I. Introduction

The U.S. Department of the Interior (DOI), with Judy Wilson presiding as acting Designated Federal Official (DFO), convened the nineteenth meeting of the U.S. Extractive Industries Transparency Initiative (USEITI) Multi-Stakeholder Group Advisory Committee (MSG) on February 1, 2017, in Washington, DC.

The purpose of the meeting was to receive updates from the Independent Administrator on various aspects of developing the online report and executive summary for the 2017 USEITI Report and how to move forward with these; receive updates on the work of the Implementation, Communications, and State and Tribal Opt-in Subcommittees; and discuss the prospects for proceeding with mainstreaming of USEITI reporting into US government processes and the inclusion of project-level reporting in USEITI Reports. The MSG opted not to cover all of these items after the Co-Chairs agreed to accelerate the MSG’s work and adjourn the meeting after one day rather than hold a two-day meeting, as originally planned. Please see the “Adjustment of Meeting Schedule and Agenda” section on page 6 for additional information.

Please note that, throughout this meeting summary, comments made by presenters, Independent Administrator team members, other non-MSG members, and those directly pertaining to an MSG decision are attributed to specific speakers. Other comments are provided without attribution in order to foster open discussion among MSG members excepting final deliberations prior to specific MSG decisions.

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.

The following items are included in this meeting summary:

I. Introduction .............................................................................................................................................. 1

II. Summary of Endorsements, Decisions, Approvals, and Action Items .......................... 3
A. Endorsements................................................................. 3
B. Decisions......................................................................... 3
C. Approvals ........................................................................ 3
D. Confirmations ................................................................... 3
E. Action Items ..................................................................... 3

III. Presentations and Key Discussions ...................................... 4
A. Opening Remarks............................................................. 4
B. USEITI MSG Business ................................................... 5
    1. Terminology and USEITI December 2015 Meeting Summary .... 5
    2. Preview of March 2017 International EITI Board Meeting ........ 5
    3. Adjustment of Meeting Schedule and Agenda ........................ 6
    4. Status of MSG Members Calling into the MSG Meeting ...... Error! Bookmark not defined.
C. MSG Discussions Regarding Congressional Disapproval of Regulations under Section 1504 of the Dodd-Frank Act ................................................................. 6
    1. Relevance of Section 1504 Regulations for USEITI .......... 7
    2. The Role of USEITI MSG Members in Decision-Making Around Section 1504 Regulations ........................................ 7
    3. Implications for USEITI of Congressional Disapproval of Section 1504 Regulations ........................................ 8
D. Implementation Subcommittee Updates and Discussion .......... 9
    1. Reporting and Reconciliation of Company Revenues .......... 9
E. Independent Administrator’s Updates .................................. 10
    1. Reporting Template for 2017 USEITI Report ................. 10
    2. 2017 Topics and Visualizations .................................... 11
        a) Employment by Commodity .................................. 12
        b) Audit & Assurances ............................................ 12
        c) Additional Metals ............................................. 13
        d) The Life of a Lease ............................................. 13
        e) Forestry ......................................................... 13
        f) Renewable Energy ........................................... 13
        g) The MSG’s Decision-Making About Topics and Visualizations to Include .... 13
F. Project Level Reporting .................................................. 14

IV. Public Comments ................................................................ 14
V. Wrap Up / Closing ........................................................... 15
VI. Meeting Participants ........................................................ 16
A. Participating Primary Committee Members ......................... 16
B. Committee Alternates in Attendance .................................. 17
C. Members of the Independent Administrator Team in Attendance 17
D. Government and Members of the Public in Attendance .......... 17
E. Facilitation Team ............................................................ 18
F. DOI MSG Support Team .................................................. 18
II. Summary of Endorsements, Decisions, Approvals, and Action Items

