



The United States Extractive Industries
Transparency Initiative

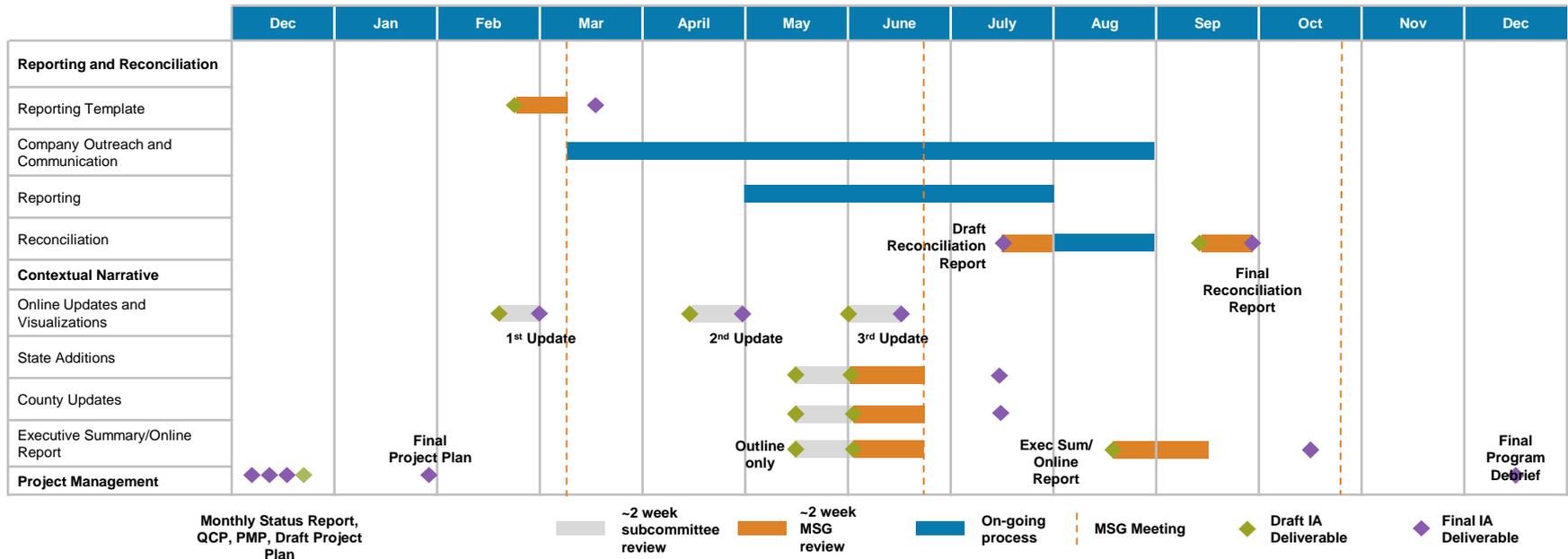
USEITI Contextual Narrative

IA Update to the Multi- Stakeholder Group

March 9, 2016

Deloitte.

2016 USEITI Project Plan



Reporting and Reconciliation Recommendations and Decisions

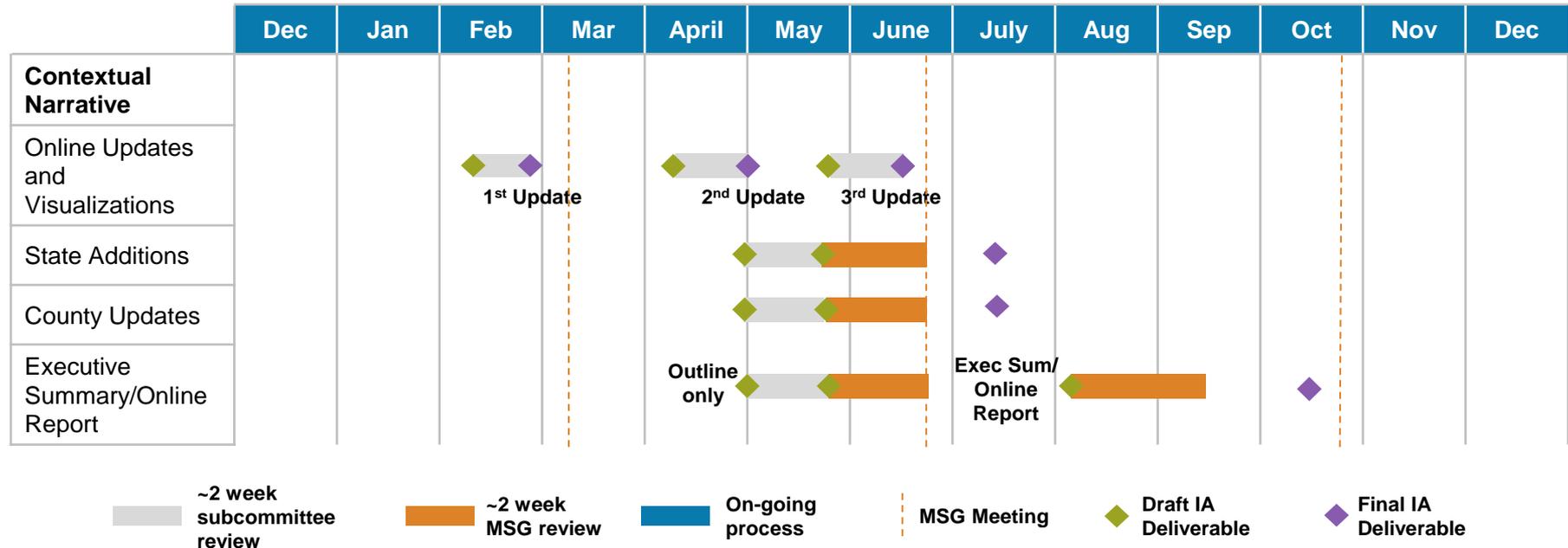
Critical Path Recommendations and MSG Decisions	MSG Decision?	Time Needed By	Plan for Handling Decisions
Scope/Reporting Template: revenue streams, company materiality, commodities	Y	3/8	Implementation Subcommittee makes a recommendation in January/February, MSG makes a decision in March
Margin of Variance	Y	3/8	Implementation Subcommittee makes a recommendation in January/February, MSG makes a decision in March
Impact of draft SEC rule on tax reporting	Y	3/8	Implementation Subcommittee makes a recommendation in January/February, MSG makes a decision in March
IA recommendations from 2015 report (changes to reconciliation process)	Y	3/8	Implementation Subcommittee makes a recommendation in January/February, MSG makes a decision in March
Communications and outreach approach for companies	N	3/8	Communications Subcommittee makes a recommendation in early March

