

**United States Extractive Industries Transparency Initiative
Multi-Stakeholder Group Advisory Committee Meeting
November 5-6, 2013**

Summary of Proceedings

U.S. Department of the Interior

I. Introduction

The U.S. Department of the Interior (DOI) convened the seventh meeting of the U.S. Extractive Industries Transparency Initiative (USEITI) Multi-Stakeholder Group (MSG) Advisory Committee on November 5-6, 2013 in person at the U.S. Department of the Interior (Room 5160, 1849 C Street NW, Washington, DC), with the opportunity for remote participation via webinar. A list of participants is provided at the end of the summary, in Section H.

The purpose of the meeting was to discuss public comments received on the U.S. candidacy application to the EITI International Secretariat, the USEITI MSG's outreach activities, and the process to finalize the application. The meeting was also an opportunity to continue discussions about the USEITI reporting template. The meeting also included a discussion about MSG business items, an update on the U.S. candidacy application, a tutorial on data available from the Department of the Interior, a presentation and discussion from the EITI International Secretariat about successful EITI implementation, a brainstorm on USEITI reporting, and opportunities for public comment.

II. Summary of Action Items and Decisions

Action Items

DOI:

- Share revised language justifying adaptive implementation (Section 1.4) by Thursday, November 7.
- Review the outreach and public engagement language to integrate comments received, as appropriate, and ensure the language captures all USEITI outreach activities, including links to available resources.
- Review the work plan to ensure it is consistent with the rest of the candidacy application.
- Share an updated complete candidacy application in advance of the December 11-12 MSG meeting.

MSG members:

- Industry representatives and DOI staff will discuss recipients and distribution approaches for the payer letter.
- Review example country reports to inform the development of the USEITI reporting template.

CBI:

- Finalize past meeting summaries to post.
- With the co-chairs, develop agenda for the December meeting.

Decisions

- The MSG agreed to convene the Outreach and Communications Subcommittee

III. MSG Business

Ms. Rhea Suh, Assistant Secretary for Policy Management and Designated Federal Officer for the USEITI MSG Advisory Committee, U.S. Department of the Interior (DOI) opened the meeting. She conducted a roll call of meeting participants and reviewed the agenda for the meeting. Ms. Suh noted that staff have been working hard to realign the MSG meeting schedule after the federal government shutdown. She shared that many public listening sessions have been completed, and noted the following public event schedule adjustments:

- The public outreach webinar scheduled for October 2, 2013 was rescheduled to November 4, 2013;
- The public listening session in Pittsburg, PA has been rescheduled to November 14, 2013; and,
- The public comment period has been extended to November 18, 2013.

Ms. Suh announced that despite the challenges faced, the MSG is on track to complete the candidacy application goal in December. Ms. Suh, along with co-chairs Ms. Danielle Brian (Civil Society Organizations, or CSOs), and Ms. Veronika Kohler (Industry) expressed appreciation for the hard work and contributions of DOI staff members in assisting their respective sectors.

Ms. Suh also provided an update on the nomination process for appointments to fill vacancies in the MSG. The notice about the nomination process was posted to the Federal Register with a September 30 deadline for nominations. During the nominations period, the MSG received nominations for representation from five CSO stakeholders, three industry stakeholders, and one government stakeholder. The nominations are currently being vetted and candidates should be ready to begin participating on the MSG in 2014. Ms. Suh also welcomed Ms. Marina Voskanian, Government, California State Lands Commission, to her first USEITI meeting.

Ms. Suh also shared additional updates on government transitions, noting that DOI Secretary Jewell is eager to engage with the MSG and hopes to attend future in-person MSG meetings. Ms. Suh announced that she has been nominated for a new post as Assistant Secretary for Fish, Wildlife and Parks. The nomination is awaiting Senate confirmation. Ms. Suh is interested in continuing to engage with the MSG if she is nominated to the new post. Ms. Suh added that Ms. Karen Senhadji has been appointed as the new Director of the Office of International Affairs. Ms. Suh noted that Mr. Paul Mussenden (Deputy Assistant Secretary for Natural Resources Revenue, DOI) and Mr. Greg Gould (DOI), with support from the CBI facilitation team, will assume Ms. Senhadji's responsibilities on the MSG. MSG members shared support for Ms. Senhadji in her new position. Ms. Suh noted that DOI will ask CBI, the facilitation support contractor, to finalize the meeting summaries from May, June, July, and September and use the

same template for future meeting summaries. Ms. Suh added that the summaries will be an important reference during the review of the USEITI candidacy application.

