

Project & Company Level Reporting Working Group

Report to the MSG Implementation
Subcommittee
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Working Group Members

Government

Debbie Tschudy, Department of Interior

Industry

John Harrington, Exxon Mobil

Aaron Padilla, American Petroleum Institute

Civil Society

Paul Bugala, Calvert Investments

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Process Followed

- Development of Parameters Document
- Seven meetings between June 19 and August 7
- Participation of outside experts in WG meetings
- Consultation within our constituencies
- Notes of WG meetings



Project Reporting Parameters

- EITI Standard
- USEITI Application
- USEITI Independent Administrator TOR
- Related legal reporting requirements
- Best practice
- Use of data



Issues Explored by the Work Group

- Identify specifics regarding Trade Secret Act/competitive disadvantage concerns
- How the Dodd-Frank Section 1504 process affects the decision on project level
- The potential to achieve equivalency with existing EU law
- The EITI process and validation and the precedents the USEITI process may set
- Develop stronger understanding of how USEITI data will be used at a state and local level
- How the level of reporting may affect the complexity and use of the USEITI reconciled report



Outcomes of Working Group Discussions



Competitive Harm Under the Trade Secrets Act

- Review of competitive harm issues under the Trade Secrets Act
- In most cases, competitive harm not seen as a significant impediment to disclosure of lease-level, year old data, by company and by commodity in the U.S.



SEC/Section 1504

- Risk of inconsistency with Section 1504
- Inconsistent definitions would pose a compliance hurdle
- Timing relative to SEC process
- API project definition proposal



EU Law

- Risk of definition inconsistent with EU law
- Companies domiciled, operating or listed in the EU will have to report at EU law's project level in 2016 (2015 in the UK)



EITI Standard

- Reporting at project level is required, provided that it is consistent with SEC rules and EU law
- Validation and consistency considerations



Recommendations

- The USEITI project level definition should be consistent with the EITI Standard and support efficient global reporting
- More certainty is needed on how the statutes referenced in the EITI Standard will be applied, including the SEC Section 1504 final rule and EU law
- UK project definition due around October 2014, SEC proposed rules for Section 1504 scheduled for March 2015



Recommendations

- More information is also needed on:
 - How can reporting be done in a manner that is both as useful as possible and consistent with the EITI Standard?
 - Competitive harm evidence, if any, from companies included in the initial USEITI report.
 - Competitive harm evidence, if any, from companies included in the unilateral disclosure report.

