

United States Extractive Industries Transparency Initiative
Multi-Stakeholder Group Advisory Committee
Minutes of the April 11, 2013 Meeting

SUMMARY OF PROCEEDINGS

Welcome and Overview

Ms. Karen Senhadji, Senior Advisor to Interior Assistant Secretary Rhea Suh, informed the committee that Ms. Suh was unable to attend as she had to accompany Secretary Salazar at a Congressional hearing. As a result, Ms. Suh asked Ms. Senhadji to act as the Designated Federal Officer on her behalf. Ms. Senhadji thanked everyone for participating and took a roll call to determine member attendance, then provided logistical information regarding the conference call and the WebEx. Following the attendance roll call and logistics, Ms. Senhadji expressed that the goals of the meeting were to:

1. Provide an update on items started at the first MSG meeting, including the minutes from the first meeting, the terms of reference, the work of the subcommittee and the designation of co-chairs;
2. Prepare for the discussions at the upcoming May 1-2, 2013, meeting in Washington, D.C.;
3. Pilot a MSG meeting via conference call/ WebEx to determine the effectiveness and feasibility to conduct future meetings with the same technology in order to save time and money, particularly given the current budget climate and busy schedules of our members.

Ms. Senhadji reviewed the agenda and asked if there were any questions, then proceeded when there were none.

Minutes from First Meeting

Ms. Senhadji acknowledged that the government would have liked to provide the draft minutes from the first meeting sooner, but encountered challenges in pulling them together. She continued that those challenges have been ironed out and the government will have a more streamlined process for preparing minutes going forward. She asked members to email any edits or corrections by Friday, April 19, 2013, then the edits would be reconciled and another draft posted and circulated one week prior to the May 1-2 meeting. She then asked members if there were any preliminary questions or concerns regarding form or substance of the minutes, noting that this format would be used as a template for future meeting minutes.

Mr. John Harrington, commented that the industry sector expected the minutes to follow typical EITI MSG protocols following the Chatham House Rules, which would not attribute comments to particular individuals. Ms. Danielle Brian replied that civil society is concerned that Chatham House Rule and FACA requirements are incompatible. Ms. Senhadji noted that we're trying to use a federal advisory committee that complies with the Federal Advisory Committee Act while also following EITI principles. She suggested that Interior confer with its FACA lawyers regarding what is allowed and required prior to the next meeting. She also recapped the discussion, noting that industry sector would prefer to not attribute specific individuals to the comments while the civil society sector would prefer attribution. Ms. Brian stated that civil society's review of EITI has been that it's a presumption of full transparency. Mr. Harrington acknowledged and said that industry will also perform more reviews of MSGs that industry is participating in and bring that information to the next meeting. Ms. Senhadji stated that as the minutes of this meeting are prepared, Interior will err on the side of attribution so as to avoid needing to add later if it must be included. Mr. Harrington agreed, said the minutes were good, and complimented Interior on their thoroughness and accuracy.

Update on Sector Co-Chairs

Ms. Senhadji reminded members that the MSG in its last meeting agreed to designate co-chairs for the civil society and industry sectors, who would coordinate efforts with the USEITI MSG chair, as well as liaise with and across their sectors to provide feedback to each other and the committee. Both civil society and industry sectors were asked to nominate their own co-chairs, and the full committee would need to approve them. Ms. Danielle Brian, Project on Government Oversight (POGO), introduced herself and said she was honored to be the person representing the civil society sector as the co-chair. Ms. Senhadji extended congratulations to Ms. Brian and asked the committee membership if there were any objections to Ms. Brian's nomination. With no objections, the Committee approved Ms. Brian as the MSG co-chair from the civil society sector. Next, Mr. John Harrington indicated industry had been prepared to nominate Mr. Manpreet Anand to serve as the industry sector co-chair;

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but unfortunately Mr. Anand has since moved on to a new assignment outside of Chevron-Texaco. The industry sector did not yet have a nominee for co-chair to replace Ms. Anand but expected to have someone identified by the next meeting.

Ms. Senhadji thanked Mr. Harrington and provided additional background relative to the vacancy from Mr. Anand's resignation, stating there are two ways to fill the vacancy: (1) Appoint an alternate to serve as a primary member, and fill the vacancy of the alternate; or (2) fill the vacancy for the primary member directly. Since a call for nominations via Federal Register Notice is required to fill the vacancy, Ms. Senhadji recommended also including a call for nominees from all sectors to create a roster of eligible nominees from which any potential future vacancies could be filled. According to FACA advisors at Interior, any vetted nominees would then be eligible for appointment for up to one year. Interior could issue a Federal Register Notice soon, and include a 30 day comment period in which public nominations would be sought.

