

# Contextual Narrative

Multi-Stakeholder Group  
Meeting, 1:45 – 2:45 pm

May 20, 2015

# USEITI



The United States Extractive Industries  
Transparency Initiative

# Overview of Contextual Narrative Data Work Group Efforts



# Contextual Narrative Data Work Group Update

The Contextual Narrative Data Work Group (WG) met weekly March through April to review Independent Administrator (IA) proof of concepts and consider data sources. The following represent recent WG conclusions reached in consultation with the Co-Chairs:



## OUTLINE

Reviewed and accepted initial outline for the contextual narrative portion of the 2015 USEITI written summary report



## REVENUE SUSTAINABILITY

Developed an approach for federal and county level revenue sustainability (3.8c)



## DATA SOURCES

For this year, agreed on publically available government sources, with the ability to agree upon proposed exceptions



## COUNTIES

Proposed recommendation for 12 counties (or groups of counties) accepted by the Co-Chairs

# Employment Data Sources Under Consideration

**Requirement 3.4d from “Appendix D” in *The Inception Report*:** “Employment in the extractive industries in absolute terms and as a percentage of the total employment; direct employment (job numbers) in the EI in absolute terms at national, MSG-prioritized states, six counties...including 10 year data”

BEA Table	Description/Notes	Mining Total (1000s)
6.4D	Total number of wage and salaried employees in NAICS sector 21 (Mining)	808
6.5D	Total number of FTE equivalent wage and salaried employees in NAICS sector 21	795
6.7D	Total number of self-employed/unincorporated persons, including active proprietors or partners who devote a majority of their working hours to their unincorporated business in NAICS sector 21 (based on BLS Current Population Survey)	16
SA25N	Total wage and salaried, as well as proprietor employment in NAICS sector 21 <ul style="list-style-type: none"> <li>• <b>Sole proprietors</b> counted using 1040 Schedule C by NAICS code (single person could be counted multiple times if submit more than one 1040, includes passive partners)</li> <li>• <b>Partnerships</b> counted using 1065 (single person could be counted multiple times if appear on more than one 1065, includes only partners listed as active in the business)</li> </ul>	1,607
SA27N	Total full and part-time wage and salaried employment in NAICS sector 21	808
SA25N – SA27N	Estimate of proprietor employment in NAICS sector 21	799



The United States Extractive Industries  
Transparency Initiative

# Presentation and Discussion of CN Outline/Table of Contents

# 2015 USEITI Written Report Outline

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## INTRODUCTION

What is the Extractive Industry Transparency Initiative (EITI)? 1.1, 1.2, 1.3

What does the EITI look like in the U.S.? 1.4a,b

What is the 2015 USEITI Report?

Which natural resources are extracted in the U.S.? From where are they extracted? 3.3, 3.4e

## U.S. NATURAL RESOURCE EXTRACTION GOVERNANCE

Who owns land and natural resources in the U.S.? 3.2a

What are the laws governing natural resource extraction in the U.S.? 3.2a,b

What role do government agencies play in natural resource extraction in the U.S.? 3.2a

## HOW A RESOURCE BECOMES A REVENUE

How does government award rights to extract natural resources from federal and state lands? 3.2a, 3.10a,d, 3.11c

Where can the public learn more about specific leases to extract natural resources from federal lands? 3.9b,c, 3.10b,c, 3.12b

What revenues do companies pay for extracting natural resources? 3.2a, 3.7b

Where do federal and state revenues go? 3.2a, 3.7a, 3.8a,b

BLUE TEXT = CONTEXTUAL NARRATIVE

RED TEXT = RECONCILIATION

# 2015 USEITI Written Report Outline (Continued)

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## STATE & TRIBAL NATURAL RESOURCE EXTRACTION GOVERNANCE

How is resource extraction governed in states and counties? 3.2a

How is resource extraction governed on Indian lands? 3.2a, 3.4b

## EXTRACTIVE INDUSTRY IMPACTS

What role do the extractive industries play in U.S. national and state economies? 3.3, 3.4a,b,c,d, 3.5a,b, 3.8c

How do renewable energy resources contribute to the U.S. national economy? 3.3, 3.4a,b, 3.5a

How does natural resource extraction impact counties and local communities? 3.4a (production and revenues), 3.4d, 3.8c