➤ **Action Item: Finalize and post past meeting summaries**

IV. Presentations and Key Discussion Points

A. Candidacy Application Update

International Updates

Ms. Marti Flachs, U.S. State Department, presented an international update on EITI candidate applications. Ms. Flachs shared that the EITI board met in October and accepted two new countries, Ukraine and Senegal, as EITI candidates and verified two more countries, Kazakhstan and Cameroon, as compliant. The EITI now has twenty-one compliant countries and forty-one total participating countries. The EITI board meeting also included site visits throughout Africa.

Ms. Flachs also shared additional updates about EITI activities internationally that could provide lessons learned for USEITI. Australia finished a two-province pilot initiative to determine what is feasible for the country. Ms. Flachs suggested the next MSG call or meeting could include a presentation and discussion with those involved in the pilot initiative. In response to a request for clarification, she added that the Australian pilot initiative included eight companies in two provinces, but was unsure if those were the *only* companies operating in those provinces.

Mr. Gould shared that he has been invited to Columbia to speak with the Columbia EITI group about forming their MSG and organizing a regional workshop. Mr. Gould also noted that representatives from Libya will be visiting the U.S. during the next MSG meeting, and have been invited to observe the meeting.

Ms. Flachs concluded by pointing out that a variety of materials are available to meeting participants as examples of different countries' reporting. She highlighted EITI's infographic contest and the resulting products as a compelling and creative way to present reported data.

Public Listening Sessions

Mr. Gould, DOI, shared an update on the public listening sessions. The complete presentation is available on the WebEx. MSG stakeholders also joined the presentation, sharing updates from listening sessions they attended. CBI will be summarizing comments received during the listening sessions, available as one public comment summary that will be included in the USEITI candidacy application.

Mr. Mussenden, explained that several listening sessions involved discussions about engaging congressional staff in the MSG. One meeting participant inquired if there would be FACA (Federal Advisory Committee Act)-related concerns with congressional participation on the MSG. Mr. Gould clarified that congressional staffers might engage as participants of some kind in the government sector or the CSO sector, depending on the structure of the FACA committee. Mr. Michael Flannigan suggested that the MSG could engage the DOI Congressional Affairs

group to help engage congressional staff. Mr. Flannigan also suggested that a letter from the Secretary/Assistant Secretary level to all members of Congress, or targeted to certain congressional committees, explaining the EITI process, could increase congressional awareness and potentially drive participation. Ms. Brian suggested that MSG members could host a briefing for congressional staff to learn about USEITI. Ms. Suh suggested a two-pronged approach, with a letter from DOI and from sector leadership.

Ms. Suh shared concern about the low levels of engagement during some of the listening sessions, and suggested the MSG consider other proactive ways to spread awareness and solicit comment on the USEITI process. Ms. Suh added that the MSG could utilize other forums, such as the Western Governors' Association (WGA), to share presentations and engage stakeholders. Several meeting participants agreed that WGA would be a good organization to help with outreach, and they supported organizing a small meeting during the next WGA meeting. Ms. Brian postulated that the public may be difficult to engage because USEITI content is not particularly interesting to the membership. Ms. Brian suggested that when the process creates policy implications, it will become more appealing to broader participation. Ms. Kohler suggested the MSG should re-evaluate how outreach is conducted and how listening sessions are structured to increase participation during future public comment periods. Mr. Bob Reynolds noted several themes from public listening sessions he attended, including a desire for standardization between transparency initiatives, concern about burdening industry with reporting mechanisms, and extending outreach within and across sectors.

Mr. Aaron Padilla questioned if MSG members felt the MSG has reached the larger payers and industry member community at large. Ms. Susan Ginsberg responded that education is needed among the payer community, however those stakeholders will be better able to participate as the reporting process becomes clearer. Ms. Kohler inquired if DOI had distributed the letter to payers. A DOI representative shared that it has not been distributed, adding that the agency is waiting until the terms for unilateral disclosure are confirmed before distributing the letter. Ms. Ginsberg reflected that the letter should be shared with the Independent Petroleum Association of America (IPAA) member companies, adding that DOI could suggest that recipients of the letter share it with their government affairs staff. Mr. Gould suggested that industry representatives engage with DOI staff to discuss who should receive the email and share suggestions regarding distribution.

Ms. Kohler proposed that state revenue information, shared as a percentage of total revenues, be included in the candidacy application. Ms. Kohler added that this information would provide valuable context for the EITI board if USEITI decides to move forward with adaptive implementation.

Mr. Flannigan suggested that the MSG could convene a subcommittee on outreach and communications. This topic was discussed further in Day 2. Ms. Kohler emphasized the importance of government participation on the subcommittee to help identify resources associated with distribution and stakeholder questions. Ms. Suh shared support for the idea, noting that it would be a great opportunity for each sector to evaluate their needs for education and awareness building within and across their sectors.