A. Endorsements
   • No endorsements were made by the MSG at the February 2017 MSG meeting.

B. Decisions
   • The MSG decided to move forward with the Implementing Subcommittee’s recommendation to forego independent reconciliation of revenues by the Independent Administrator for the 2017 USEITI Report. *(see page 9)*
   • The MSG decided to use and move forward with the proposed reporting template for 2017. *(see page 10)*
   • The MSG decided to have the USEITI Secretariat work to add material for the 2017 USEITI Report about US audit and assurance procedures and for the USEITI Secretariat to make a “good faith effort” to include information about “the life of a lease” in the 2017 USEITI Report. *(see page 13)*

C. Approvals
   • The MSG approved the November 2016 MSG meeting summary. *(see page 5)*
   • The MSG approved the motion to have the Implementation Committee decide on which dataset source (Bureau of Labor Statistics or Census Bureau) to use to provide information for employment by commodity. *(see page 12)*
   • The MSG approved the motion to have the Implementation Committee decide on which two additional visualizations (between additional metals, forestry, and renewable energy) to include in the 2017 USEITI Report, along with a visualization about employment by commodity *(see page 13).*

D. Confirmations
   • No confirmations were made by the MSG at the February 2017 MSG meeting.

E. Action Items
   - Co-Chairs:
     - Review and distribute meeting summary from the February 2017 MSG meeting to MSG members.
     - Develop agenda for the June 2017 MSG meeting.
   - Implementation Subcommittee
DRAFT

- Decide on which dataset source (Bureau of Labor Statistics or Census Bureau) to use to provide information for employment by commodity. (see page 12)
- Decide on which two additional visualizations (between additional metals, forestry, and renewable energy) to include in the 2017 USEITI Report, along with a visualization about employment by commodity (see page 13)

➢ USEITI Secretariat:
  - Work to create supplemental material for the 2017 USEITI Report about US audit and assurance procedures. (see page 13)
  - Make a “good faith effort” to include information about “the life of a lease” in the 2017 USEITI Report. (see page 13)
  - MSG decisions will be recorded in an updated MSG Decision Matrix by the Secretariat. (see page 15)

➢ Independent Administrator (Deloitte)
  - Integrate the beneficial ownership reporting template into the main reporting form. (see page 10)
  - Flesh out the contours of the following topics: additional metals, forestry, and renewable energy, and present these to the Implementation Subcommittee for decision-making regarding which visualizations to include in the 2017 USEITI Report. (see page 13)

➢ Acting Designated Federal Office
  - Review the MSG terms of reference and consider how to ensure adherence to those in future MSG meetings. (see page 15)

➢ USEITI Process Facilitator (Consensus Building Institute)
  - Create a meeting summary for the February 2017 MSG meeting.

III. Presentations and Key Discussions

Judy Wilson, U.S. Department of the Interior (DOI), presiding as acting Designated Federal Official for the USEITI MSG, 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 16.

A. Opening Remarks

Ms. Wilson provided opening remarks by noting that the transition to the new presidential administration had begun. Congressional consideration of the nomination for the new Secretary of the Interior, Ryan Zinke, is underway. She also noted that, although there has been discussion and media coverage about possible Congressional action on regulations under Section 1504 of the Dodd-Frank Act, at the time of the MSG meeting, the regulations are still in effect.

Danielle Brian, Project on Government Oversight and civil society organization (CSO) sector co-chair, also read out an opening statement on behalf of the CSO sector. In that
statement, Ms. Brian called on the industry and government sector representatives on the MSG to speak out publicly in favor of the Section 1504 rule in order to help persuade Congress to retain the rule. The CSO statement also formally requested that the DFO remove the American Petroleum Institute from holding a seat on the USEITI MSG. The full text of Ms. Brian’s comments is provided in Appendix A, available on page 19 of this meeting summary.

B. USEITI MSG Business

The MSG conducted the following items of business during the course of the MSG meeting.

1. Terminology and USEITI December 2015 Meeting Summary

Judy Wilson, USEITI Secretariat, reminded meeting participants that the MSG has 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 key to meeting EITI international standards.
- “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.