## DATA RECONCILIATION

What is the scope of the data reconciliation? 2.3, 4.1a,b, 4.2a,b

How did the Independent Administrator perform the reconciliation? 5.1, 5.3a

BLUE TEXT = CONTEXTUAL NARRATIVE

RED TEXT = RECONCILIATION

# 2015 USEITI Written Report Outline (Continued)

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## RECONCILIATION RESULTS

What are the results of the data reconciliation? 5.3d,c

## RECOMMENDATIONS 5.3f

## APPENDIX A: OTHER RECONCILIATION CONSIDERATIONS

What was the process for determining the scope of the USEITI? 4.1c,d,e,f, 4.2c,d,e, 5.2e

How did the Independent Administrator assess the comprehensiveness and reliability of the data?  
5.2b,c, 5.3c,e

## APPENDIX B: RECONCILIATION RESULTS DETAIL

What were the detailed reconciliation results for each company? 5.2e, 5.3a

BLUE TEXT = CONTEXTUAL NARRATIVE

RED TEXT = RECONCILIATION



The United States Extractive Industries  
Transparency Initiative

# Presentation and Discussion of Online Portion of Report



**How can the USEITI  
Report benefit the public?**

One way is by answering  
questions

“

What impact does  
mining have on my  
community?

”



“

Where does the  
money from oil &  
gas production go?

”



“

How much money  
does the U.S. get  
from extractives?

”



Different types of people  
ask different types of  
questions

And so,  
the USEITI Report will  
support all these people via  
**paper + pixels**

The written summary report  
will send people to our  
website for more detail

Together, the PDF summary  
and the data and narrative  
information online cover all  
EITI requirements...

# Ex 1: How a Resource Becomes a Revenue

**For different types of resources:**

- ✓ Transfer of rights
- ✓ Laws and statutes
- ✓ Role of government agencies
- ✓ Revenue types and rates

## PDF summary

USEITI Draft Contextual Narrative Content for Written Report 050615

### HOW A RESOURCE BECOMES A REVENUE

**How does government award rights to extract natural resources from federal and state lands?**

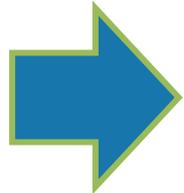
#### Federal Lands and the Outer Continental Shelf

In the U.S., private citizens, corporations, and public bodies, such as municipalities, can apply to the Federal Government to gain the rights to develop and extract natural resources from federal lands and waters. The 2015 USEITI report focuses on private companies, the largest revenue contributors. Unlike in many other countries with significant extractive industries, the U.S. Federal Government does not own, wholly or in part, oil, gas, or mining companies.

There are four main phases for how a natural resource on federal lands or waters eventually becomes a revenue. The image below includes a description of these phases for fossil fuels<sup>24</sup>:



<sup>24</sup> Sources include: [http://www.blm.gov/whoinvolved/energy\\_and\\_gas/blm](http://www.blm.gov/whoinvolved/energy_and_gas/blm)  
[http://www.blm.gov/whoinvolved/energy\\_and\\_gas/boem](http://www.blm.gov/whoinvolved/energy_and_gas/boem)  
[http://www.blm.gov/whoinvolved/energy\\_and\\_gas/onrr](http://www.blm.gov/whoinvolved/energy_and_gas/onrr)  
[http://www.blm.gov/whoinvolved/energy\\_and\\_gas/bsee](http://www.blm.gov/whoinvolved/energy_and_gas/bsee)



## In-depth, online interaction

Choose a resource to begin exploring....

### RESOURCE TO REVENUE



Fossil Fuels



Hardrock Minerals



Renewables

Coal resources become revenues beginning with

**CONTACT YOUR STATE BLM OFFICE**

BLM has twelve state/regional field offices, predominantly in the Western U.S. To learn more about land use policies for federal lands in your state, visit your state BLM website and contact your state office. You can also engage with the BLM on various social media websites:










In addition to the national BLM office, many state offices maintain their own social media websites.

**JOIN A RESOURCE ADVISORY COUNCIL**

BLM formed 29 Resource Advisory Councils (RACs) in western states to provide advice on managing public lands and resources. Each RAC consists of 12 to 15 members from diverse interests in local communities, including ranchers, environmental groups, tribes, state and local government officials, academics, and other public land users. You can find details on joining your local RAC here.

**VOLUNTEER AND GET ENGAGED**

You can volunteer for the BLM by searching for Bureau of Land Management opportunities here. Find out how to create a BLM partnership here.