- **Action Item: Industry representatives and DOI staff will discuss recipients and distribution approaches for the payer letter.**
- **Action Item: All MSG Members review example country reports to inform the development of the USEITI reporting template.**

B. Updating the Draft Application

The MSG discussed the status of the draft application and areas where the MSG could provide additional guidance to the application subcommittee in finalizing the application. Ms. Kohler shared that the subcommittee received additional advice from EITI International board members on what should be included regarding justifications for adaptive implementation. Mr. Gould added that staff will review language about outreach and public engagement to ensure that it is clear and encompasses all outreach activities and links to additional information, along with how comments were addressed.

Ms. Danielle Brian cautioned against emphasizing successful outreach around the candidacy application, given the low turnout. Mr. Mussenden noted that the public outreach is constantly evolving, and the application should demonstrate how outreach has been conducted and feedback has been incorporated. Mr. Mussenden added that staff will review the work plan section to ensure it is consistent with the rest of the application.

Mr. Mussenden shared that DOI has sought input from the Department of Justice (DOJ) civil appellate division about the adaptive implementation approach. DOJ staff recommended that the MSG focus on the practical rather than constitutional barriers to incorporating subnational reporting. Mr. Mussenden stated that ONRR will disclose the amounts of transfers from federal to state governments. USEITI is seeking adaptive implementation regarding phased compliance to disclose payments from companies to state governments. Mr. Mussenden clarified that USEITI will be able to disclose some information under sub-national payments immediately, and that the application will articulate the challenges to full sub-national payment disclosure and approaches to transition into full compliance. Ms. Brian suggested the appendix language include sufficient public resource narrative to provide context to the materiality of the sub-national activity, including initial approaches to an opt-in requirement. Mr. Bartlett added that the public resource narrative is one area where many countries have been innovative, using varied approaches to increase its relevancy to stakeholders. Mr. Bartlett highlighted the Norwegian report, which included a great deal of graphics and information about national trends in the extractives industry. Mr. Gould added that the application could include a table with initially-available sub-national payments information. Ms. Brian noted that another CSO representative has drafted a proposal for a tiered opt-in approach, and she continued to encourage creative approaches for supporting disclosure. Mr. Padilla shared that the EITI board has deliberated about what adaptive implementation could look like for the U.S., and suggested that constitutional analysis regarding sub-national disclosure would help provide context for EITI board members coming from other political systems.

Mr. Mussenden re-stated the path forward to finalize the application. The MSG is giving direction to the candidacy application subcommittee to review the sections on public outreach and comment to see how they can be revised to reflect the outreach that has been done and how feedback has been incorporated into the application. In response to a concern from Ms. Kohler, Mr. Gould added that the subcommittee will have a separate discussion on if / how to reference and incorporate individual comments. Mr. Mussenden announced that the government would seek to share a revised draft candidacy application by Thursday's subcommittee meeting. Mr. Mussenden shared that the subcommittee deadline for presenting a revised application to the MSG is December 4.

- **Action Item: DOI staff will review the outreach and public engagement language to integrate comments received, as appropriate, and ensure the language captures all USEITI outreach activities, including links to available resources.**
- **Action Item: DOI staff will review the work plan to ensure it is consistent with the rest of the candidacy application.**
- **Action Item: DOI will share an updated complete candidacy application in advance of the December 11-12 MSG meeting.**

C. Interior Data Tutorial

Ms. Jennifer Goldblatt, Chief of Staff for the Office of Natural Resources Revenue, DOI, shared a presentation on DOI data resources. During the presentation, Ms. Goldblatt clarified that the Bureau of Land Management (BLM)'s oil and gas data includes state lease-level information for each sale. Ms. Goldblatt also indicated that the Bureau of Safety and Environmental Enforcement (BSEE) data does not include company-specific information. Ms. Goldblatt explained the difference between sales volume and production volume: sales volume is based on volume at the point of sale; production volume is the volume of materials extracted at the well head. Sales volumes and production volumes are not mirror images of each other, as some material is lost in processing and transport. Mr. Gould added that ONRR has been working on an initiative to publish production data at a national level. Ms. Goldblatt concluded that ONRR is reviewing approaches to making data available through unilateral disclosure, including website enhancements to support data-sharing, making raw data available, and incorporating data analysis and visualization capacities.

Paul Bugala shared excitement for increased availability of data resources, and suggested that the MSG review the data requirements of various forms including 2014, 4053, and 4430. Mr. Greg Gould added that EITI requirements are for annual reporting, and these forms are for monthly reporting. Mr. Gould added that staff are trying to increase the effectiveness and efficiency of the monthly and annual reporting mechanisms.

