

**UNITED STATES EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE
MULTI-STAKEHOLDER GROUP ADVISORY COMMITTEE MEETING
SEPTEMBER 16-17, 2015**

SUMMARY OF PROCEEDINGS

**U.S. DEPARTMENT OF THE INTERIOR
PREPARED: FALL 2015**

I. Introduction

The U.S. Department of the Interior (DOI), with Paul Mussenden presiding as acting DFO, convened the fifteenth meeting of the U.S. Extractive Industries Transparency Initiative (USEITI) Multi-Stakeholder Group Advisory Committee (MSG) on September 16-17, 2015 in Washington, DC. The purpose of the meeting was to review and discuss the Executive Summary of the 2015 USEITI Report; discuss the online presence of the 2015 USEITI Report; obtain updates on the work of the Implementation, State and Tribal Opt-In, and Communications Subcommittees; engage with the Independent Administrator and receive an update on its work, particularly around reporting and reconciliation of revenue and tax data; and move forward with efforts to advance from candidate to compliant country status under EITI requirements.

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II. Summary of Decisions, Approvals, and Action Items

A. Decisions

- No decisions were made by the MSG at the September MSG meeting.

B. Approvals

- The MSG approved the May 2015 MSG meeting summary. *(see page 4)*
- The MSG sunsetted the Tax Information Work Group and the Report Work Group *(see page 7)*.
- The MSG established the On-Line Report Advisory Working Group *(see page 7)*.
- The MSG approved the outline of the Executive Summary of the 2015 USEITI Report. *(see page 8)*

- The MSG approved the outline of the Online Portion of the 2015 USEITI Report. *(see page 21)*
- The MSG approved the table “2015 USEITI Data Sources for Online Report.” *(see page 21)*

C. Confirmations

- No confirmations were made by the MSG at the September MSG meeting.

D. Action Items

➤ Co-Chairs:

- Review and distribute meeting summary from September 2015 MSG meeting.
- Develop agenda for December 2015 MSG meeting.
- Develop a plan for increasing USEITI’s likelihood of validation of its 2016 Report and present this plan to the MSG at the December MSG meeting. *(see page 27)*
- Work with respective sectors to develop priorities for USEITI in 2016, given that some participants may not be able to dedicate the same level of effort to the process that they have in 2014 and 2015. *(see page 27)*
- Ms. Danielle Brian to nominate two new CSO sector members for the Communications Subcommittee. *(see page 30)*

➤ USEITI Secretariat:

- Inquire about the ability of US government to support travel expenses for civil society organizations to attend EITI International Meetings, in particular the EITI Global Conference. *(see page 7)*
- Investigate legal options for issuing a Notice to Lessees that mandates disclosure of tax payments. *(see page 24)*
- Look into legal requirements for holding public outreach sessions in locations other than federal buildings. *(see page 30)*

➤ Implementation Subcommittee:

- Consider a request by Betsy Taylor to include a link to a non-government report (published by the Appalachian Citizens’ Law Center and Virginia Tech University) about the AML program in the 2015 USEITI Report. *(see page 14)*
- Work with the Independent Administrator to determine how income tax information should be represented in the opening infographic. *(see page 16)*

➤ USEITI County Work Group

- Provide county-level contacts list to the industry sector so that companies operating in profiled counties can also attempt to contact local officials. *(see page 28)*

➤ Mr. Mike Matthews

- Attempt to contact local officials in Campbell County, WY regarding the county case study profiling their county. *(see page 28)*

- **Workplan Work Group**
 - Add an item to the 2016 Workplan around soliciting public input on the 2015 Report and the USEITI effort. *(see page 29)*
- **CBI**
 - Create a draft meeting summary for the September 2015 MSG meeting.
- **Independent Administrator (Deloitte)**
 - Work with the Industry sector to revise Revenues and Rates table. *(see page 10)*
 - Research how severance taxes are defined differently in different states and report back to the MSG. *(see page 12)*
 - Provide data to support proposed changes for future reporting. *(see page 24)*
 - Provide data to support claims that the non-tax reconciliation process was very costly and time-consuming. *(see page 24)*

III. Presentations and Key Discussions

Mr. Paul Mussenden, Acting Designated Federal Officer (DFO), U.S. Department of the Interior (DOI), opened the meeting and welcomed participants. All individuals in attendance introduced themselves. A full attendance list can be found in Section VI – Meeting Participants, page 31.

A. USEITI MSG Business

1. Terminology and USEITI February 2015 Meeting Summary

Mr. Paul Mussenden, DOI, reminded meeting participants that the MSG had agreed to employ three terms to differentiate between different types of actions that the MSG takes:

- “Decisions” will indicate significant actions and agreements by the MSG.
- “Approvals” will indicate lower-level decisions by the MSG, such as approving work plans, meeting summaries, process changes or additions, etc.
- “Confirmations” will confirm decisions that the MSG has previously made.

In addition, the MSG approved the meeting summary of the May 2015 MSG Meeting without additional comment or edit. A copy of the final, approved meeting summary is available at

<https://www.doi.gov/sites/doi.opengov.ibmcloud.com/files/uploads/USEITI%20MSG%20-%20May%202015%20Mtg%20Summary%20FINAL.pdf>.

- **Approval: The MSG approved the meeting summary from the May 2015 USEITI MSG meeting.**

2. Personnel Updates and USEITI Membership Continuity Plan

Mr. Paul Mussenden reported that two new members have been approved to join the MSG: Ms. Zorka Milin, Global Witness, for the CSO sector; and Mr. Michael Gardner, Rio Tinto, for the industry sector.

Ms. Judy Wilson, ONRR and USEITI Secretariat, corrected her comments from the previous MSG meeting to clarify that it would not be possible to appoint primary members of the MSG for three-year terms and alternate members for two-year terms. The primary member and their alternate must be appointed for the same term duration, whether two or three years. As a result, the Secretariat will submit all MSG members for three-year terms and will stagger appointments through attrition, as is already occurring. Ms. Wilson also reported that the Secretariat has submitted for vetting and approval all nominations that were received from the three sectors during the nomination period that closed on June 30, 2015. Thirty-three of the nominations have been vetted and three are before the Secretary of the Interior for appointment to the MSG. Finally, three MSG members have resigned: Amanda Lawson and Mark Smith from the industry sector and Blair Pasalic from the government sector.

Ms. Danielle Brian, Project on Government Oversight and Civil Society Sector MSG Co-Chair, stated that both the industry and CSO sectors have members who have been vetted but who are awaiting appointment to the MSG and who the sectors would like to participate in the discussions of the September MSG meeting. Ms. Veronika Kohler, National Mining Association and Industry Sector MSG Co-Chair, added that the approval process has become quite slow and requested that the timeframes given for the approval process by the Secretariat and DOI be more accurate. She added that the sectors had originally opted to set up the MSG under the Federal Advisory Committee Act (FACA) because it was supposed to be more efficient. In response, Mr. Greg Gould, ONRR and Government Sector MSG Co-Chair, thanked both Ms. Brian and Ms. Kohler for their comments and committed to do what was needed to include these individuals awaiting appointment to the MSG in the MSG's discussions. He added that the FACA process was chosen because it was the most straightforward to set up. Mr. Mussenden noted that there is a team that is working hard to move the appointments process along but that sometimes it can become delayed, in part because the Interior Department has multiple FACA processes operating simultaneously. Mr. Gould noted that pending members could be invited up for each discussion item as technical experts, if desired, under FACA, by the co-chairs.

3. EITI International Update

Mr. Mussenden provided an update about developments with other EITI countries and the EITI International Board. He began by noting that Haley Rice from the US State Department was not able to attend the MSG meeting and that he would provide the international update in her place.

The 30th meeting of the EITI International Board will take place October 21-22, 2015 in Bern, Switzerland. Mr. Mussenden stated that, at that meeting, the Board will be recommending that Tanzania be suspended from EITI due to delay in submitting its 2012 Report. He reported that the Board will also be considering twelve proposed changes to the EITI Standard. Finally, Mr. Mussenden explained that an EITI Global Conference will be held in Lima, Peru on February 24-25, 2016. EITI holds a Global Conference once every two to three years, bringing together all stakeholders of the EITI. During these conferences, a smaller Members' Meeting takes place with the three constituency groups: countries, companies, and civil society organizations. The main task of the Members Meeting is to appoint an EITI Board for the next two years and there is expected to be an announcement made about a new Board Chair in Lima.