Did you know?

Get Involved!

ing through the  
or development  
suitable for coal  
The BLM may  
where  
flict with  
ources or federal

Learn how to explore this design

# Ex 2: State Information

## **Economic indicators:**

- ✓ Federal revenues
- ✓ Federal production
- ✓ GDP
- ✓ Exports
- ✓ Employment

## **Legal and fiscal information:**

- ✓ Links to state laws, and regulations
- ✓ Links to revenue and production data

## PDF summary

USEITI Draft Contextual Narrative Content for Written Report 050615

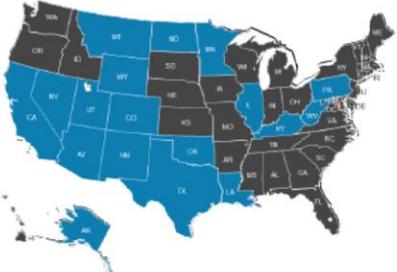
### STATE & TRIBAL NATURAL RESOURCE EXTRACTION GOVERNANCE

#### How is resource extraction governed in states and counties?

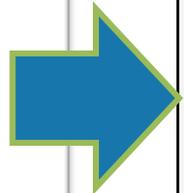
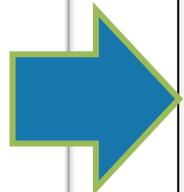
Under the U.S. federal structure, states maintain ownership of some lands and minerals; develop their own taxation and royalty systems applicable to oil, gas, and mining; and collect extractive revenues directly. Each state has a unique revenue collection system. In many cases, revenue collections include royalties on minerals produced from state lands and severance taxes on the value of all minerals extracted in a state. Each state with federal lands or waters open to natural resource extraction and development also receives [transfer payments](#) from the Federal Government.

While all 50 states have some natural resource extraction activity, the USEITI is focusing on the 18 that collect \$50 million or more in extractive industries revenues, highlighted in blue in the map below.

Map of 18 States Collecting \$50 M or More in Extractive Industry Revenues



In accordance with Phase I of adapted implementation, the USEITI has organized online state government data sources regarding each of these 18



## In-depth, online interaction

The United States Extractive Industries  
Transparency Initiative

[HOME](#) [ABOUT](#) [EXPLORE DATA](#) [DOWNLOADS](#)

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### Coal Revenues in the US

► Choose a different **resource**

Lorem ipsum dolor amet. Sed sollicitudin ipsum quis nunc sollicitudin ultrices. Donec euismod scelerisque ligula. Maecenas eu varius risus, eu aliquet arcu. Curabitur fermentum suscipit est, tincidunt.

Map

Charts

US Coal Revenues	2013
Bonus	\$ 444,444,444
Rent	444,444
Royalty	444,444
<b>Total</b>	<b>\$ 555,555,555</b>

(^^ this should probably be a simple, non-interactive table, as opposed to button-style formatting)

Revenues

2003 2013

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#### Alaska

[Department of Natural Resources](#)

[Division of Oil and Gas](#)

[Oil and Gas Statutes and Regulations](#)

[Geothermal Statutes and Regulations](#)

[Oil and Gas Funds Received and Distributed](#)

[Department of Natural Resources](#)

[Division of Land and Water](#)

[Mining Regulations](#)

[State of Alaska Mineral Development Policies](#)

#### Arizona

[Arizona State Land Department, Minerals](#)

[Arizona Geological Survey, Mineral Resources](#)

[Special Report SR12, Laws and Regulations Governing Mineral Rights in Arizona. Not available online at this time](#)

# Ex 3: County Information

## **Economic indicators:**

- ✓ Federal revenues
- ✓ Federal production
- ✓ Employment

## **12 county narratives:**

- ✓ Revenues
- ✓ Production
- ✓ Employment
- ✓ Revenue distribution
- ✓ Revenue sustainability

### PDF summary

USEITI Contextual Narrative Draft 050615

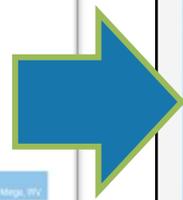
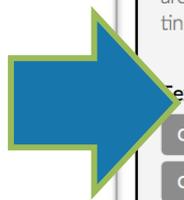
### COUNTY NARRATIVES BY NATURAL RESOURCE

While extractive industry makes up a small but important part of the national economy in the U.S. (2.6% of 2013 GDP), in some communities, extractive industry plays a much larger role. From copper pits set deep in Arizona's hills to oil wells in Alaska's North Borough, resource extraction has helped shape local history, culture, and economy. The growth and development of these communities has long fluctuated with the booms and busts of the global commodities market.