Ms. Susan Ginsberg shared concern that more granular data sharing could include sensitive information, particularly for smaller producers. Mr. Gould agreed, emphasizing the importance of balancing the correct level of data to meet EITI requirements with protecting competitively sensitive information. Ms. Ginsberg also inquired about timing for unilateral disclosure. Mr. Gould added that ONRR is working to make data available as soon as possible, however real-

time information sharing is not typically part of ONRR's mission as a revenue organization conducting auditing and accounting.

Mr. Jim Roman inquired about distinguishing between data sets, and how fiscal-year data is defined. Ms. Goldblatt shared that there are two different data sets – fiscal year and calendar year. The fiscal year data includes the dates when sales took place. The calendar year includes the dates when transactions actually occurred. Mr. Roman asked about timing for data publication, and Ms. Goldblatt clarified that sales data is published according to the fiscal year, and made available in February to provide time for reporting and adjustments that take place at the conclusion of the fiscal year. EITI countries can decide their own reporting terms.

Mr. Keith Romig requested clarification on which data sets are publically available, and which are not. Ms. Jennifer Goldblatt added that some data sets, such as USGS data, are publically available but not necessarily timely or appropriate for the EITI reporting process. USGS data includes resource estimates based on seismic studies, and therefore serve as accurate predictions – but are not confirmed data. Ms. Brian noted the importance of sharing both what we do know and what we do not know, encouraging the government to fill data voids and increase confidence in new data sets. Ms. Brian also shared that the government's presentation of stimulus data, including the ability to drilldown into state, county, contract, and subcontract information, was a good model.

Mr. Padilla inquired if ONRR captures visitor statistics to learn who is accessing ONRR data. Ms. Jennifer Goldblatt shared that most data requests come from the owners of the data or stakeholders within government, including congressional data requests. Mr. Gould added that the media is another data requester, an indicator of increased public interest in extractives data. Ms. Goldblatt added that ONRR does not track individual ISPs or location-based statistics of those visiting ONRR resources online. ONRR does capture some website analytics, which are used to refresh the layout and content on website pages. Mr. Paul Mussenden added that ONRR has incorporated feedback mechanisms into the website, and encouraged stakeholders to continue submitting feedback to improve the site.

D. EITI International Secretariat: Successful EITI Implementation

Mr. Jonas Moberg, EITI Secretariat, thanked the MSG for the opportunity to present information and answer clarifying questions. Mr. Moberg shared an update on international EITI activities including country- specific updates and landscape-level analysis. Mr. Moberg noted that the new standard has been received very positively by the EITI community as a reflection of good practices supporting truly meaningful transparency. Mr. Moberg added that national outreach at this early stage is typically challenging, and public interest increases after the first and second reports become available. The EITI Secretariat is available to help countries compile their applications. The Secretariat will also make a recommendation to the International EITI board regarding approval of candidacy applications. Mr. Sam Bartlett, EITI Secretariat, added that the U.S. has been extraordinarily open and transparent in the application process, setting a great example for other countries. Mr. Bartlett shared that EITI has recently agreed to template terms of reference, and that the USEITI MSG will need to agree to their own terms of reference.

Mr. Sam Bartlett, EITI Secretariat, shared some lessons learned from other country's EITI candidacy application processes. Mr. Bartlett discussed engagement "fatigue" which can occur as the process slows down prior to the reporting cycle. He suggested that the next phase of discussion about the independent administrator could begin during discussions to develop a reporting template. Mr. Bartlett also noted that the work plan is typically another point of potential "fatigue" and praised the USEITI for initiating discussions in this area.

Mr. David Goldman inquired about conflicts of interest in selecting and managing the independent administrator. Mr. Bartlett shared that transparency is the most important aspect, acknowledging and disclosing conflict of interest procedures among the MSG. The MSG is responsible for vetting the independent administrator and ensuring that they are credible, independent, and competent. Mr. Bartlett added that the template terms of reference include some language about conflicts of interest. He also noted that in many countries, procurement is the responsibility of the designated government agency on behalf of the MSG – and many of these agencies have procurement policies that address conflicts of interest.

Mr. Goldman requested information about using different thresholds of materiality for different sectors. Mr. Bartlett shared that the standards provide the MSG with the capacity to set different thresholds for different sectors. Mr. Bartlett added that it is important the MSG set detailed definitions for the thresholds, to avoid difficulties associated with simplistic definitions (such as in the DRC and Indonesia.) The threshold should be set based on the individual country's needs – some countries may determine that small payments are socially / politically immaterial, but they may still be financially material.

Mr. Paul Mussenden inquired if there are other EITI countries that do not have an implementing law. Mr. Sam Bartlett explained that countries moving to develop EITI regulations and laws have some advantages over those without EITI regulations in compelling companies and government entities in participating. Mr. Bartlett also noted that these laws can cause complications, resulting in limitations on how the MSG can implement EITI.