In response to Mr. Mussenden's comments, MSG members asked the following questions and made the following comments; *responses from Mr. Mussenden and Mr. Greg Gould are provided in italics:*

- Mr. John Harrington, ExxonMobil, said that the question of validation under the new Standard is likely to come up at the October Board meeting. He noted that although USEITI is having trouble getting some companies to report certain kinds of data, the USEITI is best in class in other ways. Just about every country is at risk of missing validation for one or another reason under the Standard and there is a debate going on among Board members about allowing greater flexibility for implementing countries under the Standard.
- Mr. Aaron Padilla, American Petroleum Institute, suggested that the MSG make a strong request to the US Department of State to send a representative to attend the December MSG meeting as participation by the State Department has fallen off in recent MSG meetings. Mr. Michael LeVine, Oceana, echoed Mr. Padilla's request. Mr. Paul Bugala, George Washington University, also noted that it would also be useful to engage more with Ms. Mary Warlick, the US representative on the EITI International Board. Mr. David Goldwyn, Goldwyn Global Strategies, added that the Co-Chairs should meet with Ms. Warlick. *In response to these comments, Mr. Mussenden suggested that the State Department is operating under resource constraints, as are all of the federal agencies, and acknowledged that it would be useful to have stronger participation at MSG meetings from the State Department. He noted that the USEITI Secretariat communicates with the State Department regularly, however. Mr. Mussenden also said that the Co-Chairs met with Ms. Warlick once and that they maintain contact with her.*
 - Ms. Danielle Brian responded that it is important to have all three sectors in communication with the State Department, not only the Secretariat.
 - Ms. Johanna Nesseth Tuttle, Chevron, advocated for State Department representatives, including Ms. Warlick, to attend at least a day of a USEITI

MSG meeting to understand the dynamics at play between the sectors. This would allow for more effective advocacy for the US Report and effort with the International Board.

- Mr. John Harrington expressed appreciation for the commitment and investment by the Director of ONRR, Greg Gould, and by the Deputy Assistant Secretary of ONRR, Paul Mussenden.
- Mr. Aaron Padilla suggested that the MSG discuss its participation in the EITI Global Conference in Lima. Ms. Danielle Brian noted that the CSO sector has previously articulated its desire to participate in International EITI events, such as the Global Conference, but that U.S. based CSO sector members do not have travel budgets that would allow them to do so. She asked whether the US Government would be able to support travel costs for some MSG members to attend the Conference. Ms. Kohler agreed that it would be beneficial to have representation from all three sectors at the Global Conference. *Mr. Greg Gould responded that he would need to consult with his FACA attorney, but that there may be some ability to support travel costs to the Global Conference. Mr. Mussenden noted that the Government has consistently prioritized that domestic outreach around USEITI be conducted by all three sectors.*
- MSG members also discussed the value and importance of the EITI Global Conference. Ms. Kohler contributed that the Conference is much more than a regular EITI Board Meeting, and features many country representatives engaged in exchange with each other and discussing the future of EITI. Ms. Veronica Slajer North Star Group, added that it is like a convention, with many countries promoting their work and others, who are in danger of losing their EITI compliance status, pleading their cases. Mr. John Harrington noted that different groups host workshops for participants to attend, and that USEITI could host a workshop. He also added that there will be a new Board and Board Chair elected, and that the EITI Standard may undergo some revisions.

4. Subcommittee and Work Group Constitution and Membership

Mr. Greg Gould, Chair of the Implementation Subcommittee, thanked the members of two recent work groups and then sunsetted the Tax Information Work Group and the Report Work Group with approval of the MSG.

The acting Designated Federal Office, Mr. Paul Mussenden, then created the Online Advisory Work Group with approval of the MSG (*see subsection "Suggested Process for further 2015 On-Line Report review, On-Line Advisory Work Group, and looking ahead to 2016," page 22*)

B. Review of Executive Summary of the 2015 USEITI Report

The MSG discussed various topics related to the Executive Summary of the 2015 USEITI Report (referred to as the "written" or "written summary" report in previous meeting summaries). These topics include MSG approval of the Executive Summary outline,

review of resolution of “fatal flaw” comments and MSG discussion of five areas of the Executive Summary, and next steps for the Executive Summary.

Pursuant to a request by Ms. Danielle Brian, Ms. Zorka Milin substituted in for Mr. David Goldwyn during the following discussions and Mr. Daniel Dudis, Transparency International, joined the MSG’s discussions as a technical expert.

1. **MSG Approval of the Executive Summary Outline**

Mr. Greg Gould noted that many MSG members, including the Contextual Narrative and Report Work Groups of the Implementation Subcommittee, have extensively worked on and reviewed the content of the Executive Summary of the 2015 USEITI Report. The Executive Summary, which is still a work in process, is the result of a collaborative process among the three sectors. At the meeting, Mr. Gould forwarded the recommendation of the Implementation Subcommittee that the MSG consider the outline of the Executive Summary for approval. The Executive Summary outline that the Implementation Subcommittee presented for approval is available here:

<https://www.doi.gov/sites/doi.opengov.ibmcloud.com/files/uploads/2015%20USEITI%20Executive%20Summary%20and%20Online%20Report%20Outline%20090215.pdf>.

Ms. Betsy Taylor, Virginia Polytechnic Institute and State University, thanked Ms. Isabelle Brantley, Independent Administrator team member from Deloitte, and Ms. Michelle Hertzfeld, GSA 18F, for their critical roles in facilitating and producing the Executive Summary. She also stated that any questions or debate that take place about the document are the result of the complexity of the issues and are not a comment on any individuals participating in the process.

Ms. Danielle Brian noted that there had been an agreement in the Implementation Subcommittee to change the wording of the heading “How Natural Resources Become Federal Revenues.” The MSG agreed to change the text to: “How Natural Resources Extraction Results in Federal Revenues.” Mr. Pat Field noted that the title of the outline should read “2015 USEITI Report Executive Summary Outline” and not “2015 USEITI Written Summary Report Outline.”

With those two changes, the MSG approved the outline of the Executive Summary of the 2015 USEITI Report. The approved version of the outline is available here: [\[need to insert hyperlink to approved document\]](#)

- **Approval: The MSG approved the outline of the Executive Summary of the 2015 USEITI Report.**

2. **Review of Resolution of “Fatal Flaw” Comments and MSG Discussion of Five Areas of the Executive Summary**

Mr. Greg Gould explained that all MSG members should have received a summary document outlining how the MSG Co-Chairs had together resolved the comments that

came out of the MSG's "fatal flaw" review of the Executive Summary. He explained that the Co-Chairs generally sought to defer to the subcommittees and their work groups in terms of the recommendations made on portions of the Executive Summary. Mr. Gould added that the Independent Administrator (IA) would present five areas of the Executive Summary for discussion by the full MSG. Ms. Danielle Brian added that the IA is still working to incorporate some of the more detailed comments made by MSG members into the draft Executive Summary. Thus, members may not see all of their proposed revisions in the draft version of the Executive Summary that they received before the MSG meeting.

Ms. Isabelle Brantley introduced the following five areas for the MSG's discussion; each of these discussions is summarized below. Ms. Brantley's presentation slides are available at: [\[insert link for presentation\]](#).

1. Extraction phases graphic
2. Fossil fuel revenue types and rates graphic
3. State indicators table
4. Abandoned mine reclamation costs description
5. Infographic introduction

a) Extraction Phases Graphic

Ms. Isabelle Brantley introduced the four-phase diagram that currently summarizes the phases of extraction in the Executive Summary draft and explained how it connects to greater detail available in the online report, summarized the feedback about this diagram that the MSG provided to the IA, and proposed three potential resolutions to address MSG members' feedback. Additional detail about these elements are available on slides #4-8 of Ms. Brantley's presentation, available at: [\[insert link for presentation\]](#).

MSG members provided the following comments and feedback about the extraction phases graphic; *responses from Ms. Brantley are indicated in italics.*

- Ms. Jennifer Krill, Earthworks, and Ms. Betsy Taylor noted that details of the process and timeframe for different commodities vary and that this variation could be represented in the online report.
- Mr. Michael LeVine expressed a concern that the "lease / claim" phase does not differentiate between leases for exploration and leases for extraction, which are distinct for offshore development.
- Mr. Aaron Padilla expressed appreciation for the distinction noted by Mr. Levine and noted that, while different companies have different names for the phases described, the industry sector would be happy with either four or five phases. He also suggested that, in the IA's suggested changes to the graphic, that "metering" of quantities produced be replaced with the more generic and broadly-applicable "measurement." Finally, Mr. Padilla suggested that

opportunities for citizen engagement be included in the description of each phase.