Using publicly available data, the following narratives provide a snapshot into twelve communities that, over approximately the last decade, have led U.S. counties in production of one of the following resources: iron, copper, gold, coal, oil, and natural gas. The Multi-Stakeholder Group selected these counties, or in some cases clusters of counties, based on their recent high levels of production, range of changes in production over ten years, and geographic diversity.

Each county narrative provides historical context, commodity production rates, employment levels, revenues generated from production, and—where publicly available from a government source—local public fiscal costs stemming from extraction.

#### 12 Communities Explored through County Narratives

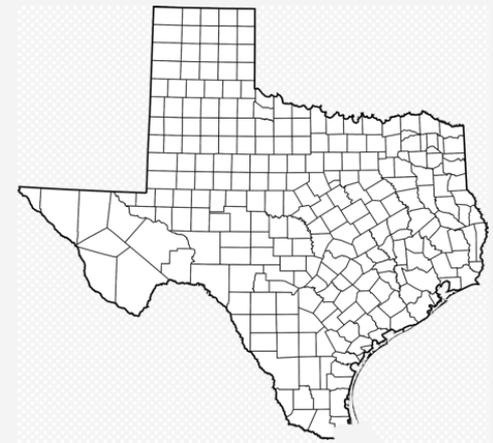


### Resources in Texas

- ▶ Choose a different location
- ▶ Choose a resource



Lorem ipsum dolor amet. Sed sollicitudin ipsum quis nunc sollicitudin ultrices. Donec euismod scelerisque ligula. Maecenas eu varius risus, eu aliquet arcu. Curabitur fermentum suscipit est, tincidunt.

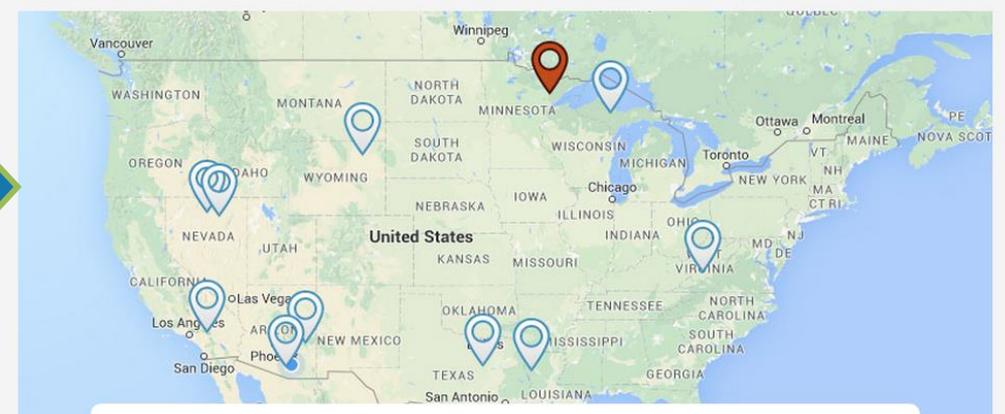


Texas Resources	2013
Oil & Gas	\$ 444,444,444
Coal	444,444
Hard Minerals	444,444
Renewables	444,444

What about environmental impact?



