.

Despite the significant role that mining plays in the US economy, we know effectively nothing about the volumes of mineral resources that mining companies extract from the public's lands. EITI could provide meaningful transparency that would benefit the mining industry as well as the public by disclosing production volumes of minerals extracted from public lands.

The EITI Report Should Disclose Data on Bonding

In the midst of declining fresh water supplies in the Western United States, an increasing number of hardrock mining companies continue to generate water pollution that will last for hundreds or thousands of years. Perpetual management of this pollution is an expensive and rapidly escalating national dilemma. Our lengthy reviewⁱⁱⁱ of government documents reveals forty mines generating an estimated 17-27 billion gallons of polluted water each year, every year. In light of these substantial fiscal liabilities, the EITI Report should include an accounting of the financial assurances or bonds the government holds.

The Standard's Requirement 3.8(c) reads:

The multi-stakeholder group is encouraged to include further information on revenue management and expenditures in the EITI Report including:

(c) Timely information from the government that will further public understanding and debate around issues of revenue sustainability and resource dependence. This may include the *assumptions underpinning forthcoming years in the budget cycle* and related to projected production, commodity prices and revenue forecasts...(emphasis our own)

The problem of water treatment in perpetuity carries with it budget implications governments must tackle on an annual basis. This is especially true in cases like the Zortman-Landusky mine in Montana where a bankrupt operator forced taxpayers to create a special cleanup fund.^{iv}

The Standard's Requirement 3.12 speaks to the disclosure of the terms of contracts. Specifically, Requirement 3.12 (c)(i) defines a contract as the agreement that:

...provides the terms attached to the exploitation of oil, gas, and mineral resources.

Among those terms, we submit, are the required bonding levels mine operators must agree to as a condition of receiving a permit. Further, Requirement 3.12 (b) reads in relevant part:

(b) It is a requirement that the EITI Report documents the government's policy on disclosure of contracts and licenses that govern the exploitation of oil, gas, and minerals. This should include relevant legal provisions, actual disclosure practices, and any reforms that are planned or underway...

Section 108(b), 42 U.S.C. 9608 of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) of 1980, as amended, requires in specified circumstances that owners and operators of facilities establish evidence of financial responsibility. After the federal government issues a Record of Decision (ROD) approving a mine, it will require the mine to amend its Plan of Operations (Plan) to reflect that ROD, and calculate a bond based on the Plan.

The government must approve the bond before the mine can commence operations. Thus, the Bureau of Land Management and Forest Service offices each have a paper trail for each mine on public land including the amount of bond the federal government has approved for that operation pursuant to the requirements in federal regulation.

Documenting bonding levels in the EITI Report would provide a tremendous benefit to the public given the enormous scale of water pollution and underfunding of the cleanup efforts. This underfunding problem results in increased taxpayer exposure. Our nation's existing legal structure provides a mechanism for the government to track this information already. Finally, the EITI Standard clearly embraces this kind of disclosure.

For the reasons stated above, we submit that the Standard compels disclosure of hardrock production data and bonding levels. The US EITI Draft Candidacy Application should reflect an intention to include this information. Thank you for your consideration of our comments.

Sincerely,

Aaron Mintzes, Policy Advocate, Earthworks

(202) 887-1872 x116 amintzes@earthworksaction.org

ⁱ The report is available at <http://1.usa.gov/UScbwM>.

ⁱⁱ The US EITI draft work plan describes the publicly sourced narrative as the following : *A publicly sourced narrative*: USEITI Reports will make more accessible and understandable data and information that is currently publicly available from U.S. government agencies and other official sources in order to give context and a well-rounded picture of the extractive industries in the U.S. This will include information for additional types of natural resources that will not be reconciled under USEITI.

iii Polluting the Future: How Mining Companies are Polluting Our Nation's Waters in Perpetuity http://www.earthworksaction.org/library/detail/polluting_the_future_-_UopYX2RgaLk

iv See Montana House Bill 379 (2005)

Comment received from: Delice Calcote aitc.dcalcote@gmail.com

Dear Secretariat:

Alaska Inter-Tribal Council is in support of the United States becoming a partner, working on transparency and accountability on all mineral extractive industries operating within the boundaries of the original states, the other states, the state of states (Alaska) and annexed state (Hawai'i).