- Ms. Veronica Slajer agreed with the suggestion to include opportunities for citizen engagement and suggested that the first two phases be combined. *Ms. Brantley responded by clarifying that, since the graphic is tailored to federal lands and waters, the planning processes of the federal agencies that manage the assets are a key phase that should be represented.*
- Ms. Betsy Taylor volunteered that the general public more often thinks in terms of “reclamation” than “decommissioning” (the fourth and final phase).
- Mr. Daniel Dudis suggested that it would be useful to include information about the timeline of the process for different commodities, which can often be much longer for hard rock minerals development than for oil or natural gas development.
- Ms. Zorka Milin questioned whether the title (“How Natural Resources Extraction Results in Federal Revenues”) of the Executive Summary section in which the extraction phases graphic is included is accurate because not all four of the phases represented in the graphic themselves yield federal revenues. Ms. Veronika Kohler responded that it is important to communicate to the public, as the current title does, that all of the phases are *necessary* to yield federal revenues.

b) Fossil Fuel Revenue Types and Rates Graphic

Ms. Isabelle Brantley summarized the approach that the Executive Summary draft takes for explaining the major revenue types and rates for fossil fuels, as well as at what point during the extraction process government agencies collect them. She also summarized the feedback about this section that the MSG provided to the IA and proposed a potential resolution to address MSG members’ feedback. Additional detail about these elements are available on slides #9-12 of Ms. Brantley’s presentation, available at: [\[insert link for presentation\]](#).

MSG members provided the following comments and feedback about the revenues and rates graphic; *responses from Ms. Brantley are indicated in italics.*

- Various MSG members, including Ms. Danielle Brian and Ms. Veronika Kohler, expressed support for the IA’s proposal to include all in-scope commodities in a summary table.
- Ms. Kohler and Mr. Nicholas Cotts, Newmont Mining, also indicated that the industry sector would provide detailed corrections and line-edits on the table to the IA. *Ms. Brantley welcomed the comments and input from the industry sector.*
- Ms. Danielle Brian noted that the revenue sources included in the table are primarily those that are collected by ONRR and, notably, do not include taxes.

She also stated that the table actually only represents “rates” and not the “revenues” that are actually collected. Ms. Zorka Milin added that the listed rates are statutory rates and thereby overstate the effective rates that companies actually pay.

- Mr. Daniel Dudis suggested that, throughout the USEITI 2015 Report, the term “revenues” would best be used if it includes taxes, along with rents, royalties, and bonuses.
- Mr. Mike Matthews, State of Wyoming, noted that AML (abandoned mine lands) fees are not included. Representatives from the other sectors endorsed including AML fees in the table. *Ms. Brantley explained that the table is intended to include only major revenue sources and said that the IA would consider including AML fees.*
- Mr. Michael LeVine suggested that a note about cost-recovery fees that was included in the earlier table be included in the revised table. He also suggested that a note be added clarifying that some of the fee rates are established statutorily while others are set by the implementing agency. Ms. Betsy Taylor suggested that, if the table were also to be included in the online report, these sorts of details could be included as hyperlinks and footnotes there.
- Ms. Veronika Kohler suggested that the table remove the reference to the General Mining Act of 1872, to which Ms. Jennifer Krill responded that the inclusion of that law explains why that box in the table would otherwise simply read “N/A” or “0.”

c) State Indicators Table

Ms. Isabelle Brantley summarized the approach that the Executive Summary draft takes for summarizing various state-level indicators in a single table. She also summarized the feedback about this section that the MSG provided to the IA and displayed various charts and graphics that would highlight key indicators as a potential resolution to address MSG members’ feedback. Additional detail about these elements is available on slides #13-19 of Ms. Brantley’s presentation, available at: [\[insert link for presentation\]](#). MSG members provided the below comments and feedback about the charts and graphics highlighting key indicators; *responses from Ms. Brantley are indicated in italics.*

MSG comments about the chart titled “2013 State GDP from Extractive Industries Compared to Other Industries,” found on slide #16:

- MSG members made the following suggestions for enhancing the clarity of the State GDP chart:
 - Display the states in sequential order of the contribution of the extractive industries to their total GDPs.

- Have the x-axis of the table represent percentage of revenues derived from the extractive industries and plot the states along the two axes.
 - Insert “break lines” in the GDP bars for California and Texas so that those states’ outsized GDPs do not make it so difficult to view the other states.
 - It is more helpful to see the relative contribution of the extractive industries to states’ total GDPs than the total size of states’ GDPs.
 - Display the relative contribution of the extractive industries to states’ total GDPs in a separate chart.
- Ms. Veronika Kohler suggested that a note be included indicating the different states use different methodologies for calculating GDP.
 - Mr. Michael LeVine asked whether timber, as a commodity that is not included in the scope of the 2015 Report, is included in the state GDP figures and suggested that, if not, that this be clarified in a footnote. *Ms. Brantley responded that timber is not included in the GDP figures.*
 - Ms. Betsy Taylor applauded the proposed charts and graphics as aligned with the direction of the EITI International Board and also because they include states with significant extractive industry production on non-federal lands. She also inquired as to whether these charts and graphics would be included in the online report along with the Executive Summary. *Ms. Brantley indicated that they probably would be included online but that the GSA 18F team is under pressure to get a lot of work done to complete the online report so the exact nature what will be on-line by December remains a work in progress.*
 - Mr. Paul Mussenden articulated that the reason that the Report focuses on federal lands is because the revenues from those lands belong to all Americans, with those revenues being split 50-50 between the US Treasury and states and tribes.
 - Ms. Betsy Taylor acknowledged Mr. Mussenden’s reasoning and explained that some of her stakeholders in Appalachia reacted very negatively to the prospect of the 2015 Report only including coal production from western states, since coal production in Appalachia is from non-federal lands.

MSG comments about the graphic titled “2013 State Revenues from Severance Taxes,” found on slide #17:

- Mr. Mike Smith, Interstate Oil and Gas Compact Commission, noted that different states include different revenue streams in their classification of “severance taxes” and suggested that this be clarified in a footnote. *Ms. Brantley thanked Mr. Smith for his suggestion and said that the IA would look into this and report back to the MSG.*

- Following a comment from Mr. Dan Dudis suggesting that the dollar amount collected by each state through severance taxes be compared with the value of the contribution that the extractive industries make to each state's GDP, MSG members discussed how and whether this would be feasible to do.

MSG comments about the chart titled "2013 State Revenues from Extractive Industries on Federal Lands and Waters," found on slide #18:

- Ms. Veronica Slajer inquired whether federal revenue-sharing with the states is captured in this chart. *Ms. Brantley responded affirmatively and explained that this chart only includes transfer payments from the federal government back to the states.*
- Mr. Keith Romig, United Steelworkers, suggested that the title of the chart should be changed to accurately reflect that the chart only includes federal transfer payments.
- Ms. Danielle Brian volunteered that the CSO sector was comparatively less excited about this chart, in case some need to be eliminated in order to reduce the length of the Executive Summary.

MSG comments about the chart titled "2013 State Wage and Salary Employment in the Extractive Industries Compared to Other Industries (Excludes Self-Employment)," found on slide #19:

- MSG members made the following suggestions for enhancing the clarity of the Wage and Salary Employment chart:
 - Display the states in sequential order of the contribution of the extractive industries to their total employment.
 - Have the x-axis of the table represent percentage of employment derived from the extractive industries and plot the states along the two axes.
 - Display the relative contribution of the extractive industries to states' total employment in a separate chart.
 - Present this information in a table instead of a chart because the employment numbers are so small.
- In response to a question from Mr. Michael Gardner, Rio Tinto, about the sources of the data, Ms. Brantley, Mr. Aaron Padilla, and Mr. Romig explained that the data comes from the Bureau of Labor Statistics and includes wage and salary data from the extractive industries, including mining support industries. It does not include self-employment in the extractive industries.

- Mr. Paul Bugala expressed support for the decision to exclude self-employment data from this chart because he perceives the self-employment data to be difficult to parse out reliably.