Mr. Bartlett shared additional information and lessons learned on the EITI reporting process. Mr. Bartlett noted that most of the EITI rules and standards focus on contextual information in the report. Background information on the country's extractive industry can be prepared by anyone upon by the MSG. Mr. Bartlett noted that the Independent Administrator could compile Sections three, four, and five of the report. With regards to other approaches, Mr. Bartlett noted that several countries have elected to issue a series of reports and updates, as opposed to one large annual report. Many countries are evaluating ways to report while streamlining data collection and sharing. Several countries are also struggling with the scope of reports, including the timing for data collection – which presents related issues with data reliability. Mr. Bartlett recommended that the MSG reach clear agreement on the scope for the report prior to starting data collection. Mr. Bartlett also suggested that the MSG consider who will provide advice and guidance to the companies as they manage the data collection process.

Ms. Kohler inquired about innovative practices different countries have used to gather and share data. Mr. Bartlett responded that EITI is now working in this area, to highlight ways countries can leverage readily available data and meet EITI reporting requirements without duplicating existing systems. Mr. Bartlett added that some countries have developed EITI portals that allow users to search through reports online, and EITI is working on improving the global database as well.

Ms. Brian asked about the compliance rate for all companies within a country. Mr. Bartlett responded that the requirement is for a report that reconciles all materials payments and revenues, so all companies must be compliant and participate in the process. Mr. Bartlett also noted a tradeoff between the comprehensiveness of the report (based on company reporting requirements) and the cost of producing that information, particularly as it affects smaller companies. Mr. Bartlett added that countries could also use a weighted sampling process. Mr. Bartlett also noted that the U.S. is unique among EITI countries in offering unilateral disclosure, which along with transparency, comprehensive participation, and the publically sourced narrative, can help balance the MSG process.

Mr. Mussenden inquired about the role and responsibilities of the validator. Mr. Bartlett explained that the validator's role is overseen by the International Secretariat, on behalf of the EITI International board. Mr. Bartlett encouraged the MSG to keep detailed records of their discussions – how the group has defined materiality, the nuanced discussion around threshold, and other detailed records will assist the validation process. The validator will produce a validation report, which will be provided to the MSG for comment. The updated draft report and subsequent final reports are sent to the EITI board, along with a recommendation from the validator, to determine if the country is compliant. Mr. Mussenden also inquired about the timeline for the validation process. Mr. Bartlett shared that the MSG must complete a validation process within three years of being awarded candidacy.

Ms. Marina Voskanian inquired about resolving inconsistencies between payments declared and received. Mr. Bartlett explained that there are often discrepancies, usually the result of human error in collating information or differences in accounting timeframes (e.g. calendar year vs. fiscal year). Mr. Bartlett noted that the EITI requires all discrepancies to be followed up on, to the extent possible – although the MSG can set a threshold on approaches that must be exhausted to achieve compliance. Mr. Jim Roman inquired about setting the threshold, and Mr. Bartlett responded that the MSG does have the flexibility to set different thresholds for different sectors, as long as the decision is documented and is manifestly reasonable.

Mr. Bartlett expanded on the roles of the reconciler, who is responsible for collecting the data and approaching both parties to resolve any discrepancies. The validator does not review the detailed data, but rather is responsible for determining if the terms of reference have been followed, requirements have been met, and how the MSG has handled reconciliation and discrepancies. Ms. Voskanian asked about funding for validation. Mr. Bartlett shared that the International Secretariat pays for the costs of validation, using funds from the EITI International budget. Mr. Padilla shared concern about justifying ongoing reconciliation costs if the country is found to have sound financial management and minimal or no discrepancies. Ms. Kohler added

that developed countries may be struggling to identify the benefits of participating in EITI. Mr. Bartlett shared that some companies may not be aware of the magnitude of their contributions as a taxpayer, and EITI provides a space for those companies to demonstrate their contributions.

Ms. Brian requested examples of how countries have handled subnational payments, specifically payments from companies to subnational governments. Mr. Bartlett shared that the EITI International Secretariat recently completed a report that included subnational approaches. Mr. Bartlett noted that the U.S. is the first country with a unique portion of revenues collected at the state level, noting that this is a bigger challenge than other countries face in accounting for subnational payments. Mr. Greg Conrad inquired about benefits to subnational entities for participating in the USEITI process. Mr. Bartlett proposed that subnational entities benefit from reduced reporting costs, increased transparency among industry, states, and federal entities, and the opportunity to increase public confidence. Mr. Bartlett also emphasized the importance of clearly defining the value-added and any costs for state participation, as part of the subnational outreach strategy. Mr. Bartlett shared different approaches to subnational reporting, noting that state governments could opt-in, companies could be engaged directly to disclose subnational payments, and some jurisdictions could use freedom of information requests. While these options may not equate to reconciliation in the traditional EITI sense, they do provide mechanisms for collecting the information – and can be the basis for adaptive implementation.

