



United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, D.C. 20240

APR 17 2014

Mr. James D. Ogsbury
Executive Director
Western Governors' Association
1600 Broadway, Suite 1700
Denver, Colorado 80202

Dear Mr. Ogsbury:

Thank you for your letter dated April 4, 2014, on behalf of the Western Governors' Association (WGA) concerning U.S. implementation of the Extractive Industries Transparency Initiative (USEITI). You requested further clarification of how extractive revenues collected by states may be affected as USEITI implementation continues, and I appreciate the opportunity to share this information with you.

As you know, the USEITI candidacy application was approved at the March 2014 EITI International Board Meeting. Consistent with our previous communications, the candidacy application sought and successfully obtained a waiver of the EITI requirement to include reconciliation of state extractive revenues in EITI reporting. Publicly available information about state extractive revenues will be in the USEITI Report as part of the contextual data describing the U.S. extractive sector.

Moving forward, a working group will be formed to engage states in the joint design of a state "opt-in" procedure for USEITI reporting. The USEITI Multi-Stakeholder Group (MSG), which includes representatives from the States of California and Wyoming, will lead this effort. The rationale for seeking the waiver and proposing to instead develop an "opt-in" procedure recognizes not only the complex and varied nature of the state extractive landscape, but also the need to first obtain meaningful guidance from states on an approach that will be mutually beneficial. As a result, the approval of the USEITI candidacy application marks a starting point for more detailed discussion, not a destination with defined outcomes for state participation.

We welcome the opportunity for more active WGA involvement in designing a state "opt-in" procedure and identifying the benefits to state residents, especially in those areas where substantial energy development occurs. We would like to invite WGA representatives to begin attending the USEITI MSG open meetings, starting with the next one on April 23rd, and/or to

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participate in the state "opt-in" working group. We will continue to keep you informed and seek your input as the state "opt-in" procedure is designed, and look forward to WGA's continued engagement on behalf of states.

Please let me know if there is any additional information that would be helpful.

Sincerely,

A handwritten signature in black ink, appearing to read "Rhea Suh", with a stylized, cursive script.

Rhea Suh
Assistant Secretary
Policy, Management and Budget

Cc: The Honorable John Hickenlooper
Governor of Colorado and
Chairman, Western Governors' Association