Mr. Keith Romig also suggested that all of the charts, tables, and graphics included in the Executive Summary be included in the online report.

d) *Abandoned Mine Reclamation Costs Description*

Ms. Isabelle Brantley summarized the approach that the Executive Summary draft takes for explaining the costs associated with reclaiming abandoned mine lands, summarized the feedback about this section that the MSG provided to the IA, and proposed a potential resolution to address MSG members' feedback. Additional detail about these elements are available on slides #20-23 of Ms. Brantley's presentation, available at: [\[insert link for presentation\]](#).

MSG members provided the following comments and feedback about the IA's proposal to include a graph to help illustrate AML funding and spending; *responses from Ms. Brantley are indicated in italics.*

- Mr. Greg Conrad, Interstate Mining Compact Commission, stated that the AML issue is very complicated and that the draft chart produced by the IA would need to be revised in a variety of ways, including separating out reclamation funds dedicated for current mining projects from those for abandoned mines, clarifying what is included in "incomplete projects," and separating out AML funds for hard rock minerals from those for coal mines. Mr. Conrad volunteered that the AML issue is so complicated that a recent report written by an intern of Betsy Taylor's required 87 pages simply to explain the basics of the AML program. He suggested that a couple of government reports about the AML program could be linked to in the USEITI Report to provide more information for interested readers.
- Ms. Betsy Taylor agreed that the AML issue is very complicated and suggested that the two key pieces of information to convey about abandoned mine lands are: "how much unreclaimed land exists" and "how much money has industry already spent to reclaim that land." She suggested that important policy decisions need to be made about abandoned mines and that USEITI's contribution to public understanding of this issue could contribute to that decision-making. Ms. Taylor suggested that a useful chart to include might be a simple pie chart that shows: 1) how much money has been spent to reclaim abandoned mines; 2) how much money (in the form of AML funds) is remaining to reclaim abandoned mines, and; 3) how much money would be required to reclaim all of the unreclaimed mine lands. She also proposed that a link to a non-government report about the AML program completed under her mentorship, by Eric Dixon and Kendall Bilbrey be included in the USEITI Report; this request will be considered by the Implementation Subcommittee.

- Ms. Veronika Kohler agreed with Ms. Taylor’s articulation of those two key questions for sharing in the 2015 USEITI Report and added that the Report should make clear that currently-operating mines are covered by bonds taken out by mine operators and that AML funds are only for reclaiming old, abandoned mines.
- Ms. Jennifer Krill agreed that information about AML funds for hard rock minerals should be separated from AML funds for coalmines. She noted that EPA released a report in 2004 estimating the cost of reclaiming abandoned hard rock mine lands at \$20-54 billion.
- Ms. Johanna Nesseth Tuttle suggested that it would likely be helpful to many readers to define what an “abandoned mine” is.

e) *Infographic Introduction*

Ms. Isabelle Brantley explained that, pursuant to a comment from an MSG member suggesting that the USEITI Report use infographics similar to those that were used in the 2013 Norway EITI Report, the IA has created some proposed infographics to include in the USEITI Executive Summary. Additional detail about these elements is available on slides #24-26 of Ms. Brantley’s presentation, available at: [\[insert link for presentation\]](#).

MSG members provided the following comments and feedback about the IA’s proposed infographics; *responses from Ms. Brantley are indicated in italics.*

- Many MSG members from all three sectors expressed enthusiasm about the use of infographics.
- Ms. Danielle Brian and Ms. Veronika Kohler suggested including percentage figures to provide context for the numbers included in the infographics. Mr. John Harrington added that, in certain cases, using percentages could be helpful to the reader.
- Ms. Veronika Kohler suggested that additional infographics be included to highlight the level of participation that USEITI has secured from states and tribes as well as the level of effort contributed by MSG members and supporting entities. She also suggested that the following figures be included in the infographics: the number of companies that were asked to participate in USEITI reporting by the MSG, the number of companies participating in tax reconciliation, and the percentage of federal income tax payments disclosed.
- Mr. Aaron Padilla added that an infographic could highlight the percentage of revenues that are accounted for through the reconciliation process.
- Mr. Paul Bugala cautioned against conflating information that is unilaterally disclosed by the government with information that is either reported by companies or reconciled.

- MSG members discussed how to represent that not all companies elected to participate in USEITI reporting and reconciliation, both for non-tax revenues and for tax revenues. Mr. John Harrington, for example, suggested that USEITI should be transparent and upfront about the levels of company participation that were achieved, since reporting and reconciliation of revenue information are central tenets of the EITI Standard and program. Others, such as Ms. Zorka Milin, agreed about the need for transparency on this point, but pointed out that comparing actual tax payments that were reconciled to total estimated tax receipts did not make sense because the ratio would be comparing apples and oranges, payments actually made against totals that were not actual but estimated. Mr. Keith Romig suggested that, since the MSG's stated target for the 2015 Report was that companies report 80 percent of non-tax revenues, and since 79 percent reporting was achieved, this could be highlighted in the infographics (*this percentage was clarified in later discussion*).
- MSG members also discussed whether and how to represent the respective income tax numbers reported by the IRS, reported by companies, and reconciled by the Independent Administrator. MSG members discussed whether to highlight the number of companies participating in tax reporting and reconciliation, respectively; tax revenue figures as reported by the IRS; tax payment figures as reported by participating companies; the tax reconciliation figure; and whether to compare the reconciled and reported figures to the IRS' total tax revenue figure. As part of this discussion, MSG members also noted that income tax payments and collections from non-extractive activities are also being included in reported amounts for any companies that derive greater than 50 percent of their revenue from extractive activity. MSG members also discussed whether it makes sense to represent the percentages of corporate income taxes reported or reconciled against the total tax collections from extractive activity because the latter figure (total tax collections from extractive activity) is derived from a weighted sample. The MSG agreed that tax reporting information should be included in the upfront infographic but requested that the Implementation Subcommittee work with the Independent Administrator to determine how income tax information should be represented.

3. Executive Summary Next Steps

Ms. Isabelle Brantley reviewed the process and timeline for completing the Executive Summary and sending it for production. She explained that the IA would produce a revised draft of the Executive Summary for the MSG's review on October 19, based on comments already received from the sectors. The IA asked to receive comments from the USEITI sectors by November 2 only on portions of the document that had been changed or updated since the previous draft. After November 2, the Executive Summary will be sent for production and no additional comments can be accepted to meet the final deadlines. Additional detail about these elements is available on slides #27-29 of Ms. Brantley's presentation, available at: [\[insert link for presentation\]](#).

MSG members provided the following comments and feedback about the IA's proposed process and timeline; *responses from Ms. Brantley are indicated in italics.*

- Mr. Paul Bugala noted that MSG members would be commenting on the section of the Executive Summary about Section 1504 of the Dodd-Frank Act, since this is new content.
- Mr. Michael LeVine suggested that the IA work with the Co-Chairs to resolve any conflicting comments or any other issues that require resolution. Mr. Greg Gould responded that the Co-Chairs intended to work with the Implementation Subcommittee to resolve any issues before November 2.
- Mr. Greg Gould and Mr. John Mennel, Independent Administrator team member from Deloitte, noted that the IA may make some decisions on whether and how to incorporate lower-priority MSG comments independently but would consult with the Implementation Subcommittee and with the Co-Chairs on higher-priority comments.

C. Discussion of Online Presence of the 2015 USEITI Report

The MSG discussed various topics related to the online presence of the 2015 USEITI Report. These topics include the process for developing the online report, MSG discussion and approval of the outline of the online report and the key data sources powering interactive portions of the online report, presentation of the wire diagrams and current state of the online report, and a suggested process for further review of the online report during coming months.

Pursuant to a request by Ms. Danielle Brian, Mr. Daniel Dudis, Transparency International, joined the MSG's discussions as a technical expert. Pursuant to a request by Ms. Veronika Kohler, Mr. Cartan Sumner, Peabody Energy, joined the MSG's discussions as a technical expert.