The MSG approved the meeting summary of the November 2016 MSG meeting, with some corrections provided by MSG members. A copy of the final, approved meeting summary is available online at: https://www.doi.gov/sites/doi.gov/files/uploads/useiti_msg_-_nov_2016_mtg_summary_0.pdf

Approval: The MSG approved the meeting summary from the November 2016 USEITI MSG meeting.

2. Preview of March 2017 International EITI Board Meeting

Greg Gould, government sector co-chair, explained that the March 8-9 meeting of the EITI Board would cover a number of topics important for USEITI, including mainstreaming, the beneficial ownership roadmap that USEITI submitted in December 2016, and an open data policy for EITI. Mr. Gould invited Micah Watson of Department of State to provide additional comments about the upcoming EITI board meeting.

A MSG member from the civil society sector inquired of Mr. Gould about how mainstreaming would work without regulations in place under Section 1504 of the Dodd-Frank Act, by which companies would be required to disclose their corporate income tax payments.

Micah Watson, US Department of State, introduced himself and noted that he works under Ambassador Mary Warlick, a member of the EITI International Board. He explained that the EITI Board has spent much of the past year focusing on internal
governance and finances and that it would shift its focus to validation of EITI countries in 2017. Almost half of the implementing countries will be undergoing validation during the next 18 months. He added that a number of new countries would also be submitting their applications to join EITI during coming months.

A MSG member from the civil society sector inquired of Mr. Watson about the implications of the resource curse for US foreign policy as well as the reaction in other countries when the United States opts not to follow international norms. In response, Mr. Watson offered that the State Department does believe in the efficacy of EITI and other transparency initiatives in combating the resource curse in many countries. He also noted that there was broad support internationally for the regulations promulgated under Section 1504 and that there appears to be much concern globally about the direction that the US may be taking in the possible recission of those regulations.

3. Adjustment of Meeting Schedule and Agenda

During the lunch break on February 1, the Co-Chairs and acting DFO conferred and agreed that the deliberations in Congress around the Section 1504 regulations and the prospect that these would be disapproved had introduced significant uncertainty and upheaval into the MSG meeting. Following lunch, Ms. Wilson, the acting DFO, announced that the remainder of the meeting on February 1 would focus on critical-path decisions that are required by the MSG for production of the 2017 USEITI Report. Additional agenda items, such as updates from the Communications and State and Tribal Opt-in Subcommittees, would be postponed and the second day of the MSG meeting would not be needed given the truncated agenda per unanimous decision of the Co-Chairs.

In response to a request from MSG members representing the CSO sector that MSG members from their sector who had called into the meeting be allowed to participate in MSG discussions, Ms. Wilson, acting DFO, clarified that the Federal Advisory Committee Act (FACA) requires that MSG members be physically present at the MSG meeting in order to be considered MSG members. Members of the MSG who call into the meeting over the phone are considered members of the public.

Ms. Wilson also announced that public comments would be accepted in writing in lieu of holding an open, verbal public comment period, as is permissible under the Federal Advisory Committee Act. She requested that commenters send their comments to the following email address: useiti@ios.doi.gov. The reason behind this decision was the agenda for the two day meeting was compressed to one day and because MSG discussion and decision making in the second half of the day would occur after the previously scheduled mid-day public comment period.
C. MSG Discussions Regarding Congressional Recission of Regulations under Section 1504 of the Dodd-Frank Act

MSG members discussed a variety of issues related to the Section 1504 regulations, their role in USEITI, and the implications for USEITI if Congress disapproves the regulations.

1. Relevance of Section 1504 Regulations for USEITI

CSO representatives stated that the rules promulgated by the Securities and Exchange Commission (SEC) under Section 1504 are fundamental to the future of the USEITI. Without this rule, there will be no possibility of corporate tax reporting and therefore no possibility for validation under the international EITI Standard. The MSG needs to address this issue head on.