### What are the impacts on communities like mine?

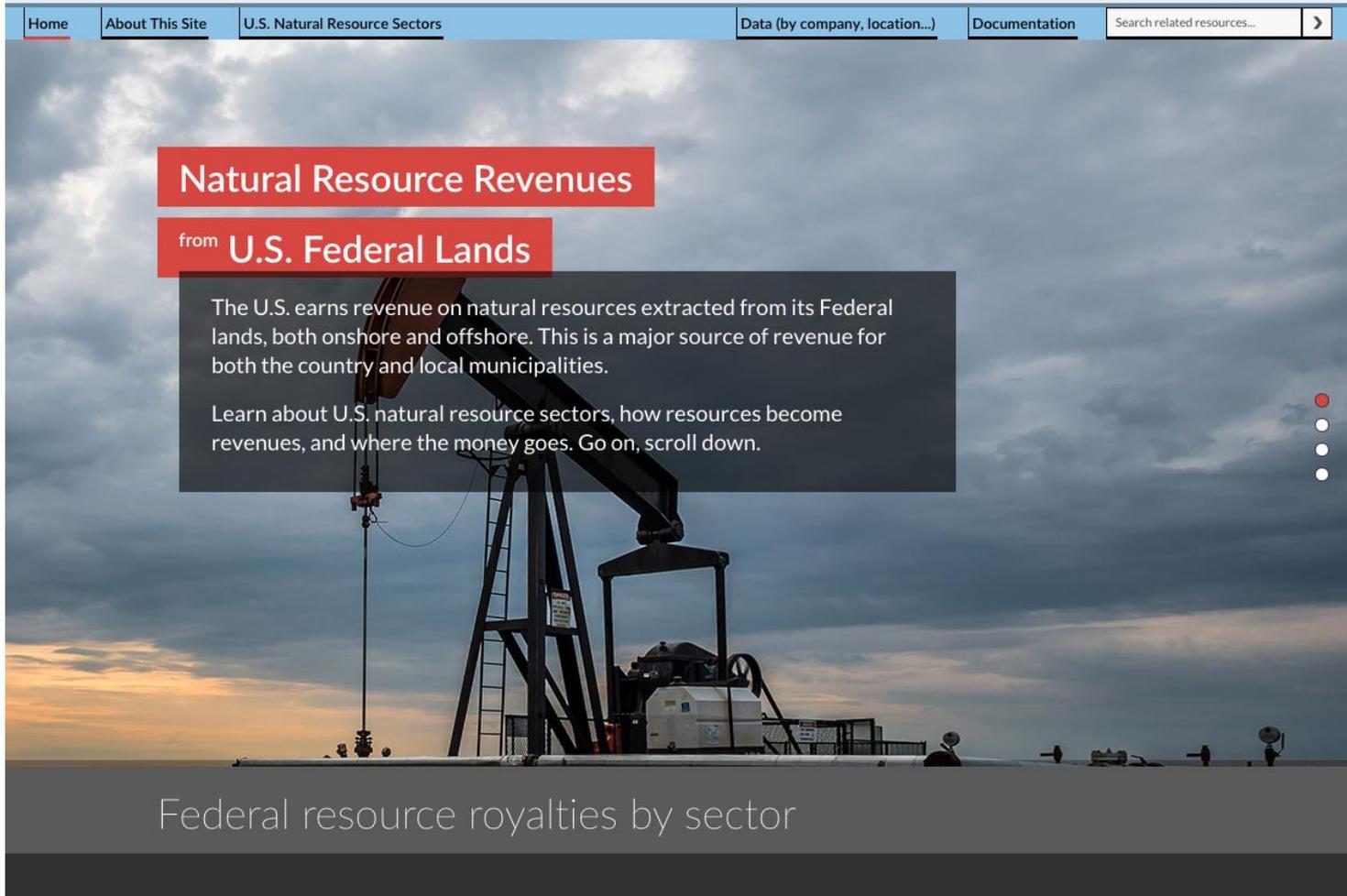


#### St. Louis County, Minnesota

Iron ore, the key ingredient in producing the steel that girds a nation's modern infrastructure, is a central component in the development of an advanced economy. In 2012, the United States was the world's eighth largest producer of iron ore, generating an output of 54 million metric tons. More than three-fourths of that output came from the iron mines located in a single county of the state of Minnesota: St. Louis County.

To support this, the data  
portal has been completely  
redesigned

## Initial design



The screenshot shows the top portion of the USEITI website. At the top is a navigation bar with the following items: [Home](#), [About This Site](#), [U.S. Natural Resource Sectors](#), [Data \(by company, location...\)](#), [Documentation](#), and a search box labeled "Search related resources..." with a right-pointing arrow. Below the navigation bar is a large hero section with a background image of an oil pumpjack at sunset. Overlaid on this image is a red box containing the text "Natural Resource Revenues" and a smaller red box containing "from U.S. Federal Lands". Below these boxes is a dark grey text box with the following text: "The U.S. earns revenue on natural resources extracted from its Federal lands, both onshore and offshore. This is a major source of revenue for both the country and local municipalities. Learn about U.S. natural resource sectors, how resources become revenues, and where the money goes. Go on, scroll down." To the right of the text box is a vertical stack of four dots, with the top one being red and the others white. At the bottom of the hero section is a dark grey bar with the text "Federal resource royalties by sector".