Full disclosure of taxes, other payments, receipts from other nations from natural resources being extrapolated have been for too long unknown, hidden, not known and adversely and cumulatively negatively impacting development of infrastructure and accountability. The cumulative adverse impacts is never studied when there are multiple corporations involved in mineral extractions in local areas. The United States Government has a duty and obligation to promote our nation's waterways, and the regulations affecting the Clean Water Act of 1972 hold both a Tribal Trust and a Public Trust. The US Federal agencies operating in Alaska have a statutory trust obligation and duty to protect and preserve the health and well being of the peoples of Alaska and the natural environment, and especially for protecting customary, modern and traditional, cultural resources of the Tribes which are sovereign nations.

Tribal governments throughout Alaska hold these agencies accountable for fulfilling this trust and are obligated to take action on behalf of their peoples to enforce this trust responsibility to ensure food and economic security. The cultural subsistence economy and commercial economies of the fisheries are vital to national food security interests as well as global food security. The unique historical and political relationship between tribal governments and the federal government is well articulated in Federal Statutes, Presidential Executive Orders designating inclusion of Tribal natural resource rights as a sacred obligation of the Federal Government.

The sustainable development push is unachievable without the knowledge of what the extractive industry is actually extrapolating. As we see week upon week, many extractive industries are spilling, leaking and exploding around the world. This industry comes with a lot of expenses that involve cleaning up from these incidents. The oil industry has to develop 2 wells for injecting the toxic wastes for every developing well. It is important that these expenses also be looked at especially when these injected wells will impact fresh water resources. Fracking has long term, permanent adverse and cumulative impacts. There is no need to hide these trash wells as a positive financial book item when our peoples and nations look at those as future cumulative and adverse impacts that our children and grandchildren will need to be aware of and be ready to address the negative impacts from these industry activities.

For too long the revenue from extraction industry is intercepted by states, revenues are deposited into the Treasury for Tribes and tribes are then offered their own resource revenue but on a competitive very restricted basis (GAO Report to Congress #09373; GGD-76-64; 5-27-76: Changes Needed In Revenue Sharing for Indian Tribes and Alaska Native Villages, Department of the Treasury).

Alaska Inter-Tribal Council supports and incorporates Chickaloon Village Traditional Council comments.

We look forward to the extractive industry being held transparent and accountable.

Respectfully,

Alaska Inter-Tribal Council

Delice Calcote
Executive Director

Attachment: GAO Report to Congress GGD-76-64; 5-27-76; #093733: Changes Needed in Revenue Sharing for Indian Tribes and Alaska Native Villages

Comment received from: Cindy Keener <cindy@chickaloon.org>

Please review our attached letter . Thank-you.

Cindy Keener
Accounting Specialist
Chickaloon Village
PO Box 1105
Chickaloon, AK 99674
Ph: 907-745-0749
Fax: 907-745-0709

[Please see attached letter on following page]



Chickaloon Village

Traditional Council

(Nay'dini'aa Na')

November 18, 2013

Gary Harrison,
*Traditional Chief
and Chairman*

Rick Harrison,
Vice-Chairman

Penny Westing,
Secretary/Elder

Albert Harrison,
Treasurer/Elder

Doug Wade,
Elder Member

Larry Wade,
Elder Member

Shawna Larson,
Member

Lisa Wade,
Member

Jennifer Harrison,
Executive Director

USEITI Secretariat
1849 C Street NW MS 4211
Washington DC 20240

USEITI@ios.doi.gov

Re: USEITI Candidacy Application

To Whom It May Concern,

Chickaloon Native Village is a federally recognized Alaska Native Tribe that has nurtured and utilized the lands, plants and animals of south central Alaska for millennia. Chickaloon Village's traditional territory spans hundreds of miles of boreal forests teeming with wildlife, snow-capped mountains with ancient glaciers and bountiful rivers including parts of Upper Cook Inlet in south central Alaska. Chickaloon Village is an Ahtna Athabaskan Indian Tribe governed by the nine-member Chickaloon Village Traditional Council (CVTC).