1. Process for Developing the Online Report

Ms. Judy Wilson provided an overview of the process for developing the online USEITI report. She explained that the online report is being developed through a user-centered design process that has four stages: discover, define, develop, and deliver. The four stages are not followed sequentially; rather, the actions associated with each of the four stages are performed iteratively in order to continually improve the product. Ms. Wilson described key activities undertaken during each of the four stages, including the following:

- *Design stage:* a design studio, the development of user personas, and user interviews;
- *Define stage:* prototyping to test which parts of the online report resonate with users and which parts are difficult for them to understand, design statements, and affinity mapping;

- *Develop stage*: wire framing and prototyping to test the usability of products under development with real users;
- *Deliver stage*: the final stage, in which the online report will be delivered to the MSG and made available for public use.

Ms. Wilson noted that the development of the online report does not end in December with the release of the 2015 USEITI Report. Rather, the release of the Report will provide an opportunity for public engagement in order to improve the Report during 2016. A slide used by Ms. Wilson during her comments is available at: [\[insert link for presentation\]](#).

In response to Ms. Wilson’s comments, Ms. Veronika Kohler noted that the MSG will need to discuss how the process for updating the Report during 2016 will work.

2. Online Report Outline and Table of Key Data Sources for Online Report

Mr. Keith Romig, Chair of the Report Work Group, reviewed the work of the Work Group on an outline for the USEITI Online Report and a table of data sources for the Online Report that are downloadable or that power interactive portions of the Report. He explained that the Report Work Group and the Implementation Subcommittee are forwarding their recommendation that the MSG approve the Report Outline and the Data Sources table, with the caveat that the MSG needs to discuss how production information for non-federal lands will be included in the 2015 Report before approving the Data Sources table. The Online Report outline is available at:

<https://www.doi.gov/sites/doi.opengov.ibmcloud.com/files/uploads/2015%20USEITI%20Executive%20Summary%20and%20Online%20Report%20Outline%20090215.pdf> and

the table of data sources is available at:

<https://www.doi.gov/sites/doi.opengov.ibmcloud.com/files/uploads/2015%20USEITI%20Data%20Sources%20for%20Online%20Report%20090215.pdf>.

Mr. Romig reviewed the key elements of the Online Report Outline. He noted that the outline includes references to the provisions of the EITI Standard that each item in the Report will meet. Mr. Romig stated that the priority in developing the Online Report is in creating a flexible document that is useful to a variety of users, ranging from novice users to expert researchers.

Turning to the Data Sources table, Mr. Romig walked through each row of the table, describing the data sources that the Work Group is recommending be incorporated into the Online Report and describing the uses to which these data sources will be put. In this way, he reviewed the data sources to be used for: reconciliation data, revenues, GDP, employment, exports, and disbursement. In addition, Mr. Romig noted that, in terms of data sources containing information about *production* of various commodities, production data from ONRR for federal lands would be included for all in-scope commodities, but that the Work Group had not been able to reach agreement about the inclusion of additional data sources from the Energy Information Administration (EIA)

and from the United States Geological Survey (USGS) for both federal and non-federal lands. These data sources could help to provide information about production from all lands (as opposed to only federal lands) for energy commodities (from EIA) and non-energy minerals (from USGS). He noted that the USGS data would require some analysis and cleaning to be put into a format that could be used for the Online Report and that the Co-Chairs had decided to work on incorporating the USGS data in the first quarter of 2016.

Following Mr. Romig's comments, MSG members engaged in the following discussion about the Online Report Data Sources table:

- Mr. Greg Gould clarified that the current agreement for including *revenue* data includes revenues from production on federal lands not only from ONRR but also from other DOI agencies, such as BLM and BSEE. In terms of *production* data, Mr. Gould noted that, in addition to production from federal lands, the twelve county case studies and presentation of key information, including production, from eighteen states, would be included in the 2015 Report. He emphasized that it is important that USEITI is simply using readily-available datasets from federal agencies and other data sources and is not having to construct or significantly reformat any datasets in order to incorporate them into the Report. Mr. Gould noted that USEITI has significantly moved towards its goal of incorporating publicly-available data sources for the 2015 Report but that not all data sources are at a point that they can be included. He suggested that the 2015 Report can serve as a signal to USGS that it needs to enhance its data outputs so that they can be more easily used by external parties, including USEITI.
- Ms. Betsy Taylor noted that a key concern for her stakeholders is enhancing the priority of government agencies to collect data, to share it among different agencies, and to make it readily available to the public.
- In response to a clarifying question from Ms. Danielle Brian, Ms. Isabelle Brantley explained that the intention is to incorporate EIA datasets containing production information for all lands into the 2015 Report. Ms. Brantley noted that the time and resources of the GSA 18F team that is creating the online report are very limited before the release of the 2015 Report in December and so it should very likely be possible to include the EIA datasets in the December release, but this is not 100 percent certain at this time. Ms. Michelle Hertzfeld echoed Ms. Brantley's statement.
- Various MSG members, from both the CSO and industry sectors, expressed support for including EIA data containing production information of energy minerals on all lands in the 2015 Online Report.
- Mr. Daniel Dudis reiterated that references to "revenues" should be more precisely referred to as "DOI revenues" if they do not include tax revenues. He also suggested that the IRS' statistical estimate of the total amount of corporate

income taxes paid by the extractives industries could be incorporated into the Online Report.

- Mr. Paul Bugala stated, for the record, that he urges other federal agencies beyond the Interior Department to contribute to the USEITI effort.
- Ms. Veronika Kohler pointed out that, despite the MSG's, the IA's and 18F's best efforts, there are bound to be gaps in the 2015 Report, due to data gaps, limited time and resources, and other factors. It is important for everyone to recognize this and to identify those data gaps so that they can be resolved in future reports.
- Various MSG members emphasized that the presentation of information in the Online Report needs to clearly indicate what information is, and is not, included and being displayed. This is particularly important when it comes to the map of the United States that users can click on different states and offshore production areas to get different types of information, including production, revenues, etc.
- Ms. Betsy Taylor suggested that, to reduce confusion about the different types of data from different types of lands, it may be better to have separate maps for production and for revenues.
- Mr. Mike Matthews, noting that even a small factor such as differing valuation methodologies and measurement points can create different measurements across production of a commodity, suggested that USEITI proceed gradually in incorporating different data sources to make sure that they can be accurately handled.
- Ms. Betsy Taylor noted that the text describing how employment data at the county level will be used should be revised as follows (*revisions indicated in italics*): "Wage and salary employment total *in terms of total jobs and as a percentage of total employment.*"
- The MSG agreed on including the following in the 2015 USEITI Online Report:
 - Production information for energy minerals will be available for at least 18 states (and, potentially, for all 50 states) from all lands,
 - Production information for non-energy minerals will be available for only federal lands for 2015, and will be broken out by each commodity (gold, copper, and iron ore) in the 2015 Report,
 - Non-tax revenues for production from federal lands,
 - Employment data for production from all lands.
 - State breakouts of disbursement data will be included.

- In addition, the MSG agreed on including production information for non-energy minerals, broken out by in-scope commodity, for all lands (from USGS data) in the 2016 Report.

The MSG proceeded to approve both the Outline of the 2015 USEITI Online Report and the Data Sources table for the 2015 Online Report.

- **Approval: The MSG approved the outline of the 2015 USEITI Online Report.**
- **Approval: The MSG approved the table “2015 USEITI Data Sources for Online Report that are Downloadable or Power Interactions.”**

3. Update on Wire Diagrams and Developing the Online Report

Ms. Michelle Hertzfeld, GSA 18F, walked the MSG through the state of the Online Report at the time of the MSG meeting by showing MSG members different portions of the website that will host the Online Report. Portions of the Online Report that Ms. Hertzfeld showed MSG members include the following: the About page; the Data page; the location where the Executive Summary will sit; the homepage, where the current button for “Hard Minerals” will be updated to differentiate between copper, gold, and iron ore; the map, which will allow users to explore by commodity or by state/offshore production area; the page titled “What natural resources do we have in the US?;” and the page titled “Where does the money go?” The developing Online Report website is available at: <https://eiti-dev.18f.gov/>. Ms. Hertzfeld closed her comments by requesting that MSG members provide feedback on the website.