[Home](#) [About This Site](#) [U.S. Natural Resource Sectors](#) [Data \(by company, location...\)](#) [Documentation](#)  [▶](#)

### Natural Resource Revenues

from **U.S. Federal Lands**

The U.S. earns revenue on natural resources extracted from its Federal lands, both onshore and offshore. This is a major source of revenue for both the country and local municipalities.

Learn about U.S. natural resource sectors, how resources become revenues, and where the money goes. Go on, scroll down.

Federal resource royalties by sector

## Next design

The screenshot displays a web interface for USEITI. At the top, there is a navigation bar with links for HOME, ABOUT, EXPLORE DATA, and RESOURCES, along with a search bar. The main header features the USEITI logo and a title: "The United States Extractive Industries Transparency Initiative was created to strengthen public accountability and promote trust in how revenues from oil, gas, mineral, and renewable energy resources in the US are managed." Below this is a menu to "Choose a natural resource to learn more" with buttons for Oil & Gas, Coal, Hard Minerals, and Renewables. The main content area is divided into several informational cards:

- How do extractive industries impact my community?**: Includes a photo of an oil pumpjack and text explaining the importance of understanding the industry's impact on communities.
- What natural resources do we have in the US?**: Features a pie chart and text describing the types of resources available.
- Where is extraction happening?**: Includes a map of the United States with colored markers indicating extraction sites.
- What companies work in these industries?**: Features a bar chart and text listing major companies in the sector.
- How do natural resources become federal revenues?**: Includes a small diagram and text explaining the process from resource extraction to federal revenue.
- US Treasury received \$7.88 billion in offshore revenues**: A vertical bar chart showing the amount of revenue.
- Is this still a thing? Would be cool to have I think.**: A card with a map of the US and buttons for different resource categories.

The United States Extractive Industries Transparency Initiative was created to strengthen public accountability and promote trust in how revenues from oil, gas, mineral, and renewable energy resources in the US are managed.

Choose a natural resource to learn more

- Oil & Gas
- Coal
- Hard Minerals
- Renewables

[Compare data for all resources >](#)



## How do extractive industries impact my community?

In the tumultuous business of cutting-in and attending to a whale, there is much running backwards and forwards among the crew. Now hands are wanted here, and then again hands are wanted there. There is no staying in any one place.

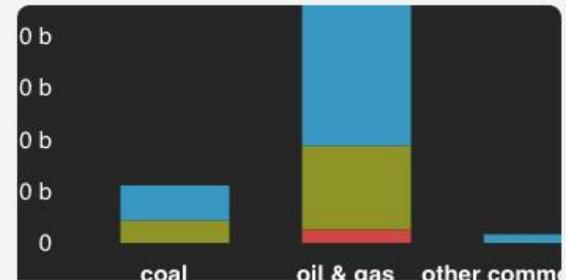
[Explore the effects of these industries >](#)



What natural resources do



Where is extraction



What companies work in

How do we know we're on  
the right track?

**We ask people**

This is a composite image of feedback from one of our testing sessions

**USEITI**  
The United States Extractive Industries Transparency Initiative

## Welcome to the US Extractive Industries Transparency Initiative

Tell me about...  
**Extractive industries on our public lands**

If we're going to purchase or lease public lands, we need to know what's on them, and what's in them. We need to know what's in them, and what's in them. We need to know what's in them, and what's in them.

Revenues from the sale of natural resources on US Federal lands totaled **\$127.4 billion** between the years 2003 and 2013.

How do these resources become Federal revenues?

If there are natural resources under (or soon expected to be under) approved Federal lands, the Federal government issues leases to explore for and extract these products for sale. In return, part of the sales value for many commodities is paid to the government for the benefit of the American people. Learn how this works for different commodities.

WHAT?  
WHERE?  
WHO?

Explore the story and impact of extractive industries

What natural resource categories do we have in the US?

What are the categories of resources?

What are the categories of resources?