CVTC's traditional territory includes much of Upper Cook Inlet including the watersheds of the Susitna, Matanuska and Knik Rivers. This region continues to be important to Tribal citizens for, among other things, subsistence practices, traditional religious and cultural practices, hunting, fishing, trapping, berry picking, recreation, and natural history interests. For more than 100 years the region has experienced active natural resource extraction including the extraction of oil, natural gas, coal, sand/ gravel, and gold.

CVTC strives to have transparent accounting procedures and demonstrates this by following generally accepted accounting principals, has completed 10 consecutive independent 3rd party audits with no findings or material weaknesses, and provide CVTC Annual Reports publically on our website. CVTC encourages the United States Government and extractive industry corporations to have transparent and publically available accounting procedures, taxes and fees. Therefore, CVTC encourages the United States to join EITI and believes the US is long overdue to mandate transparency and comprehensive reporting in the financial disclosure of transactions between the extractive industry and the US Government and is long overdue in becoming a member of EITI. Additionally, CVTC encourages the State of Alaska and other states to opt in as sub-national governments in the reporting process and encourages supplementary comprehensive reporting as encouraged at the Global EITI at the May 2013 Sydney conference.

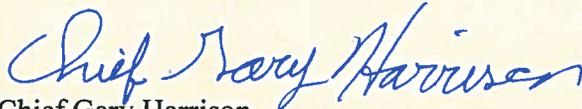
From the EITI website the EITI "is a global coalition of governments, companies and civil society working together to improve openness and accountable management of revenues from natural resources. CVTC would like USA to implement the EITI Standard to ensure full disclosure of taxes and other payments made by oil, gas and mining companies to the government as well as comprehensive reporting of the industries activities.

The following are some of the concerns of the USEITI Candidacy Application process to this point.

- CVTC has concerns about the speed at which the US intends to submit an application to EITI as there appears to have been minimal public outreach or public notification about the Draft USEITI Candidacy Application or Outreach Sessions. Though there was a USEITI Candidacy Application Outreach Session in Anchorage, Alaska, the Alaska Tribal Governments were not notified of this meeting in a timely manner. Presumably other stakeholder groups and the general public were not widely notified of this outreach session either. Consequently we understand there were 4 members of the public in attendance at the Alaska outreach session.
- The Multi-Stakeholder Group Advisory Committee's (MSG) Civil Society Sector is restricted in its ability to fully participate in the MSG process. For example, MSG alternate appointees currently must fund their own travel expenses to attend the MSG meetings, which greatly limits the civil society sector's engagement in the process. The Civil Society Sector appointees (both primaries and alternates) should be fully funded (including travel, lodging, and stipend) to attend the MSG meetings. These few individuals are the only specific voice speaking on behalf of the civil society in this process. Their participation in the process should not be limited due to lack of funding. Requirement 1.3 c of the USEITI Candidacy Application Form states "the government must ensure there are no obstacles to civil society or company participation in the EITI process." Requirement 1.3 f ii states the government must "ensure that stakeholders are adequately represented." By not funding the Civil Society Sector appointees to attend the MSG meetings, the US Government is not fulfilling these requirements adequately. This is one example of the many ways that the civil sector is handicapped in the process of developing the USEITI Candidacy Application.
- The 2-page Candidacy Application Overview is out of date and fails to address the new 'beyond transparency' EITI Standard requirement for supplementary, contextual and background information which clarifies the process. Also, on the first page 'accountability' is not defined and though it looks like an independent goal of EITI it is actually a part of transparency. This overview lacks any reference to going 'beyond transparency' and the process by which the US Government will do this.
- The USEITI Candidacy Application Form fails to address numerous processes of implementation and instead lists them in Annex 3 as a request for adapted implementation. CVTC encourages further effort and results into the processes of developing implementation actions for USEITI to addressing this list of topics in Annex 3.
- Lastly, CVTC requests a thorough review of the new EITI Standard including the 'beyond transparency' standards within, for development of and inclusion in the USEITI Candidacy Application.

Thank you for your consideration of these comments and for your work in developing a clear and thoughtful USEITI Candidacy Application and USEITI process and procedures.