In response to Ms. Hertzfeld’s comments, MSG members made the following comments and asked the following questions; *responses from Ms. Hertzfeld are indicated in italics.*

- Mr. John Harrington inquired whether suggested changes from the MSG to the infographics summarizing the USEITI effort would be incorporated into the Online Report as well as the Executive Summary. *Ms. Hertzfeld responded affirmatively, indicating that they would.*
- Ms. Betsy Taylor urged 18F to begin engaging more with real users and not just relying on the abstract user archetypes that were developed to identify diverse user needs. She added that the academics that she speaks with about USEITI are most interested in the potential for USEITI not only to provide information, but also to allow comparisons between different commodities, communities, etc. *Ms. Hertzfeld stated that users can provide feedback either directly through the beta website or by sending an email to the development team. The MSG, 18F, and the Interior Department will need to determine how user feedback will be incorporated with the MSG process that is responsible for providing advice to the Secretary of the Interior.*
- Ms. Veronica Slajer suggested that the Online Report be generously seeded with messages encouraging users to provide feedback and get involved with USEITI.

She also suggested including photos of different commodities, geographic locations, production technologies, etc.

- Mr. Aaron Padilla inquired about users' ability to download datasets and to create their own datasets by combining different variables. *Ms. Hertzfeld responded that users would be able to download datasets but that the ability to create custom datasets would not be available for the 2015 Report and would need to be considered in future years.*
- Ms. Danielle Brian volunteered that she had met someone at the US General Services Administration who works on public outreach and suggested that 18F could avail itself of this resource. *Ms. Hertzfeld expressed appreciation for the suggestion but clarified that her team's current challenge was more about how to fit public outreach into their existing task list before the release of the 2015 Report.*

4. Suggested Process for further 2015 On-Line Report review, On-Line Advisory Work Group, and looking ahead to 2016

Mr. Patrick Field, MSG meeting facilitator from the Consensus Building Institute, and Mr. Greg Gould stated that the process of developing the Online Report, in the form of a website, is very different from developing the Executive Summary, in the form of a static document. Mr. Gould stated that the Co-Chairs are suggesting that a new work group be formed under the Implementation Subcommittee to work with 18F on reviewing the development of the Online Report. The Work Group will provide regular update reports to the Co-Chairs. Any outstanding issues or key direction would be given by the Co-Chairs in order to move the process forward. This new body would be called the Online Advisory Work Group and would consist of the following members:

- Mia Steinle
- Aaron Mintzes
- Emily Hague
- Katie Sweeney
- Ryan Ellis
- Chris Mentasti

The acting Designated Federal Office, Mr. Paul Mussenden, created the Online Advisory Work Group.

D. Independent Administrator's Update on Reconciliation

The Independent Administrator provided the MSG with an update on the reconciliation process, which was followed by a discussion by the MSG.

Pursuant to a request by Ms. Danielle Brian, Mr. Daniel Dudis joined the MSG's discussions as a technical expert. Ms. Zorka Milin substituted in for Ms. Jennifer Krill.

Mr. AJ Maxwell and Mr. John Mennel, IA team members from Deloitte, updated the MSG about the status of the reconciliation process. Mr. Maxwell reviewed the reconciliation-related activities and key process deadlines since the May MSG meeting; reported on how many companies are participating in USEITI and specifically in tax reporting and reconciliation; reported on the number, types, and status of variances encountered during the reconciliation process; and reviewed some key non-tax revenue and tax revenue figures emerging from the reconciliation process. Significantly for the MSG discussion that is summarized below, Mr. Maxwell reported that, out of 45 companies requested to participate in USEITI reporting in 2015:

- 30 are participating in reporting and reconciling non-tax revenues (with one additional expected to participate),
- of those 30, 11 companies are participating in tax reporting, and
- of those 11, 5 companies are participating in tax reconciliation.

Mr. Mennel introduced the reconciliation-related recommendations that the IA will be making for the future reporting process and reviewed the timeline for completing reconciliation work before the release of the 2015 USEITI Report. Mr. Maxwell's and Mr. Mennel's presentation slides are available at: [\[insert link to presentation slides\]](#).

In response to the IA's presentation about the reconciliation process, MSG members engaged in the following discussion which has been organized thematically (themes are underlined) for readers' convenience. *Responses from Mr. Maxwell and Mr. Mennel are indicated in italics.*

Variances:

- Mr. Paul Bugala inquired as to whether the thresholds that the MSG set for variances were generally reasonable. *Mr. Mennel reported that the variance thresholds were generally reasonable for the larger revenue streams but that a lot of effort went into resolving variances in some of the smaller revenue streams, such as fees.*
- Mr. Michael LeVine suggested that the 45 variances that exceeded thresholds and, therefore, required investigation be termed "material variances." *Mr. Mennel responded that, following extensive discussion, the MSG had agreed that the only variances that would be highlighted would be those that exceed the agreed-upon thresholds and that the term for those thresholds would be the "margin of variance."* Mr. LeVine pointed out that he has participated in the variance discussions from the very beginning and that he has always been clear that the margin of variance thresholds are the way that the MSG differentiates "material" variances from "immaterial" variances.

Requests to IA for additional information:

- Mr. Paul Bugala requested that the IA provide data to substantiate its proposed changes for future reporting, particularly since the proposed changes are pretty

substantial. *Mr. Mennel agreed and promised to provide substantiating data. He also noted that various changes are being considered to the EITI Standard by the International Board.*

- Ms. Zorka Milin requested that the IA provide data to substantiate its claims that the reconciliation process was very costly and time-consuming and “painful,” particularly considering that only five companies participated in tax reconciliation. *Mr. Mennel clarified that the IA has made that statement in regards to non-tax revenue reconciliation and he agreed to provide additional data about this.*

Level of company participation in tax reporting: The MSG had a discussion regarding the number of companies that have agreed to participate in tax reporting (11 of 31 reporting of 44 meeting the materiality threshold). Some raised strong concerns about the level of tax reporting achieved. These concerns are summarized below.

- Ms. Zorka Milin noted that, even compared to the struggles that many countries face during the early years of EITI implementation, and based on a survey conducted by the US State Department around the different materiality thresholds that different countries have set, 25 percent participation in tax reporting is extraordinarily low.
- Many members of the CSO sector emphasized that taxes are a very significant revenue stream and are required for disclosure under the EITI Standard. They expressed clear disappointment with this level of tax reporting not meeting that standard.
- Mr. Keith Romig noted that some of the companies that are MSG members, or that have representatives on the EITI International Board, or that have subsidiaries that are fully participating in other EITI countries, have declined to participate in USEITI tax reporting. At least they should have reported.
- Mr. David Goldwyn suggested that the low level of company participation in tax reporting would set a poor example for other countries implementing EITI, and for companies in those countries, due to the perceived gap between rhetoric in the US about transparency and good governance and the reality that only eleven of the companies are reporting their taxes.
- Mr. David Goldwyn stated that different EITI countries achieve company participation in reporting by different means or reasons. These include requiring participation, requesting it, or because companies perceive participation to be in their own best interest, either to maintain their social license to operate or because they can highlight their contributions to government coffers in the face of citizen complaints and criticism. He added that the MSG had come up with some options to make it easier for companies in the US to report, but that given the outcome the US would nevertheless end up at the bottom of the rankings in terms of tax reporting disclosure.

- Mr. David Goldwyn and Mr. Neil Brown suggested that it might be easier for companies to participate in reporting if it is simply a requirement, instead of a choice. They requested that the Department of the Interior investigate legal options for BLM issuing a Notice to Lessees that mandates disclosure of tax payments.
- Mr. David Goldwyn suggested that companies commit to complying with the draft 2012, 1504 rule regarding corporate income taxes.
- Mr. Aaron Padilla stated that the Dodd-Frank Section 1504 statute defines clearly the tax payments companies need to report, unlike the project payments that are not defined in the statute and are therefore defined in the SEC rule making, so this the definition of tax payments to be reported was not part of the API legal challenge.

Others raised positive views of and explanations about the level of tax reporting. These points are summarized below as multiple, similar comments were made.