[demo]

# Contextual Narrative

Multi-Stakeholder Group  
Meeting, 3:00 – 3:45 pm

May 20, 2015

# USEITI

# Work Group (WG) Approach to County Revenue Sustainability

In the **12 county narratives**, revenue sustainability will be addressed by including the following:

## REVENUES

IA will seek to **quantify** or **note qualitatively** various sources of county revenues

## PROVED RESERVES

IA will look at proved reserves at the **basin level** & **trends** and link counties to that level

## IMPACTS/COSTS<sup>1</sup>

IA will seek to **quantify** or **note qualitatively** primary impacts and costs:

 Transportation/roads

 Water

 Reclamation

 Emergency services

[Results may vary by county & commodity]

If the IA identifies other clear categories of costs in the work, they will raise to the WG

<sup>1</sup> WG decision regarding using publically available government sources applies

# Contextual Narrative

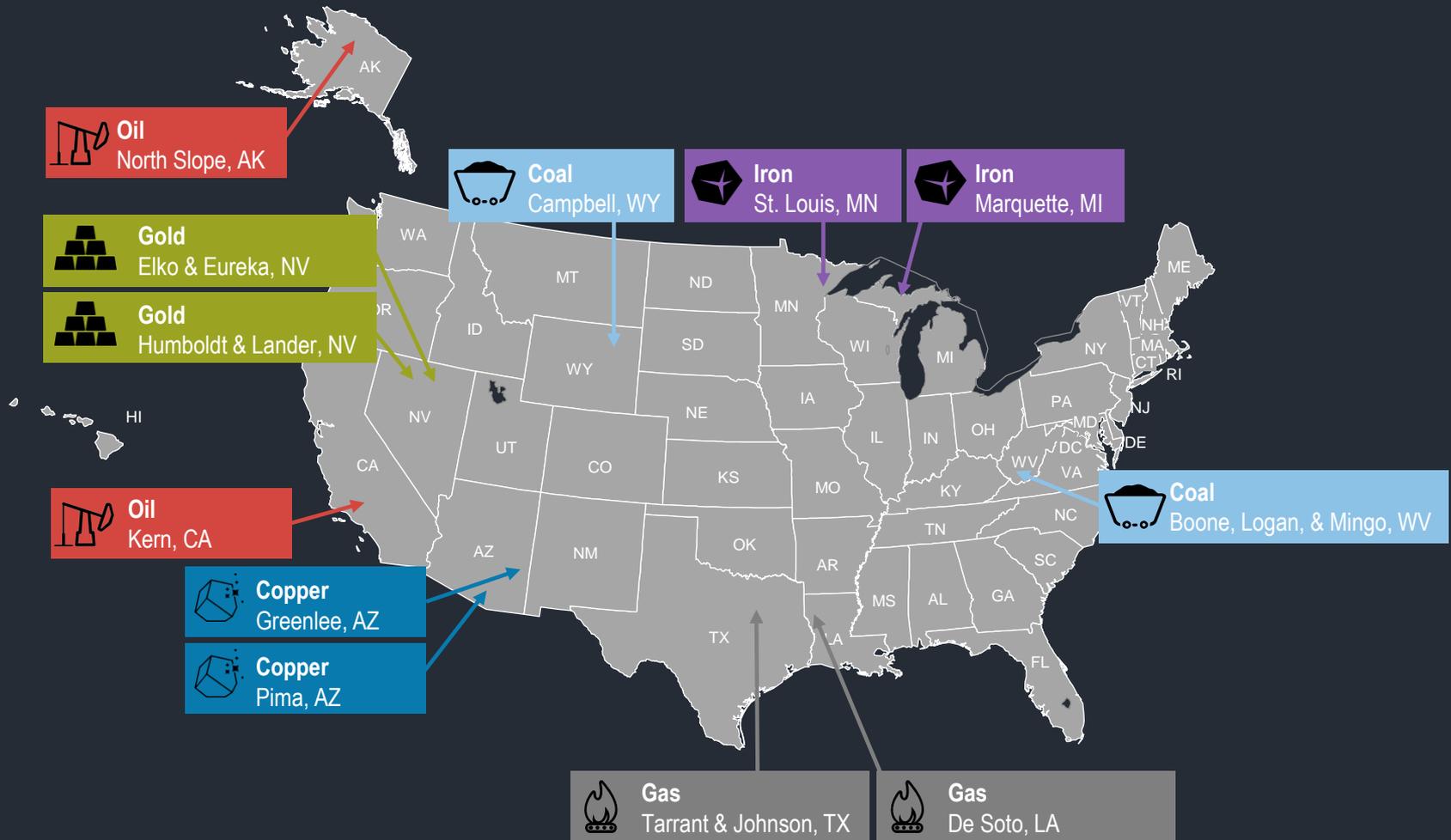
Multi-Stakeholder Group  
Meeting, 2:00 – 3:30 pm