Mr. Mussenden requested clarification on the differences between the annual activity report and the country's work plan. Mr. Bartlett shared that the annual activity report is an opportunity for the MSG to consider how the work plan has been used and how it might be updated for future years. Mr. Mussenden inquired about the timeline for producing the annual activity report, and Mr. Bartlett expounded that there is a two-year reporting rule. Mr. Bartlett recommended that the first USEITI report could be in 2015, using data from 2013-2014. Reports cannot use data that is more than two years old. Mr. Bartlett added that the first report is not usually submitted for validation. Mr. Padilla inquired about reporting requirements for either the calendar year or the fiscal year. Mr. Bartlett confirmed that the MSG has the discretion to determine the relevant financial periods for reporting, within the EITI reporting rules. Mr. Bob Reynolds suggested that the first report include a full twelve month reporting timeframe, asking if USEITI would be within the reporting rules if the first report was submitted in 2016. Mr. Bartlett confirmed that this approach would work.

Mr. Bartlett concluded that the MSG could focus discussions during the subsequent brainstorming session on the work plan and reporting template. Mr. Moberg and Mr. Bartlett indicated they are available to answer any questions as the MSG finalizes the candidacy application.

E. Brainstorm: USEITI Reporting

Mr. Mussenden opened the session, emphasizing that this would be a creative space for discussion and that the group will not be making decisions at this time. Mr. Mussenden introduced Mr. David Plumb, CBI, who facilitated the brainstorming session among MSG members. The session covered discussion topics including the standard and additional features of USEITI reporting, how USEITI reports might be prepared and by whom, and timing for initial USEITI reporting, updates, and validation. The session incorporated small-group breakouts, with key points reported back to the group.

Standard and Additional Features (Initially, and How They Might Change)

Participants broke into small-group discussions to consider standard and additional features, including the publically sourced narrative, unilateral disclosures, and reconciled data. Following the breakout session, participants reported to the group on key discussion points, including:

Publically Sourced Narrative

- **Mobile and Web Apps:** A web or mobile app could be developed housing all USEITI reported data. The data could be geo-referenced to help the public access data specific to their locations.
 - [GeoMine](#) is an example of a similar app that could serve as a model.
 - The map outlining stimulus spending is another helpful model.
- **Public Data Access:** The report could be an opportunity to aggregate and share data in a user-friendly format. Graphics, infographics, and maps are ways the report could be more user-friendly. The Energy Information Administration (EIA)'s reports are one example of accessible data sharing through the use of graphics. Data sharing should also be informed by the public outreach process.
- **Robust Narrative:** Descriptions of the oil, gas, and mining industry should be robust, including production information from DOI and EIA. The narrative could also provide information about benefits industry provides to local economies.

Unilateral Disclosure

- **Constituent Support:** It is important to develop constituent support and secure buy-in from communities that may not immediately perceive the value in participating. The process should generate support from both members of the public and industry.
- **Data Reliability:** All data should be reliable to ensure it is useful in the USEITI process. Some of the existing data sources, such as the USGS website, are not appropriate for this purpose.
- **Reporting Momentum:** A phased approach may help to sustain reporting momentum. The scope of the report could also affect momentum - starting small will help identify lessons learned and build off of the first report.
- **Subnational Data:** The subnational level requires a phased national approach that begins with publically available data, moves into unilateral data, and then fills data gaps during the process to reconcile data. The public is likely interested in data about activities in and around their communities. A premium on state and local data could help drive both data collection and usability of data.

- **Uniform Reporting:** It may be very difficult to ensure uniform reporting across all states and federal entities. Individual jurisdictions will require their own processes to render their data sources more accessible over time, looking to the federal data-sharing process as an example.

Reconciled Data

- **Independent Administrator:** The independent administrator should serve a multi-year term to make sure lessons learned can be identified and applied following the first year.
- **Prioritizing Federal Data:** The MSG can identify expectations for reconciling federal level data, and should prioritize reconciliation of this data before reconciliation of subnational data.
- **Reporting Mechanism:** The reporting mechanism could be an online mechanism, providing efficiency in both collecting and reconciling data.