May Creator Guide Our Footsteps,



Chief Gary Harrison
Traditional Chief and Chairman

Comment received from: Pamela Miller <pam@northern.org>

Please find our organizations public comment attached.

Pamela A. Miller, Arctic Program Director

Northern Alaska Environmental Center

830 College Road

Fairbanks, AK 99701

Phone 907-452-5021 x24

Cell 907-441-2407

Fax 907-452-3100

www.northern.org

[Please see attached letter on following page]



November 18, 2013

U.S. Department of the Interior
Attn: USEITI Secretariat
1849 C Street NW MS-4211
Washington, DC 20240
Sent via Email: useiti@ios.doi.gov
RE: Public Comments on Draft EITI Candidacy Application Form

Dear USEITI Secretariat:

This public comment is provided on behalf of the Northern Alaska Environmental Center (Center), a regional not-for-profit conservation organization and our more than 1,600 members. Since 1971, our grassroots organization based in Fairbanks, Alaska has promoted conservation of the environment and sustainable resource stewardship in Interior and Arctic Alaska through education and advocacy.

We wish to express our support for implementation of the Extractive Industries Transparency Initiative (EITI) so that it truly raises the bar for the world with respect to standards for reporting and disclosures that it makes and requires of industry. We urge the U.S. to approach this endeavor with out-of-the box type thinking so that its EITI implementation is as broad and inclusive as possible in the information compiled and disclosed pursuant to EITI. We appreciated that you held a brief session in Fairbanks with a few of the Committee participants.

Transparency and disclosure of adequate financial information is important for Alaskans and our communities as well as all Americans to determine if citizens are getting fair return on resource development projects on public lands and waters. Such information is essential to determine trade-offs and if the balance is fair or worth it in the long-run in the face of damage to our shared trust resources of lands, water, and fish and wildlife as well as public health.

That there is a great need for more transparent, better public information is demonstrated in Alaska by the fact that the oil tax bill (SB 21) passed by the State Legislature last April is now challenged by a citizen-initiated referendum, which required collecting the signatures of more than 30,000 voters in less than 90 days. This remarkable accomplishment in a state with less than 500,000 registered voters constitutes proof that there is a great need for improved public information on extractive industries.

Living in an “oil state” we know first-hand how difficult it is for the public and affected communities to obtain basic information about financial values received for our resources, as well as costs. Secrecy is the norm. It is a daily ordeal to extract out public information about oil, gas, coal, and mining plans, operations, and compliance –whether from industry or government. Furthermore, there should be disclosure of the potential impacts borne by the public and communities from the extractive industry operations during the entire projects’ span from planning through decommissioning. We urge you to consider compilation and disclosure of such “externalities” including air and water pollution, climate

change, noise disturbance, loss of fish and wildlife and their habitats, human health impacts, worker safety, and degradation of ecosystems services from wetlands to recreational and subsistence and cultural values. Disclosures should also be made of non-compliances and criminal and civil penalties and other such costs.

Furthermore, the public pays for many costs that it cannot easily track, such as subsidies through tax-incentives for exploration seismic or drilling, royalty relief “holidays, as well as myriad costs of doing business from pipeline tariffs to fines or the advertising that dominates our airwaves. Disclosure of the public contribution through subsidies, tax credits, etc. should be done.

To master the details of the important but technical and arcane subject before the EITI is very time-consuming. From the posted documents, it is clear that the **Multi-Stakeholder Group (MSG)** is comprised of representatives from the Government, Industry and Civil Sectors of society and one of the main purposes of the EITI is to enlighten the extractive industry policy dialogue with greater disclosure of financial information. The MSG sets and oversees the policy in this important venture.

The **Civil Sector representatives** are supposed to work out policy compromises on this important subject with the industry. But how can they represent the public interest against the industry when the Civil Sector has only 8 members and 8 alternates, all serving as volunteers, with alternates who are not funded to attend meetings unless they are filling in for one of the regular members (again: all of whom serve on a volunteer basis)? We recommend that all Civil Sector alternates be provided transportation costs and otherwise funding to attend meetings to begin to level the playing field with the industry sector which includes representatives from the largest multinational corporations. In order to assure that the Civil Sector is fully, actively, and effectively engaged, such basic funding is necessary in order to have adequate representation by independent non-profit public interest organizations and experts in financial accountability and economics of the extractive industry revenues and payments to governments.