Ms. Veronika Kohler asked if Ms. Senhadji was suggesting, at this time, that we increase the number of each sector to the nine as allowed in the charter; or if we're just filling the industry slot for Mr. Anand and developing this roster for the future in case other MSG members are sent elsewhere. Ms. Senhadji responded that it gives the committee the ability to add that ninth member if it wished to do so, but also provides the ability to have people ready to fill any vacancies. She added that the primary goal and the timing of it is to fill the vacancy created by Mr. Anand's departure and then add others as the committee sees fit.

Ms. Laurie Sherman asked why we don't choose a new primary member from the alternates. Ms. Senhadji responded that even if an alternate replaces the primary member, there's still a vacancy to fill. Ultimately the Secretary of the Interior does make the final decision on appointments, but following the principles of EITI, Interior would prefer that the sectors make recommendations for how they would like to fill vacancies. Ms. Sherman also asked whether an alternate that wants to be a member would have to apply again with all of the paperwork that was done the first time. Ms. Senhadji responded that another nomination was unnecessary because anyone who was previously selected as a primary or alternate members have already gone through the vetting process. If any alternate would be interested in being considered as a member, Ms. Senhadji recommended that they have a conversation within their relative sector so that a recommendation is made to the committee by the sector. Ms. Sherman acknowledged agreement with that suggestion.

Mr. Greg Conrad asked if the call for nominations meant the committee would reconsider a decision to include a congressional representative—which had been left undecided at the last meeting. Ms. Senhadji opened his concern to the committee, and with no responses suggested that Mr. Conrad's concerns be added as an agenda item at the next meeting.

Ms. Senhadji recapped that barring any objections, Interior would proceed with issuing a Federal Register notice soon to replace the industry vacancy, as well as to solicit additional nominations from all sectors for any vacancies. Additional members could include a congressional representative and/or the sixth, seventh, eighth and ninth member from the government sector, or the ninth members for the other sectors as allowed by the Committee Charter, as recommended by the sectors and the Committee. No objections were raised.

Review Terms of Reference

Ms. Senhadji reminded the Committee that the terms of reference (TOR) are not regulations or legally binding; but rather, they are meant to provide guiding principles to help the Committee work smoothly together when conducting meetings and other business. She said that the government prepared the first draft for review by committee members, based on examples of other advisory committees, and in accordance with EITI principles. At the first meeting, committee members provided preliminary input to the draft TOR, and the committee asked the subcommittee to work together to revise the draft. The government sector incorporated

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preliminary input into a revised draft and circulated it to the full committee on March 2, 2013. At that time, the industry and civil society sectors were asked to perform another review and provide consolidated sector edits to the subcommittee, which were received from civil society on March 24, 2013, and from industry on March 29, 2013. To begin reconciling these edits, Ms. Senhadji suggested a page-by-page walk-through of the proposed changes from civil society and industry to identify and accept those that are fairly straightforward, while flagging anything that would require conversation for future discussion at the May 1 and 2 meeting. The draft for review was shown on a WebEx site (and is posted on the USEITI FACA committee page) and included text highlighted in yellow where there were industry comments; text highlighted in turquoise where there were civil society comments; and text highlighted in green where both made comments. Before moving further, Ms. Senhadji asked if anyone had any questions or concerns with proceeding in this way--Committee members agreed with this proposal. The Committee went through the document page by page, adopting many of the proposed changes and setting aside others for further discussion and resolution, as indicated in the attached revised draft.

Candidacy Subcommittee Update

Ms. Senhadji reminded the committee that at its last meeting, it established a subcommittee to work on the draft candidacy application and its components, staffed with three members from each sector:

- Civil Society: Danielle Brian, Paul Bugala, and Deborah Rogers
- Government: Curtis Carlson, Marti Flacks, and Greg Gould
- Industry: Susan Ginsberg, Veronika Kohler, and Walt Retzsch

Ms. Brian provided an update on behalf of the subcommittee, which has been meeting nearly weekly through conference calls. Subcommittee members are expected to report back to their sectors, while the government has been posting summaries of subcommittee calls on the USEITI website. So far, the subcommittee looked at examples of other countries applications, and it's fairly clear that there isn't an example out there for the U.S. to follow—given our unique size, complexity, and the fact that we are a developed country. Some country plans the subcommittee looked at included Australia, who has a pilot program; Nigeria, who actually completed its plan before some of the EITI templates were set up; and another plan that was prepared in Portuguese, so it was difficult for to do much with that. The government circulated to the Committee and posted online a template issued by the EITI international secretariat. The candidacy application has five requirements to fulfill and document, and the first four have been fulfilled. The requirements are:

1. Issue a public statement of intention to implement EITI (fulfilled when the President announced his intention to implement EITI)
2. Commit to work with civil society and companies to implement EITI (fulfilled when the President and Secretary Salazar committed to work with civil society and industry to implement)
3. Appoint a senior individual to lead implementation of EITI (fulfilled when the President named the Secretary of the Interior as senior official, and Secretary Salazar directed the Assistant Secretary for Policy, Management and Budget to establish and chair the multi-stakeholder group)
4. Establish a multi-stakeholder group to oversee implementation of EITI (which was fulfilled when the committee was established in July and appointed in December last year)
5. The multi-stakeholder group and key stakeholders agree to publish a fully-costed workplan (which the government is in the process of drafting with the subcommittee);

Ms. Brian noted that the fifth requirement could be challenging and that the government has begun to draft the documents, which the civil society sector is eager to see as soon as possible. Mr. Greg Gould responded that he thought the draft background document would be ready to send to the subcommittee by April 19.

Public Remarks

Ms. Senhadji stated that alternates have a very important role for the Committee, and many have been actively engaged in their sectors, tracking and attending Committee and Subcommittee meetings. Ms. Senhadji then asked that alternates be able to provide comments first, before members of the public. Mr. Richard Feinberg, Alternate

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from Fairbanks, Alaska, identified himself and said that the pilot of for using technology to conduct this meeting was inconsistent with the recognized need to stand up a civil sector that can actively engage. Because the technology was difficult to use, and there were problems with the phonelines at this and the previous meeting, it distracted from following the meeting substantively, such as the terms of reference discussion. Mr. Senhadji thanked him and invited members to respond if they wished--there were no responses. Ms. Senhadji assured him that the Interior Department does want to make this process as easy and accessible as possible. The goal was to make this meeting accessible to more people who might not be able to travel in person, given everyone's busy schedules and time constraints, as well as the budgetary constraints faced by the government—now under sequestration. With less capacity to convene in-person meetings on a regular basis, some Committee business may need to be done in the full view of the public via Web and phone. While that is the intent, she stated that if we're not meeting that need, we may need to regroup to see how we can do better. She then expressed appreciation to Mr. Fineberg for bearing with this pilot phase and apologized that it's wasn't working for him.

Next Steps/Adjourn

Ms. Senhadji asked if industry could name an interim co-chair or point of contact to help Danielle and Interior with coordinating preparations for the next meeting. Mr. John Harrington offered to do so, however Ms. Senhadji indicated that at the first meeting the Committee agreed to have primary members serve as co-chairs. Ms. Veronika Kohler offered her services as the industry co-chair until industry can identify an official co-chair. Ms. Senhadji thanked Ms. Kohler for her willingness to step in for the short term and Mr. Harrington for volunteering to do so as well.

Ms. Senhadji again offered appreciation to everyone for bearing with this pilot of teleconferencing and WebEx. Before adjourning, she summarized what was agreed to:

- Minutes. Interior will check with FACA specialists as to whether attribution is required. (Note: attribution is required.)
 - 1st MSG Minutes. Feedback or edits should be sent to Ms. Senhadji by Friday, April 19, 2013. A revised draft will be circulated and posted, to be finalized and approved at the next meeting.
 - 2nd MSG Minutes. The draft from the first Committee meeting will serve as a template for today's meeting. Draft minutes will be completed as soon as possible with the hope that they also can be finalized and approved at the May 1 and 2 meeting
- Co-chairs. Danielle Brian was approved by as the committee's civil society co-chair, and Veronika Kohler will serve as the interim industry co-chair.
- Member Vacancy. The federal government will issue a Federal Register notice to solicit nominations for both a current vacancy in the industry sector, and for a roster of nominees from all sectors to fill any future vacancies over the next year.
 - Ms. Kohler stated that it would be best to clarify in the Federal Register Notice that now nominations are sought to fill the industry vacancy, and additional nominations are sought for a roster of available candidates that may be appointed to fill vacancies later, but not to raise expectations that the sectors will increase their numbers to the nine allowed in the charter. Ms. Senhadji agreed, and added that the Committee could make a decision at the May meeting or at future meetings as to how to use that roster; i.e., whether and when it would like to expand or fill other vacancies if they become available.
- Terms of Reference. A number of changes were adopted, and the government will put together and circulate a revised draft reflecting those changes and any pending proposed edits that have yet to be resolved at the May 1 and 2 meeting.
- Candidacy Subcommittee. The subcommittee is proceeding as planned, and the government sector has committed to providing an initial draft to the subcommittee by the end of next week, and drafting will continue within the subcommittee until a more complete draft is ready for review by the full Committee.