May 21, 2015

# USEITI

# County Narrative Recommendation for MSG Decision

The Contextual Narrative Work Group has proposed the following counties (or clusters of counties) for inclusion in the 2015 USEITI Report:



# County Selection Criteria and Narrative Requirements

The WG followed a standard process for selecting and recommending the 12 counties (or county clusters). The WG worked with the IA to address agreed to requirements for each county narrative:

Key Questions	Description
<p>How were the counties (or county clusters) selected?</p>	 <ul style="list-style-type: none"><li>For each in scope resource (iron, gold, copper, coal, oil, and natural gas), the top two producing counties were selected using the most recent year of public, government production data available</li><li>Clusters of counties were considered when the geologic distribution of a given resource spanned county lines</li></ul>
<p>What are the EITI requirements addressed in the county narratives?</p>	 <ul style="list-style-type: none"><li>Production (as close to ten years as possible included in narrative)<sup>1</sup> (3.4a)</li><li>Revenues (3.4a)</li><li>Employment (3.4d)</li><li>Revenue sustainability (proved reserves and fiscal costs/impacts of extraction born by county when publically available from a government source (3.8c)</li></ul>
<p>What additional information do the county narratives contain?</p>	 <ul style="list-style-type: none"><li>In addition to mandated EITI requirements, each county narrative includes historical detail, total population, as well as revenue distribution information (3.7)</li><li>All information is provided at the most local level that is publicly available. Wherever county data is unavailable, state or national data is substituted. When no data is available, the narrative calls out the gap explicitly.</li></ul>

<sup>1</sup> The interactive map in the online report will include 10 years of revenue and production data at the county level (federal lands only), as well as county level extractive industry employment (all lands)

# Example County: St. Louis County, Minnesota

The iron mines of St. Louis County, MN generate more than three-fourths of the country's total iron output

EITI County Requirement	Sample Text from County Narrative
 <b>Annual resource production levels (3.4a)</b>	<ul style="list-style-type: none"><li>▪ “In 2012, eight iron mines were operational in St. Louis County, producing 41.8 million metric tons of ore.”</li></ul>
 <b>Local revenues derived by extractive industry (3.4a)</b>	<ul style="list-style-type: none"><li>▪ “The taconite production tax [...] amounted to \$11.6 million for St. Louis County out of \$102 million collected from this tax in 2012.”</li></ul>
 <b>Local employment supplied by extractive industry (3.4d)</b>	<ul style="list-style-type: none"><li>▪ “The eight mines...provided 3,970 jobs in 2012 out of 94,933 private sector jobs in the county.”</li></ul>
 <b>Distribution of revenues for use at the local level (3.7)</b>	<ul style="list-style-type: none"><li>▪ “This tax is distributed to [...] school districts, cities and townships, and the Iron Range Resources &amp; Rehabilitation Board (IRRRB).”</li></ul>
 <b>Revenue sustainability (3.8c)</b>	<ul style="list-style-type: none"><li>▪ “The United States is estimated to possess iron ore reserves of 110 billion tons.”</li><li>▪ “No government data could be found detailing the existing fiscal costs of extractive industry in St. Louis County.”</li></ul>

# Next Steps and Key Dates

The following dates outline the schedule for editing and finalizing the contextual narrative content for the 2015 USEITI Written Summary Report:

- ◆ May 21 – June 1 Implementation Sub-Committee resolves any conflicting sector comments, and IA incorporates MSG and sector comments into the draft
- ◆ August 3 Initial Draft 2015 EITI Written Summary Report
- ◆ October 19 Revised Draft 2015 EITI Written Summary Report
- ◆ October 19 – December 2 IA produces report in graphic design software
- ◆ December 2 Final Draft 2015 EITI Written Summary Report

# Next Steps and Key Dates

The following dates outline the schedule for developing and finalizing the contextual narrative content for the 2015 USEITI Online Report:

- ◆ May – August 18F agile development of 2015 USEITI Online Report; Implementation Sub-Committee periodic review of wireframes
- ◆ September 16 - 17 MSG Meeting; review online report content
- ◆ September - December 18F finalizes online report; tests website
- ◆ December Launch online report