- Ms. Veronika Kohler emphasized that, since the beginning of the USEITI process, industry members have stated it would be difficult to convince companies to participate in tax reporting or reconciliation in the United States. In this context, Industry representatives and others working on the USEITI effort made an effort to communicate to companies why it may be in their interest to participate in reporting. Having tax reporting from eleven companies and tax reconciliation from five companies is a promising development for future USEITI Reports and is more successful participation than many MSG members had anticipated.
- Mr. John Harrington and others from the industry sector noted that the US has strong legal protections for tax privacy and that Dodd-Frank Act §1504 will provide a legal framework for tax disclosure, once the SEC releases regulations.
- Ms. Zorka Milin stated that US legal protections are not an insurmountable obstacle to reporting because they can be easily waived by the company. Nor is this issue unique to the US -- in fact it is the norm in most countries, with very few exceptions. Within EITI, majority of other (mostly developing) countries have successfully grappled with it – the EITI secretariat has even issued a guidance note on this issue
- Ms. Danielle Brian noted regarding independent producers that it was terrific that despite our collective concern that reporting and reconciliation was going to be particularly challenging for IPAA to promote to their smaller domestic only producers, that so many of those IPAA members were the companies that did work with the IA to do so.
- Mr. Greg Gould stated that the purpose of the first-year (2015) report is to “test drive” the process and work out complications and stumbling blocks. The first-year report is not subject to validation and serves as a baseline to improve upon

for the second report. Many EITI counties struggle with various issues during the first couple of years.

- Some members, including Mr. John Harrington, Mr. Aaron Padilla, and Ms. Susan Ginsberg, offered the following reasons for why companies may have chosen not to participate in tax reporting:
 - For larger companies, tax payments may not align closely with extractive activity on US federal lands. In a context where advocates are already criticizing these companies for their tax payments, releasing tax payment information that includes non-extractive activities and the like may be undesirable.
 - Since the playing field in the US for tax reporting is not level, some companies may decide to withhold reporting for competitiveness reasons. This could change with the release of regulations under Dodd-Frank Act §1504.
 - About half of the 45 companies asked to participate in the 2015 Report only operate in the United States and do not have experience with EITI in other countries and may not see the value of it for the local communities in which they operate.
 - During the past few months, there has been significant market turmoil in commodity markets, squeezing many companies very thin. While some companies have elected to participate in USEITI, including in tax reporting and even tax reconciliation, others have made the difficult decision that this is not a critical activity during this downturn.

Implications for 2015 USEITI Report Process: The MSG then discussed the implications for the 2015 report and beyond given the differing views of tax reporting.

- Mr. Neil Brown raised concern that the Report is insufficient since reporting was low and the MSG should consider waiting or delaying submission of the 2015 report.
- Some, such as Mr. Paul Mussenden and Ms. Veronika Kohler, expressed satisfaction with the overall approach and achievements made for the 2015 USEITI Report, while acknowledging low tax reporting. Some highlighted the following US accomplishments: unilateral disclosure, levels of engagements between the sectors, outreach efforts to the public, and innovation in the form of the online report.
- Mr. John Harrington and Mr. Greg Gould emphasized that the USEITI MSG has some obligations associated with the 2015 Report, including submitting the 2015 Report in order to maintain EITI candidate status with the EITI International Board and the US Government's contract with the Independent Administrator.

- Mr. Neil Brown suggested keeping the reporting process for companies open past the current October 23 cutoff date in order to provide additional companies with time to report on their tax payments.
- Mr. David Goldwyn suggested that there may be alternate methods to include corporate income tax information in the 2015 Report without requiring disclosure from the companies, such as building off a ballpark calculation of industry tax payments available on the American Petroleum Institute website.
 - Mr. Curtis Carlson, Treasury Department, indicated that it would likely be extremely difficult to indirectly calculate company-level tax payments.
 - Mr. Patrick Field noted that the IA had explored publicly-available information about corporate income tax payments and the Tax Work Group decided that this information was not robust enough to include.

Following a sector caucus and Co-Chair meeting, the MSG reconvened. Mr. Patrick Field presented a summary of conclusions and next steps for the MSG to move forward with:

1. Significant work has been done on the 2015 USEITI Report and the MSG will seek to move forward with submitting the Report to the International Board. Additional work will be done to finalize the 2015 Report and strengthen the 2016 Report.
2. The Co-Chairs will develop a plan for enhancing USEITI's likelihood of validation of its 2016 Report and will present this plan to the MSG at the December MSG meeting.
3. All sectors are requested to think about their priorities for USEITI in 2016, given that some participants may not be able to dedicate the same level of effort to the process that they have in 2014 and 2015.

E. Subcommittee and Work Group Updates

The MSG received updates on the work of various subcommittees and work groups, including the County Work Group and the Workplan Work Group of the Implementation Subcommittee, and the Communications Subcommittee.

1. County Workgroup Update

Mr. Ryan Ellis, Interstate Mining Compact Commission, reviewed the recent work of the County Workgroup. He reported that the Workgroup worked on deciding various questions around the content and structure of the county case studies, including data sources to reference and which content to include in the case studies. He reported that the Workgroup also conducted outreach to local officials in each of the counties included in the case studies. He noted that the Workgroup was able to have a substantive conversation with only one county: St. Louis County, Minnesota. The St. Louis County official provided some additional information and publicly-available data sources and indicated his support for the inclusion of his county in the USEITI Report. The Workgroup is still interested in receiving leads for county-level contacts in the other

counties profiled in the case studies. A draft version of the county case studies is available at:

<https://www.doi.gov/sites/doi.opengov.ibmcloud.com/files/uploads/County%20Case%20Studies%20DRAFT%20090215.pdf>.

MSG members provided the following comments and feedback about the County Case Studies; *responses from Mr. Ellis and IA team members are indicated in italics.*

- Various MSG members, including Ms. Danielle Brian, Ms. Veronika Kohler, Mr. Aaron Padilla, and Mr. Keith Romig thanked the Workgroup members for their hard work and congratulated them on producing high quality case studies.
- Ms. Veronika Kohler provided a couple of comments on the West Virginia case study, noting that coal production has not declined due to competition from renewable energy technologies. She also noted that the counties produce metallurgical coal, in addition to thermal coal, the former of which would not be affected by the fall in natural gas prices.
- Ms. Betsy Taylor inquired as to why the different county case studies describe data gaps in employment data somewhat differently, and why some feature infographics representing employment information and some do not. She requested that the data gaps be highlighted more consistently across the case studies. *Ms. Isabelle Brantley explained that there is varying availability of employment data across the counties and that the IA created infographics for those counties where the data availability was sufficient to do so.*
- Ms. Betsy Taylor requested that the technique for mountaintop removal coal mining be described in the West Virginia counties case study since other kinds/types of mining were also mentioned. *Mr. Ellis, Ms. Isabelle Brantley, and Mr. John Mennel explained that various extraction technologies are discussed in a general sense in another portion of the Executive Summary and are incorporated consistently in the various county case studies. They also stated their understanding that the County Work Group decided not to highlight specific extraction technologies in the county case studies.*
- Mr. Keith Romig suggested that employment figures also be reported as percentages of total county-wide employment.
- Mr. Aaron Padilla requested that the County Workgroup provide its county-level contacts list to the industry sector so that companies operating in those counties can also try to get in touch with local officials.
- Mr. Mike Matthews volunteered to contact local officials in Campbell County, WY.

2. Workplan Workgroup Update

Mr. Chris Mentasti, Office of Natural Resources Revenue, reviewed the recent work of the Workplan Workgroup, including the creation of the 2016 Annual Workplan. He

explained that the 2016 Workplan is an update of the pre-existing 2015 Workplan. The key changes in the 2016 document from the 2015 document are: 1) adding to the description of how USEITI furthers the goals of the U.S. National Action Plans for the Open Government Partnership and 2) updating the “Workplan” itself, including the inclusion of timber resources, project-level reporting, and additional companies in the 2016 USEITI Report. The narrative of the draft 2016 Workplan is available at: <https://www.doi.gov/sites/doi.opengov.ibmcloud.com/files/uploads/WORKPLAN%202016%20Draft%20Subcommittee%20Approved%20090115.pdf>, and the 2016 USEITI Workplan Spreadsheet is available at: <https://www.doi.gov/sites/doi.opengov.ibmcloud.com/files/uploads/WORKPLAN%20Subcommittee%20Approved%2009012015.pdf>.

MSG members provided the following comments and feedback about the Workplan process and the 2016 Workplan; *responses from Mr. Mentasti are indicated in italics.*

- Various MSG members, including Ms. Veronika Kohler and Ms. Johanna Nesseth Tuttle, expressed concern with the EITI requirement to create a workplan for 2016 before the 2015 USEITI Report is published and before the MSG receives feedback from the public on the Report. Ms. Nesseth Tuttle suggested that some items be added to the 2016 Workplan to solicit public input on the 2015 Report and the USEITI effort. *Mr. Mentasti acknowledged the concern and noted that, although the Workplan narrative would not be updated after submission to the EITI International Secretariat, the Workplan Spreadsheet would be updated continually throughout 2016.*
- Some members requested that the work plan include explicitly efforts to obtain public feedback on the 2015 report.
- Paul Begala, CSO sector, requested that the bullets around Open Government be carefully synchronized with the US Open Government documents produced elsewhere.

