

## What is EITI?

### EITI is an international standard

The Extractive Industries Transparency Initiative (EITI) Standard is a voluntary, global effort designed to strengthen accountability and public trust for the revenues paid and received for a country's oil, gas and mineral resources. Countries that follow the standard publish a report in which governments and companies publicly disclose royalties, rents, bonuses, taxes and other payments from oil, gas, and mining resources. The Standard has **two core elements**:

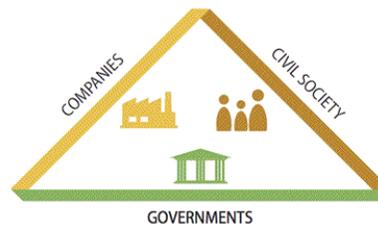
#### transparency

Companies publish what they pay and governments publish what they receive in an EITI Report.



#### accountability

This process is overseen by a multi-stakeholder group of governments, companies and civil society.



## What is USEITI?

### The United States is committed to implementing the EITI Standard

In September 2011, the U.S. announced that it would begin the multi-year process of becoming an EITI Compliant country. The U.S. intends to implement EITI to provide accessible and useful information about public resources and their associated revenues. Doing so will bolster the social license to operate and strengthen the investment climate for extractive industries. Public policy will be better informed, and public trust will be strengthened. With this effort in participatory government and collaborative decision-making, public financial management will be enhanced and citizens will ensure that the government receives a fair return for the public resources it manages on their behalf.

MSG members represent Civil Society Government & Industry:

Project on Government Oversight, Revenue Watch, Transparency International, Earthworks, First Peoples Worldwide, North Star Group, Oceana, Calvert Investments, Energy Policy Forum, Goldwyn Global Strategies, Research Associates, United Mineworkers, United Steelworkers, University of California Los Angeles, Virginia Polytechnic Institute, Departments of the Interior, Energy, and Treasury, State Compact Commissions for Mining, Oil and Gas, State Government Representatives from California and New Mexico, British Petroleum, Chevron, Conoco-Phillips, Exxon-Mobil, Noble Energy, Shell Oil, Ultra Petroleum, Walter Energy, Freeport-McMoRan Copper & Gold, Newmont Mining, Peabody, Rio Tinto, American Petroleum Institute, Independent Petroleum Association of America, National Mining Association, Council of Petroleum Accountants Societies

**Initial Steps** In December 2012, following a comprehensive stakeholder assessment and call for nominations, the Secretary of the Interior formed the USEITI Multi-Stakeholder Group Federal Advisory Committee, also known as the MSG. The USEITI MSG is comprised of 21 members and 19 alternates who represent a variety of stakeholders.

The USEITI MSG has met several times since February 2013, to oversee EITI implementation, define the scope and materiality for initial USEITI reporting, and prepare an application for EITI candidacy. *See the results of these meetings on the reverse of this sheet.*

**Next Steps** The US will apply for EITI candidacy with the International EITI Board by submitting its Candidacy Application in December 2013. The Draft Candidacy Application is currently out for public comment and is available on the USEITI website, [www.doi.gov/EITI](http://www.doi.gov/EITI). The deadline to submit comments is November 4, 2013.

*Feedback is welcome and can be submitted via email to [USEITI@ios.doi.gov](mailto:USEITI@ios.doi.gov) or to:*

U.S. Department of the Interior  
Attn: USEITI Secretariat  
1849 C Street NW, MS-4211  
Washington, DC 20240

Over the course of several meetings, the USEITI MSG has reached consensus on the types of revenues to include in the reports it will begin to prepare over the next few years. The results of these discussions are below.

EITI Requirement	MSG Decisions	Pending MSG Decisions
<b>SCOPE</b>		
Types of commodities and revenues to be included	<p>Commodities: oil; gas; coal; other leasable minerals, non-fuel minerals (hard rock, sand and gravel); geothermal; other renewables (solar/wind).</p> <p>Revenue streams: rents, royalties, bonuses and fees collected by US Department of the Interior (DOI).</p> <p>Companies will report Federal corporate income taxes.</p>	<p>Tabled for future discussion: forestry and fisheries.</p> <p>Details of how taxes can be reported, consistent with SEC Regulation 1504 and European Union law per the EITI Standard.</p>
<b>MATERIALITY</b>		
Threshold for reconciliation	<p>For the initial report, \$50 million total annual revenues paid to DOI by parent company, including its subsidiaries. This equals approximately 80% of DOI natural resources revenues. For the second report, \$20 million total annual revenues paid to DOI by parent company, including its subsidiaries, which equals approximately 90% of DOI natural resources revenues.</p>	
<b>REPORTING</b>		
Publicly-sourced narrative	Data and information that is currently publicly available, reliable and accessible for all commodities within scope.	
Unilateral disclosure	For all in-scope commodities, DOI will disclose disaggregated data to the extent allowable by law (approximately 100% of DOI revenue in scope).	Details and exact level of disaggregation.
Third party reconciliation	A third party will compare data from companies on their payments to government with data from government on revenues collected from companies, for in-scope commodities within the reporting materiality threshold.	
Sub-national reporting	<i>Adapted implementation:</i> revenues paid to or collected for sub-national governments are out of scope due to legal, regulatory, and timeliness issues, but an opt-in process will be available for individual states or other sub-national entities.	Details of the opt-in process.
Project-level reporting	To be determined.	To align the definition of “project” with SEC Regulation 1504 and European Union law per the EITI Standard.
Contract disclosure	To be determined, encouraged by new EITI rules.	Whether to include contracts.