How USEITI Reports Might be Prepared, and by Whom

Participants broke into small-group discussions to consider the role of companies, governments, and civil society, the role and hiring process for the reconciler, and the role of the MSG and the International Secretariat. Following the breakout session, participants reported to the group on key discussion points, including:

Role of Companies, Governments, and Civil Society

- **Open Source Data:** The USEITI report could open-source all data collected, providing an opportunity for stakeholders to leverage this data for information sharing.
- **Reconciling State Data:** The MSG should carefully consider state resources required for the reconciliation process. Many states have balanced budget requirements, and may not have funding to participate in reconciliation processes. A state-by-state strategy including state agencies, tribes, and other stakeholders would support state participation. States may also have internal data review processes to consider. A draft state narrative provided by the MSG could prompt state participation, providing content for state staff to respond to. Other states may prefer to draft their own approaches.
- **Relevance to Stakeholders:** The federal government is responsible for producing data and hiring the reconciler. Industry has a large responsibility to submit information. The process should also be relevant to CSOs, adding value for that stakeholder group.
- **Resourcing a Subcommittee:** The government and CSOs currently have two dedicated staff each working on the USEITI. Industry is responsible for resourcing their data contributions and the government is likely responsible for producing the report – which could be delegated to the independent administrator.

Role and Hiring Process of the Reconciler

- **Draft Template Terms of Reference:** The EITI International Secretariat has prepared a draft template of the terms of reference for engaging the independent administrator. The core function of the independent administrator is data collection. The template includes a graphic on the EITI reporting process, providing a high-level view of the administrator's role. The template also includes a standard reporting schedule and suggestions for areas of expertise and competency for the independent administrator.

- **Hiring the Reconciler:** The MSG could convene a subcommittee tasked with outlining the process and requirements for hiring the reconciler, subject to U.S. government procurement protocols. The Subcommittee could consider evaluating candidates based on experience, qualifications, and price.
- **Internal Agency Support:** The MSG is responsible for defining a “third party reconciler.” The MSG could determine that the government is an adequate third party reconciler capable of acting as the independent administrator.
- **Reconciler and Independent Administrator:** The MSG envisions the reconciler and independent administrator roles as the same / overlapping.
- **Urgency:** There is a sense of urgency in finding and contracting the independent administrator / reconciler.
- **Website:** A website is a great way to share information; however, there are concerns about ownership and maintenance of such a website. The reconciler or “host” of the website should carefully consider legal liability issues around information sharing and potential subpoenas which could expose data that is not ready to be published.

Role of the MSG and Secretariat

- **Delegating:** The MSG could delegate the entire reconciliation process to a third party. As a cost-savings mechanism and to improve quality, the MSG could convene a subcommittee to draft the basic narrative while the reconciler would work with the quantitative information.
- **Unilateral Disclosure:** The U.S. will be the first country with three sections of data. The MSG could consider separating the report into two sections – reconciled data and unreconciled data.

Timing for Initial USEITI Reporting, Updates, and Validation

Participants joined in full group discussions to consider the timing for initial USEITI reporting, updates, and validation. During the discussion, participants shared ideas, including:

- **Data Requirements:** Each report must include data that is no more than two years old.
- **Initial Report:** The first report of the USEITI could be produced in late 2015, using 2013 and 2014 data, or just 2014 data. Both timelines allow the second USEITI report, which must be submitted for validation, to be submitted by 2016.
- **Procurement and Reporting Timeline:** The MSG should make decisions on the procurement process and timeline prior to setting the timeline for reporting. This will avoid issues that are likely to arise with a quick turnaround between hiring and the initial report production. Federal agency legal advisors could review procurement options and report out to the MSG.
- **Resourcing Validation:** The International EITI Secretariat multi-donor trust fund pays for validation. In the future, the funding for validation may shift and resources could be required by member countries to support their own validation processes.
- **Small-Scale Initial Report:** The first USEITI report could be a small-scale report to test the process and identify issues in sharing and presenting information. This approach provides a valuable learning opportunity. The initial report could use only six months of data to test the independent administrator and reporting process. A smaller early report may also help sustain momentum.

- **Start of the Reporting Timeline:** The reporting timeline starts when the USEITI is accepted as a candidate.
- **Subnational Engagement:** The report includes outreach components, and the MSG should consider flexibility in reporting to engage subnational stakeholders.
- **Template Terms of Reference:** The MSG should prioritize the development of the template, starting with the next MSG meeting.
- **Urgency:** The MSG should immediately begin conceptualizing the report to provide opportunities to fine-tune the data process and report structure. The more reports completed prior to validation, the higher the quality of the report submitted for validation.
- **Validation Process:** The validation process begins the year following the submission of the second report. USEITI could also request early validation of the first report.

F. Next Steps for Implementation

Mr. Mussenden shared that a key next step is determining a tentative schedule for 2014 MSG meetings. The USEITI candidacy application will be submitted in February 2014. Mr. Mussenden suggested that the MSG discuss a tentative schedule for 2014 during the second day of the December 2013 meeting.