Contextual Narrative Recommendations and Decisions

Critical Path Recommendations and MSG Decisions	MSG Decision?	Time Needed By	Plan for Handling Decisions
Online Report Quarterly Update 1	N	February	Implementation Subcommittee makes a recommendation in February, present at March MSG Meeting
Online Report Quarterly Update 2	N	April	Implementation Subcommittee makes a recommendation in April, present at June MSG Meeting
Online Report Quarterly Update 3	N	June	Implementation Subcommittee makes a recommendation in June, present at June MSG Meeting
Opt-in States and Tribes	N	End of April	State and Tribal Opt-in Subcommittee identifies opt-in states no later than 4/30 per IA contract
State and Tribal Additions	N	June	Approach presented at March MSG, drafts reviewed by State and Tribal Opt-in Subcommittee in May, drafts included in June MSG meeting materials
County Updates	N	Late March	Implementation Subcommittee confirms approach to County Updates by late March (IA will provide starting point recommendations), Implementation Subcommittee reviews updates in May, drafts included in June MSG Meeting materials
Executive Summary/Online Report	Y	May	Implementation Subcommittee makes a recommendation for an outline in May (IA will provide starting point recommendations), MSG makes a decision on the approach in June

2016 Timeline for Contextual Narrative

Contextual Narrative updates will follow a “dynamic implementation” process, with major updates occurring on a quarterly basis.



Major Contextual Narrative Deliverables for 2016:

Online Updates & Visualizations

Updates that increase the percentage of content that is solely online in an interactive format to facilitate more public engagement

State & Tribal Additions

State and tribal opt-ins, resulting in a contextual narrative and an accompanying data portal for states and tribes in the 2016 USEITI Report

County Updates

Updates to existing county case studies/narratives with new data and enhanced visualization to increase public engagement and usability

Executive Summary/Online Report

Updates and revisions to finalize the 2016 USEITI Report published online and in pdf format

Online Updates & Visualizations

Based on 2015 MSG discussions and the EITI Standard, the IA recommends the following updates*:

Suggested Online Updates & Visualizations	Description/Rationale	IA Visualization Completed by
01/ Abandoned Mine Lands (AML) Fund & Coal Excise Tax Contextual Information	While the 2015 report includes information about the AML fund, the MSG discussed the need for greater public understanding regarding how the government has spent funds to date. While the MSG decided not to include Coal Excise Taxes in the reporting and reconciliation, including this revenue stream in the contextual narrative could provide the public with a more complete picture of extractive revenue.	FEBRUARY 2016
02/ Concept for State & Tribal Additions	State and tribal additions could help the U.S. meet Requirement 4.2(d) (subnational payments) through adapted implementation, and provide valuable information for people interested in specific communities and regions.	APRIL 2016
03/ Budget, Audit, and Assurance Process Visualization	An update and visualization of the U.S. budget, audit, and assurance process could provide the public with further information on revenue management and expenditures per Requirement 3.8(b), and clarify for an international audience the controls in place in the U.S.	JUNE 2016

Other possible updates



Revenue process for geothermal resources



Employment data by commodity for states



Exploring total revenues from extractives industry over 10 years for priority states and counties