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Ms. Senhadji reminded everyone that the next meeting will be May 1-2 at the Department of the Interior in Washington DC, Rooms 7000A and B. She stated that the materials and agenda will be posted, as they have been in the past, on our Website at www.doi.gov/eiti/faca for everyone to see. Ms. Senhadji also invited everyone to review the main USEITI Web page (www.doi.gov/eiti), stating that it is also a good resource. In addition to meeting materials and other information for this committee, it has White House blog posts, press releases, and other information regarding USEITI. She asked members to RSVP to Ms. Shirley Conway and/or Ms. Kim Oliver and for those who would travel via invitational orders to finalize travel plans with the help of Kim and/or Shirley by April 19. She also reminded everyone to send edits for the draft member directory to Ms. Conway by April 19. The member directory will be posted online for the public to see, less any contact information. Members will receive a separate members-only directory that includes contact information.

Ms. Senhadji opened the floor for any additional comments, questions, or concerns and none were given. She extended appreciation to the Committee for their time and stated she looks forward to seeing everyone on May

TIME AND LOCATION

Time: 1:30am - 3:17 pm, Thursday, April 11, 2013
Location: U.S. Department of the Interior, 1849 C Street NW; Washington, DC 20240

ATTENDANCE

Chaired by Karen Senhadji, Senior Advisor to Assistant Secretary, Policy, Management and Budget, and Acting Designated Federal Officer for the USEITI Advisory Committee, U.S. Department of the Interior

Participating Committee Members

Civil Society

Danielle Brian, Project On Government Oversight
Paul Bugala, Calvert Investments
Jennifer Krill, Earthworks (*on behalf of Rebecca Adamson*)
Deborah Rogers, Energy Policy Forum
Keith Romig, United Steelworkers
Michael Ross, University of California at Los Angeles
Laurie Sherman, Transparency International (*on behalf of Ted Boettner*)
Veronica Slajer, North Star Group

Government

Mitch Baer, Office of Oil and Gas Policy, Energy Department
Curtis Carlson, Office of Tax Policy, Treasury Department
Greg Conrad, Interstate Mining Compact Commission
Greg Gould, Office of Natural Resources Revenue, Interior Department
Mike Smith, Interstate Oil and Gas Compact Commission

Industry

Phillip Edward Denning, Shell Oil Company
Michael John Flannigan, Peabody Energy
Susan Ginsberg, Independent Petroleum Association of America

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John Harrington, Chevron Corporation (*Acting vice Manpreet Anand*)
Veronika Kohler, National Mining Association
Jim Roman, ConocoPhillips
Brent Roper, Rio Tinto

Committee Alternates in Attendance

Civil Society

Richard Fineberg, Research Associates
Michael LeVine, Oceana
Brian Sanson, United Mine Workers of America
Betsy Taylor, Virginia Polytechnic Institute & State University

Industry

John Harrington, Exxon Mobil Corporation
Amanda Lawson, Walter Energy Inc.
Walt Retzsch, American Petroleum Institute
Bob Wilkinson, ConocoPhillips

Government

John Tysseling, New Mexico Taxation and Revenue Department

Government and Members of the Public in Attendance

Kent Boswell, Peabody Energy
Amanda Brice, Peabody Energy
Shirley Conway, Interior Department
Jeff Collins, Chevron
Lisa Ellman, White House
Kate Ferrari, Student
Marti Flacks, State Department
Cory Gill, Goldwyn Strategies
Surya Gunasekara, American Petroleum Institute
Jennifer Hay, Appalachian Study Group
Nicholas Hayduk, Kinross Gold Corporation
Jennifer Heindl, Interior Department
Aaron Mintzes, Earthworks Action
Jim Miller, International Board
Isabel Munilla, Publish What You Pay
Paul Mussenden, Interior Department
Kim Oliver, Interior Department
Ed Opitz, Kinross Gold Corporation
Chris Phalen, Rio Tinto
Misty Seemans, CSO Coordinator
Samantha Spiece, Interior Department
Mia Stienle, Project on Government Oversight
Suzanne Swink, BP America
Dan Taylor, Ohio Valley Environmental Collision
Lynn White, Freeport McMoRan
James Witkop, Interior Department

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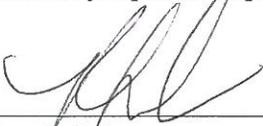
**DOCUMENTS DISTRIBUTED
(See attached and www.doi.gov/eiti/faca):**

- Agenda
- Draft Minutes from First Committee Meeting
- Draft Terms of Reference, highlighted for comments
- Draft Terms of Reference, changes adopted and remaining comments flagged
- Candidacy Application Template

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CERTIFICATION

I certify that the above minutes are an accurate summary of the April 11, 2013, U.S. Extractive Industries Transparency Initiative (USEITI) proceedings. The minutes may be released to USEITI members and made available for public inspection.



Date 5/1/2013

Rhea S. Suh

*Chairperson and Designated Federal Officer
U.S. Extractive Industries Transparency Initiative
Multi-Stakeholder Group
U.S. Department of the Interior*