The **Government Sector** is supposed to include representation for **Federally Recognized tribes**, but not even a single tribal government representative from the entire country serves on the committee and this should be rectified so that meaningful input from tribes across the Nation, including Alaska, can be addressed in the Application. This is significant in light of the long-known problems in accurate information about extractive industry royalties as witnessed by the decades-long Cobell case and well-documented environmental injustices faced by indigenous people from the extractive industries. Although there was a public workshop held in Fairbanks during the Alaska Federation of Natives (AFN) convention on October 18, 2013, there was very low public participation and did not appear to be any Alaska Native delegates nor official tribal government participation despite the location of the meeting.

The USEITI website provides only very general categories of sources of information it intends for compilation or disclosure. It would be helpful to provide some reporting examples of how meaningful disclosures would be presented to the public. We have some questions on these issues after reviewing the Public Outreach Overview Powerpoint:

- 1) **Materiality threshold** (p. 13)

This is a very critical factor but it is not clear what exactly is proposed. All annual extractive industry revenues should be reported, not just 80% in the first year or 90% in the second year. Otherwise you have apples vs oranges in data when comparing years, or unusual situations may affect the thresholds in some years. Furthermore, the third-party reconciliation should be done for 100% corporations.

If not all corporations are included in the disclosures in all years, it will be harder problems with government or industry data or reporting. Low revenue numbers are also meaningful to the public who may have to incur large social or other costs especially in boom times.

What if a corporation pays huge royalties, rents, fees, or taxes to a State but not the DOI, shouldn't it still be included in the disclosures? What if a corporation is wildly profitable but due to tax subsidies or other factors does not provide the typical reportable revenues to DOI.

Is this the threshold for all reporting, including the USEITI compilations from public data for all revenue streams? What about rents and fees collected by other agencies? Criminal and civil fines for violations of environmental or worker safety laws? Oil Spill Liability Trust Fund?

If revenue numbers are tabulated for disclosure only for multinational corporations across the nation as a whole, this will mask vital information about the performance of the corporations (including subsidiary corporations) at various oil field or mine operations and citizens will not be able to monitor disclosures most relevant to understanding the operations that affect them. It will be most helpful if the charts are compiled for each State and then summarized for the nation for each company.

2) Sub-national Reporting (p. 14)

In Alaska, most of the oil production to date including that from our nation's largest oil field, Prudhoe Bay, has taken place on State lands and waters, not federal lands and waters. ExxonMobil, BP, and ConocoPhillips dominate operations of the field, as well as pipeline transportation through the Trans-Alaska Pipeline. This is also the case for many oil producing states. It is vital that extractive industry revenues to States be compiled and disclosed.

We do not support *Annex 3, Request for Adapted Implementation*, because State revenue disclosure is vital to the public and affected citizens. The civil society representatives should not bear the burden of shining a light on information that the government should be providing to its citizens.

At the least, publically available information on revenues paid to State and other sub-national governments should be compiled to meet the EITI requirement for sub-national reporting.

Furthermore, while under the Dodd Frank bill there were new SEC reporting requirements for foreign profits for multinational oil companies operating in the U.S., but unfortunately, the Supreme Court recently shot that down. So we still do not get the full picture of how much money the oil companies take out of Alaska in profits.

Nor is it easy to understand whether state royalties and taxes are accurately paid. Note that oil tax, royalty, and tariff disputes are common in Alaska as well as other oil producing states, and have involved billions of dollars.¹ Disclosures of such disputes should be compiled and provided.

Other unique Alaska issues -- An interesting thing to consider with respect to transparency of industry is that Alaska Native Claims Settlement Act for-profit corporations are not required to provide the same accounting to the Securities and Exchange Commission (SEC) as is required by the multinational corporations. This is an area where it will be even more difficult for shareholders, communities, and the public due to lack of required financial and other disclosure for activities across much of Alaska. Furthermore, ANCSA corporation subsidiaries provide substantial contracting services to the extractive industry sector for activities carried out on public lands.