Including severance taxes in the map/chart visualization

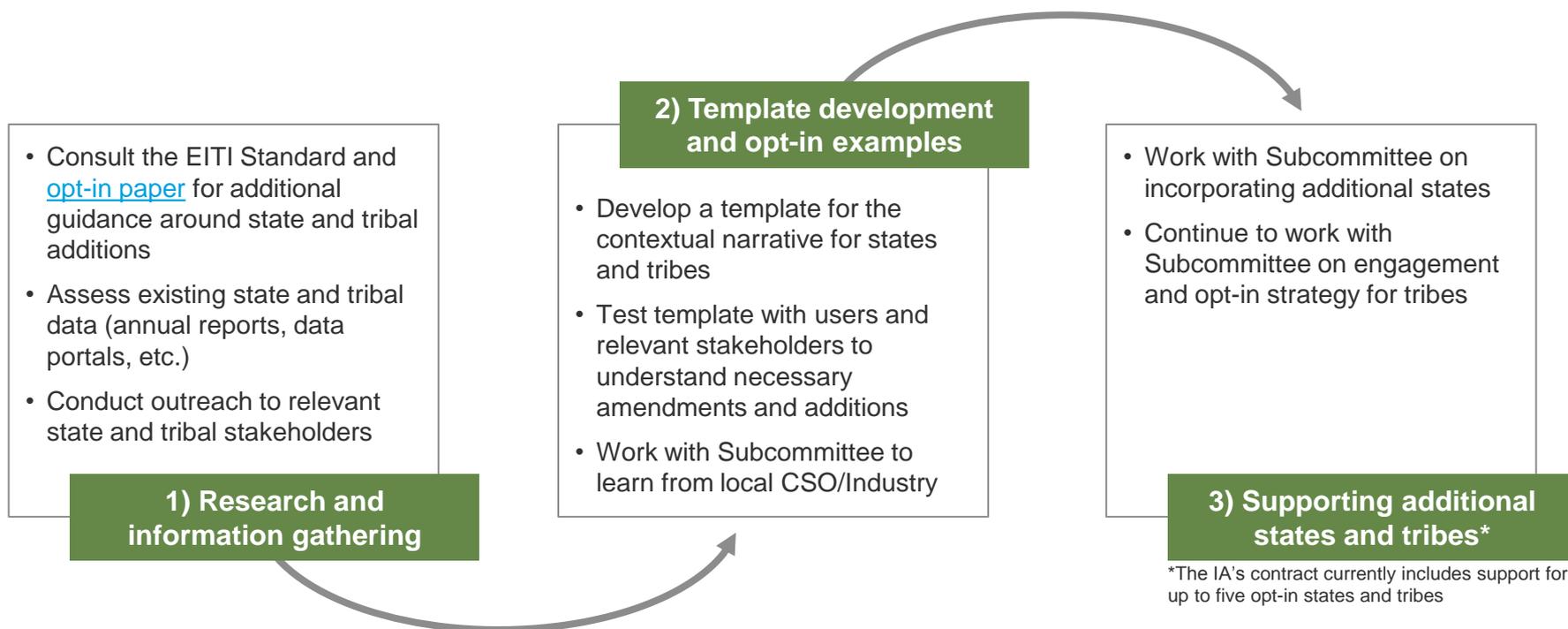
*These updates are subject to change based on findings from usability research and possible additional direction from the Implementation Subcommittee.

State & Tribal Additions

The IA will support the addition of state and tribal information in the 2016 report, including contextual narrative content and available data.



Currently, **Montana has opted in to USEITI**. The IA will work with the State & Tribal Opt-In Subcommittee to pilot the state opt-in process, including: integrating new participants, assessing currently available data, testing contextual narrative templates with stakeholders, and developing the state and tribal additions.



County Updates

The IA will update data and revise content for the 12 County Case Studies.



North Slope Borough, Alaska

The U.S. has experienced rapid change in domestic oil production since 2008, when crude oil production reached a low of 3.98 million bbl/day.¹ Just five years later, the U.S. had nearly doubled its daily production output, with Texas and North Dakota driving much of the growth.^{2 3} Alaska did not experience the same production boom, with crude oil output steadily declining over the past decade.⁴ In spite of that downward trend, Alaska remained the fourth largest state producer of crude oil in 2013, and the nation's largest oil-producing county is Alaska's North Slope Borough.⁵

Geology and history

The North Slope Borough is the country's largest organized local jurisdiction, spanning more than 94,000 miles north of the Arctic Circle. Its 9,686 residents, most of whom are Inupiat Alaskan Natives, are spread across eight separate communities.⁶ The northern coast of Alaska was documented as a potential oil-producing region as early as 1900. However, the borough's government was not formally incorporated until 1972, soon after the discovery of oil at Prudhoe Bay, the largest single oil field in North America.⁷

Oil production increased dramatically in 1977 with the opening of the Alaska Pipeline, which provided an economically viable way to transport large amounts of crude oil from the North Slope to market. In 1994, ARCO identified another significant deposit at the Alpine Field, located on state land east of the Colville River and extending into the federally administered

In 2016, we will update existing online county case studies with new publically available data for the years 2005 – 2015, and potentially include more visual content.