Ms. Kohler suggested that the December 2013 meeting could also focus on creating and tasking a subcommittee to focus on the reporting template. The subcommittee could be tasked with providing recommendations on the reporting template to the MSG during the March 2014 meeting. Mr. Bob Wilkinson expressed support for prioritizing development of the reporting template and was interested in joining the subcommittee in December. Ms. Kohler also emphasized the importance of a consistent MSG message, noting that the USEITI application is likely to have significant visibility within the EITI community.

Mr. Padilla proposed that the MSG organize efforts to position the USEITI candidacy application for success. Mr. Padilla suggested that MSG members could be responsible for reaching out to different members of the EITI board, focusing on developing an understanding about the USEITI adaptive implementation approach.

The MSG agreed to form an outreach and communications subcommittee. The subcommittee will include two representatives from each sector. Civil society representation will include Ms. Veronica Slajer, Danielle Brian, and Ms. Lauri Sherman; government representation will come from Mr. Greg Conrad and Mr. Greg Gould; and, industry representation will come from Mr. Michael Flannigan and Mr. Aaron Padilla. Mr. Paul Mussenden noted that he would consult with a FACA lawyer about subcommittee protocols. Mr. Mussenden expects the subcommittee will be governed under the same rules as the existing subcommittee.

Mr. Mussenden indicated that DOI staff would provide revised draft language justifying adaptive implementation (Section 1.4) in advance of the subcommittee meeting tomorrow. The revisions would incorporate feedback from the MSG discussions and public comments. Mr. Mussenden added that the subcommittee intends to distribute a revised draft application to the MSG by December 4, 2013.

Ms. Brian inquired about the status of reviewing and incorporating public comments. Mr. Mussenden shared that the comments are being summarized by CBI, and a summary of all comments received will be available at the close of the comment period. Written comments will also be posted as they were submitted.

Mr. Mussenden closed the meeting, thanking MSG members for their participation and patience during a time of continued government transition.

- **Action Item: The co-chairs with assistance from CBI will develop agenda for the December meeting.**
- **Action Item: DOI will share revised language justifying adaptive implementation (section 1.4) by Thursday, November 7.**
- **Decision: Convene Outreach and Communications Subcommittee**

G. Public Comment

No public comments were received during the meeting.

Two MSG members participating remotely made brief comments. Betsy Taylor commented that people are starting to take notice of EITI and noted the challenge of figuring out how EITI connects with sustainable and equitable development in affected regions and communities. Richard Fineberg also announced his presence as an observer.

H. Participants

The following is a list of attendees from the September 10, 2013 EITI meeting. Chaired by Acting Chair Karen Senhadji, Senior Advisor to the Assistant Secretary, Policy, Management and Budget, and alternate Designated Federal Officer for the USEITI Advisory Committee, U.S. Department of the Interior

Participating Committee Members

Civil Society

- Rebecca Adamson, First Peoples Worldwide
- Danielle Brian, Project on Government Oversight, USEITI MSG Advisory Committee Co-chair
- Paul Bugala, Calvert Investments
- David Goldwyn, Goldwyn Global Strategies, LLC
- Keith Romig, Jr, United Steelworkers
- Michael Ross, University of California, Los Angeles
- Veronica Slajer, North Star Group

Government

- Mitchell Baer, Department of Energy

- Curtis Carlson, Department of Treasury
- Greg Conrad, Interstate Mining Compact Commission
- Greg Gould, Department of the Interior
- C. Michael Smith, Interstate Oil and Gas Compact Commission

Industry

- Phillip Denning, Shell Oil Company
- Susan Ginsberg, Independent Petroleum Association of America
- Michael Flannigan, Peabody Energy
- Veronika Kohler, National Mining Association, USEITI MSG Advisory Committee Co-chair
- Aaron Padilla, Chevron Corporation
- Robert Reynolds, BP America
- James Roman, ConocoPhillips
- Brent Roper, Rio Tinto

Committee Alternates in Attendance

Civil Society

- Richard Fineberg, Research Associates (via phone)
- Laura Sherman, Transparency International – USA

Government

- Marina Voskanian, California State Lands Commission

Industry

- Walter Retzsch, American Petroleum Institute
- Robert Wilkinson, ConocoPhillips
- Chris Chambers, Freeport –McMoRan Copper & Gold Inc.
- Amanda Lawson, Walter Energy Inc.
- John Sardar, Noble Energy Inc.

Facilitation Team

- Jason Gershowitz, Kearns & West
- David Plumb, Consensus Building Institute

Invited Speaker

- Paul Mussenden, Deputy Assistant Secretary for Natural Resources Revenue, Interior

I. Documents Distributed

- Agenda ([PDF](#))
- Draft USEITI Candidacy Application ([PDF](#))