Evaluating adequacy of new DOI royalty management systems-- There has been relatively recent reorganization within the Department of the Interior regarding royalty and fee management, into a new agency the Office of Natural Resources Revenue in the wake of not only the Cobell case but also the corruption and management problems concerning royalty management in the former Minerals Management Service. A hard look needs to be taken about whether the reporting practices and management of this new agency are sufficient to provide needed transparency.

Thank you for this opportunity to comment.

Sincerely,



Pamela A. Miller
Arctic Program Director

Cc: Pat Pourchot, DOI

¹ <http://www.apnewsarchive.com/1992/Texaco-Settles-Oil-Royalty-Dispute-with-State/id-01d5819fe3415640ba7062bb712d05d5>
<http://www.adn.com/2010/05/07/1268751/hickel-dead-at-age-90.html>

Comment received from: Bugala, Paul Paul.Bugala@calvert.com

Please find attached a comment from the indicated group of investors regarding the USEITI draft application.

Please contact me if you have any questions.

Thanks,
Paul

Paul Bugala
Senior Sustainability Analyst, Extractive Industries
Calvert Investments
Office: +301-961-4755
Mobile: +202-558-8165
Email: paul.bugala@calvert.com
Twitter: [@paulbugala](https://twitter.com/paulbugala)

4550 Montgomery Ave.
Suite 1000N
Bethesda, MD 20814-9814 USA
www.calvert.com

[Please see attached letter on following page]

November 18, 2013

USEITI Secretariat
1849 C Street NW MS 4211
Washington DC 20240

Dear USEITI Secretariat:

As investors with a strong interest in responsible and transparent development of the natural resources of the United States, we commend the U.S. Department of the Interior and the Multi-Stakeholder Group Advisory Committee (MSG) for its leadership in undertaking the United States Extractive Industries Transparency Initiative (USEITI). USEITI is an important step in promoting greater extractive industries transparency in the United States, and provides an invaluable resource to investors and others with a need to understand the rapidly changing dynamics in the relevant industries. It is with these considerations in mind that we provide the following comments regarding the USEITI draft application.

Changing U.S. and global energy and materials supply and demand will require new approaches to resource development both in the field and where investment and policy decisions are made. The implementation of EITI in the United States creates opportunities to both clarify the increasing role of the extractive industries in the nation's economy and local communities and also to model how government, industry and civil society can work together to address shared challenges.

The combination of EITI implementation in countries around the world with the disclosure required by Section 1504 of the Dodd-Frank Wall Street Reform Act and other laws, including the European Union Transparency and Accounting Directives, will provide investors information necessary to make stronger decisions. It will also provide further assurance that natural resource revenues are used in a manner that promotes economic stability and effective regulation.

For these reasons, and in order to avoid the potential inefficiency caused by differing reporting requirements, we urge the USEITI multi-stakeholder group (MSG) to ensure the consistency of its disclosures with those required by Section 1504 and EU Directives. This recommendation echoes an August 2013 letter sent to Securities and Exchange Commission Chair Mary Jo White by investors with US\$5.6 trillion in assets under management¹.

The EITI Standard requires that entities engaged in the extractives industries, including oil, gas, and mining companies, publish what they pay to host governments and that implementing governments publish what they receive from the sector. The goal is not only to ensure that the numbers match, but also that EITI reporting and the implementation process leads to a more informed national debate about natural resource development. As the U.S. assumes an even more prominent role in the world's natural resource development, it is particularly important that processes such as USEITI reflect the perspectives of all stakeholders, especially those of Native Americans both within and outside the Federal tribal system who have a long history of exclusion from decision-making regarding natural resource development.

¹ Letter to U.S. Securities and Exchange Commission Chair Mary Jo White. August 14, 2013.
<http://www.calvert.com/Documents/InvestorStatementtoSECregardingAPIvsSEC082813PUBLICLEGAL.pdf>

Based on our review of the USEITI application and strong belief in the importance of this process and its outcomes to investors, we offer the following observations and suggestions. Our comments are confined to the questions of greatest salience to the interests of investors and where we believe our views would be of value. Our responses are guided by our well-documented position regarding the materiality of extractive industries benefit stream information and the benefit investors derive from the stability and efficiency achieved through transparency.