3. Communications Subcommittee Update

Ms. Veronika Kohler provided an updated on the work and planning of the Communications Subcommittee. She stated that the Communications Subcommittee is proposing that USEITI hold two webinars and three face-to-face feedback sessions during the first quarter of 2016 to solicit public feedback on the 2015 Report. Ms. Kohler also briefly reviewed earlier USEITI outreach sessions that were held in 2012 and 2013, and asked for input from the MSG on how to proceed with planning a public feedback process. The slide used by Ms. Kohler to support her comments is available at: [\[insert link to presentation\]](#).

In response to Ms. Kohler’s comments, MSG members ask the following questions and made the following comments; *responses from Ms. Kohler are indicated in italics:*

- Various MSG members expressed support for the goal of engaging stakeholders at a grassroots level and, for doing so, holding public feedback sessions in communities where extractive activity takes place (in contrast to cities such as Houston and New Orleans, which are industry hubs). For a similar goal of accessibility and reaching a relevant audience, they suggested that a session in Washington DC may not be necessary and that it would be better to hold sessions at public universities and community colleges instead of in federal buildings.
 - Mr. Greg Gould said that the Interior Department would look into the possibility of holding sessions in locations other than federal buildings. He explained that concerns that would need to be addressed include the cost of meeting space and, for venues that are without charge, and compliance with gift rules.
- The MSG should partner with professors and universities to host outreach events. Ms. Taylor added that engaging with stakeholders well in advance can help to shape the agenda so that it is meaningful for local stakeholders, can help to secure a venue, and can encourage participants to attend. The MSG could also reach out to professional planning entities, such as the National Association of Counties.
- Hold a public meeting in the state capitol of a state that is considering opting into USEITI.
- Consider deploying resources to hire a contractor to organize a meeting and reach out to stakeholders to make sure that the public meetings are well attended.
- Ask stakeholders about the best way for USEITI to receive input and feedback. Partner with state and county officials to make sure that they are supportive of the public meetings.
- Piggyback an MSG meeting with a public meeting in one of the target communities.

Ms. Kohler thanked the MSG for their input and requested that sectors commit to participating in the Communications Subcommittee. Ms. Danielle Brian committed to nominating two new CSO sector members for the Communications Subcommittee. Ms. Kohler also reported that the USEITI Secretariat has developed Facebook and Twitter accounts for USEITI and these will be shared with MSG members once they are populated with content and ready for public launch.

IV. Public Comments

The following public comment was offered:

My name is Mary Hufford. Thanks for the opportunity to comment. I work in environmental sustainability at Goucher College. It was distressing to read the draft EITI report and see how little pertains to the Central Appalachian coalfields. The West Virginia case study completely ignores the elephant in the room, MTR [mountaintop removal]. Even if MTR is declining, the reclamation challenges associated with it are enormous. Calculating the value of what has been lost through this process is enormous. Even if we only take into account the value of the forest which is gone, which is the world's most biologically and ecologically diverse temperate hardwood forest. The EITI needs to engage other government agencies that are present in West Virginia, since BLM does not operate on non-federal lands, such as the Forest Service and Department of Agriculture. The loss of the forest is tremendous and isn't even touched upon in the Report. Another organization to include would be the National Parks Service, which has commissioned a number of ethnographic studies, including one done by me. I'm talking about the economic value and haven't even touched on the social and culture values. USEITI provides a tremendous opportunity to reclaim this value, and it would benefit all three sectors. If I had one more minute, I would quote to you the tremendous statement that William Maxey made, who was the State Forester for West Virginia, who said that he resigned after taking a helicopter ride over the MTR mines, and saw the size and rate of deforestation and the loss of West Virginia's mountain culture.

V. Wrap Up / Closing

Mr. Patrick Field, facilitator from the Consensus Building Institute, reviewed the action items and the decisions coming out of the MSG meeting.

Mr. Greg Gould, Ms. Veronika Kohler, Ms. Danielle Brian, and Mr. Paul Mussenden, in their roles as Co-Chairs and the Designated Federal Officer, made closing comments to the MSG, thanking the MSG, associated staff, the USEITI Secretariat, and the IA for their hard work.

Mr. Paul Mussenden, Acting DFO, adjourned the meeting at 4:00 pm.

VI. Meeting Participants

The following is a list of attendees from the September 16-17, 2015 EITI meeting.

Chaired by Paul Mussenden, Acting Designated Federal Officer for the USEITI Advisory Committee, U.S. Department of the Interior.

A. Participating Committee Members

Civil Society

Danielle Brian, Project on Government Oversight, USEITI MSG Advisory Committee Co-Chair

Paul Bugala, George Washington University

Michael LeVine, Oceana
Keith Romig, Jr., United Steelworkers
Veronica Slajer, North Star Group

Government

Curtis Carlson, Department of the Treasury
Greg Conrad, Interstate Mining Compact Commission
Greg Gould, Department of the Interior, USEITI MSG Advisory Committee Co-Chair
Mike Matthews, State of Wyoming - Department of Audit/Mineral Audit Division
C. Michael Smith, Interstate Oil and Gas Compact Commission
Claire Ware, Eastern Shoshone & Northern Arapaho Tribes

Industry

Michael Flannigan, Peabody Energy
Michael Gardner, Rio Tinto
John Harrington, ExxonMobil
Susan Ginsberg, Independent Petroleum Association of America
Veronika Kohler, National Mining Association, USEITI MSG Advisory Committee Co-Chair
James Roman, ConocoPhillips (via phone)
Johanna Nesseth Tuttle, Chevron

B. Committee Alternates in Attendance

Civil Society

Neil Brown, The Lugar Center
David Goldwyn, Goldwyn Global Strategies
Jennifer Krill, Earthworks
Betsy Taylor, Virginia Tech
Zorka Milin, Global Witness

Government

Jim Steward, Department of the Interior

Industry

Nick Cotts, Newmont Mining
Aaron Padilla, American Petroleum Institute

C. Members of the Independent Administrator Team in Attendance

Isabella Brantley, Deloitte
AJ Maxwell, Deloitte
John Mennel, Deloitte

D. Government and Members of the Public in Attendance

Estella Alvarado, Anadarko
Laura Ashbaugh, Chevron

Chris Chambers
Dan Dudis, Transparency International – USA
Ryan Ellis, Interstate Mining Compact Commission
Edwin Elmore, ViON Corporation
Cory Gill, Goldwyn Global Strategies
Emily Hague, American Petroleum Institute
Mary Hufford, Goucher College
Charles Norfleet, Bureau of Ocean Energy Management
Jodie Peterson, Honor
Mia Steinle, Project on Government Oversight
Katie Sweeney, National Mining Association
Suzanne Swink, British Petroleum
Lance Wenger, Solicitor’s Office, Department of the Interior

E. Facilitation Team

Patrick Field, Consensus Building Institute
Tushar Kansal, Consensus Building Institute

F. DOI MSG Support Team

Rosita Christian, Office of Natural Resources Revenue
Jerry Gidner, Office of Natural Resources Revenue
Jennifer Goldblatt, Office of Natural Resources Revenue
Robert Kroneburch, Office of Natural Resources Revenue
Jon Swedin, Office of Natural Resources Revenue
Judith Wilson, Office of Natural Resources Revenue

VII. Documents Distributed

- MSG Meeting Agenda ([PDF](#))
- May MSG Meeting Summary ([PDF](#))
- USEITI Executive Summary Report DRAFT ([PDF](#))
- County Case Studies DRAFT ([PDF](#))
- 2015 USEITI Data Sources for Online Report ([PDF](#))
- 2015 USEITI Executive Summary and Online Report Outlines ([PDF](#))
- 2016 USEITI Workplan Narrative ([PDF](#))
- 2016 USEITI Workplan Spreadsheet ([PDF](#))
- Public Feedback Options ([PDF](#))

VIII. Certification

Interested parties are asked to contact USEITI at useiti@ios.doi.gov or 202-208-0272 with any questions, comments, or concerns regarding the content of this meeting summary.