- First, the leadership and staff of the U.S. Department of Interior, Department of the Treasury, Department of Energy, Department of State, and all other contributing Federal agencies are to be commended for their persistent support for this vital initiative despite uncertainties regarding its funding and the government shutdown.
- To date, the U.S. implementation of EITI lacks a statutory or regulatory mandate, which makes it a voluntary exercise for all engaged parties. Without a law or agency policy requiring participation, the fate of USEITI rests on the good faith and commitment of the government, industry and civil society participants. We urge all parties to strive to ensure USEITI implementation remains a priority for their constituencies in the absence of the statutory obligations that are used in other implementing countries.
- The application's considerations related to the Trade Secrets Act may have significant implications for the disclosures required by USEITI, especially at the company and project levels. In line with the preceding comments about Dodd-Frank Section 1504, the EU Transparency and Accounting Directives, and the EITI Standard, investors urge the USEITI MSG to define project in a manner that yields publicly available company-specific data that is consistent with the U.S. and EU disclosure laws. These laws are aligned with the EITI Standard, and cover a significant number of both domestic and foreign companies operating within the U.S. Both the SEC's August 2012 guidance² for the implementation of Section 1504 and the EU law state clearly that project disclosure should reflect the basis for payment of liabilities to a government. The SEC's guidance states: "The contract defines the relationship and payment flows between the resource extraction issuer and the government, and therefore, it would serve as the basis for determining a 'project.'"³ The EU law defines a project as "the operational activities that are governed by a single contract, license, lease, concession or similar legal agreements."⁴ Aligning the USEITI project definition with the U.S. and EU laws would be consistent with the EITI Standard and the needs of both investors and reporting industry participants that seek consistency in payment reporting requirements.⁵ Our concept of project does not entail the disclosure of the commercial terms of a contract, but only the payments related to it. In our view, the resulting disclosure would not result in competitive harm.

² Note: The recent U.S. District Court decision vacating the August 2012 rules for Section 1504 does not require the SEC to change its positions or requirements related to project reporting in the revised rulemaking underway.

³ U.S. Federal Register. "Disclosure of Payments by Resource Extraction Issuers. A Rule by the Securities and Exchange Commission on 09/12/2012." September 12, 2012. <https://www.federalregister.gov/articles/2012/09/12/2012-21155/disclosure-of-payments-by-resource-extraction-issuers#h-66>

⁴ Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings. http://new.eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=oj:JOL_2013_182_R_0019_01&from=EN

⁵ Note: The EU law is in the process of being transposed (i.e. adopted) into national law and regulation by the 28 member states of the EU. However, no country has discretion to weaken or change the project reporting requirement or the definition laid out in the law.

- The USEITI application points out several challenges related to industry tax disclosure. We agree with the suggestion offered in the application that reference to tax disclosure treatment in Dodd-Frank Section 1504 would be useful and would support the concept of consistent disclosure addressed above. The consideration of tax disclosure may also benefit from comparison to the EU law and EITI implementation in other jurisdictions.
- A November 2012 U.S. Government Accountability Office review of minerals extracted from federal lands⁶ found “that federal agencies generally do not collect data from hardrock mine operators on the amount and value of hardrock minerals extracted from federal lands because there is no federal royalty that would necessitate doing so. Furthermore, while many western states collect data on the hardrock minerals produced in their state for purposes of assessing a state royalty, they generally do not collect data on the volume of those minerals extracted from federal land within those states.” We believe that the EITI Standard’s requirements regarding the disclosure of “(t)otal production volumes and the value of production by commodity, and, when relevant, by state/region” offers the USEITI MSG the opportunity to address the current gap in disclosure regarding hard rock mineral production.
- The USEITI request for adapted implementation with regard to subnational revenue collection is reasonable given the challenges related to compelling action by individual states. In light of this, investors encourage the USEITI MSG to work closely with state governments to encourage them to opt into what should be a very productive exercise for regulators, citizens and industry participants.
- The EITI Standard encourages implementing countries to maintain a publicly available register of the beneficial owners of the corporate entities that bid for, operate or invest in extractive assets, including the identities of their beneficial owners and the level of ownership. Such a register does not exist in the U.S. The undersigned investors therefore urge the USEITI MSG to follow the EITI Standard and request companies participating in the process provide this information for inclusion in the USEITI report.
- On October 31, 2013, President Obama released an update regarding the Administration’s commitments to the Open Government Partnership (OGP) of which USEITI is an important part. The President’s update⁷ includes a commitment to “publish annual reports on U.S. Government spending on fossil fuel subsidies”. We recommend including these potentially useful disclosures in the forthcoming USEITI reports.
- According to the EITI Standard, “the reconciliation of company payments and government revenues must be undertaken by an Independent Administrator applying international professional standards.”⁸ Given the importance of this function and understanding the financial constraints of the Federal government, investors recommend that sufficient funds are allocated for the purpose of retaining a competent Independent Administrator consistent with the practice in other EITI implementing countries.

⁶ U.S. Government Accountability Office Review requested by Congressman Raúl M. Grijalva (D-Az.). “Mineral Resources: Mineral Volume, Value, and Revenue.” November 15, 2012. <http://www.gao.gov/assets/660/650122.pdf>

⁷ U.S. Open Government Partnership. “Second Open Government National Action Plan for the United States: A Preview Report.” October 31, 2013.

http://www.whitehouse.gov/sites/default/files/docs/preview_report_of_open_gov_national_action_plan_10_30.pdf

⁸ The EITI Standard. EITI International Secretariat. July 11, 2013. http://eiti.org/files/English_EITI%20STANDARD_11July_0.pdf

- The EITI process is a long-term one requiring years of commitment on the part of all participants to yield the desired results. In order to ensure that the USEITI process remains a priority to the Federal government and its agencies, investors recommend that more specific opportunities for a congressional role in the U.S. implementation be explored. To this point, the EITI Standard indicates that the government stakeholder group may include parliamentarians.⁹

Investors have long been key supporters of EITI¹⁰ both as participants in its governance as members of the International Board and in participating and following country-level implementation, as is the case with USEITI. Payment disclosure laws such as Dodd-Frank Section 1504 and the EU Directives, and initiatives such as EITI, play a complementary and critical role in encouraging greater transparency and stability in resource-rich countries, which benefits investors, the companies in which they invest, citizens, and implementing governments.

We commend the USEITI MSG on its progress thus far and look forward to the continued success of this very worthy initiative.

Sincerely,

Bennett Freeman
Senior Vice President, Sustainability Policy and Research
Calvert Investments, Inc.

Gary R. Matthews, PhD CPA/PFS AIF
Principal
First Affirmative Financial Network (FAFN)

Bruce T. Herbert, AIF
Chief Executive
Investor Voice, SPC

Bruce T. Herbert, AIF
Chief Executive
Newground Social Investment, SPC

Peter Krull
President
Krull & Company

Larisa Ruoff
Shareholder Advocacy & Corporate Engagement
The Sustainability Group at Loring, Wolcott & Coolidge

Pat Zerega
Senior Director of Shareholder Advocacy
Mercy Investment Services, Inc.

⁹ The EITI Standard. EITI International Secretariat. July 11, 2013. http://eiti.org/files/English_EITI%20STANDARD_11July_0.pdf

¹⁰ "Investors' Statement on Transparency in the Extractives Sector." Drafted May 2003. Updated September 2013. <http://eiti.org/files/Investors-statement-sept-2013.pdf>

Barbara Jennings, CSJ
Coordinator
Midwest Coalition for Responsible Investment

Michael Kramer, Accredited Investment Fiduciary
Managing Partner
Natural Investments LLC

Catherine Cartier
President, Board Chair
Progressive Asset Management, Inc.

Frank Curtiss
Head of Corporate Governance
RPMI Railpen Investments

Patricia Jurewicz
Director
Responsible Sourcing Network

Lars M. Lewander
CEO
Spring Water Asset Management, LLC

G. Benjamin Bingham
Founder and CEO
3Sisters Sustainable Management, LLC

Susan Baker
Vice President, Shareholder Advocacy & Corporate Engagement
Trillium Asset Management, LLC

Timothy Smith
Director of ESG, Shareowner Engagement
Aaron Ziulkowski
Senior ESG Analyst
Walden Asset Management