An industry sector representative stated that the industry sector has worked very hard to help implement USEITI, resulting in the creation of a very useful website [the USEITI report]. The MSG’s role is to provide information to the American public, not to litigate policy questions over which its members have no control. If the CSO sector feels that there is no value to USEITI beyond corporate tax reporting, then the MSG should discuss that.

Members of the CSO sector agreed that the USEITI website is an advancement and success, and that USEITI has important work together, but that USEITI will be far short of meeting the purpose of EITI, which is revenue transparency, without inclusion of information about corporate income tax payments and project-level reporting.

2. The Role of USEITI MSG Members in Decision-Making Around Section 1504 Regulations

CSO representatives suggested that there are serious questions and concerns about whether members of the industry sector are participating in USEITI in good faith around this particular issue of tax reporting. CSO members asked that members of the industry sector on the MSG need to speak up about whether they support Congressional efforts to repeal rulemaking under Section 1504. CSO members noted that they are frustrated that there are members of the industry sector who have been taking credit for corporate social responsibility and transparency efforts by virtue of their participation in USEITI while, in the CSO’s view, behind the scenes they have been lobbying and litigating to undermine the Section 1504 rules.

Both industry and government sector representative voiced that USEITI MSG members could not influence Congressional decision-making around the Section 1504 regulations and that the USEITI MSG should focus on implementing USEITI. CSO representatives pushed back against this assertion. The CSO representatives noted that many of the largest oil and gas companies in the US and the world have representatives on the MSG and that these companies hold significant influence in Congress.
A member of the industry sector noted that his company has supported the implementation of the Dodd-Frank Act, including Section 1504, but that the current regulations under that section are overly burdensome. This member’s company supports fixing those regulations to make them easier for companies to comply with. Additional representatives of the industry sector also articulated support for transparency as long as it does not place undue burden on companies.

Civil society members urged their colleagues in the industry and government sectors to join them in speaking in a united voice, as the USEITI MSG, in support of retaining the current Section 1504 rules. The united voice of the MSG could persuade Congress to retain the rules. The Government sector reminded members that the executive branch and its functions, like FACAs, are prohibited from lobbying Congress.

Industry sector representatives articulated their understanding that the Congressional Review Act (CRA, through which Congress is considering rescinding the Section 1504 regulations) would not eliminate the Dodd-Frank Act, including Section 1504. Rather, the SEC would have to come up with new regulations under Section 1504. An industry sector representative suggested that it would have been beneficial if the SEC had taken industry comments and suggestions more fully into account during the rule-making process.

In response to the industry sector representatives, a civil society representative explained that the CRA prohibits the introduction of another rule that is “substantially similar” to the disapproved regulation. She also noted that President Trump has released an executive order mandating that each agency eliminate two regulations for each new regulation they put in place. She suggested that, as a result, there will not be meaningful regulations enacted under Section 1504 if the CRA action is signed by the President.

3. **Implications for USEITI of Congressional Disapproval of Section 1504 Regulations**

CSO representatives requested that the government sector speak about whether the government sees a future for USEITI without the Section 1504 rules.

A government sector representative explained that the US Department of the Interior (DOI) works with other federal departments and agencies to implement laws and regulations that are in place. At the present moment, the rules under Section 1504 are still in place. The speaker also noted that USEITI began its efforts well before the Section 1504 regulations were put in place and that there would continue to be policy and regulatory uncertainty as part of the larger context in which USEITI exists. As such, USEITI’s role is to continue to try to enhance transparency, regardless of the larger policy context.
Government sector representatives noted that there have been significant changes in the EITI Standard in the years since the United States decided to join EITI and that the EITI Board continues to examine whether the requirements are reasonable and feasible for countries to comply with. The EITI International Board increasingly seems to be moving towards a model of “meaningful improvement,” rather than a strict pass-fail metric, for countries seeking validation of their EITI reports. Considering this, USEITI has an excellent case for “mainstreaming” of its reporting under the EITI framework and also has good prospects for validation.

A CSO representative responded that USEITI will not have a path to “meaningful improvement” on corporate income tax reporting without the Section 1504 regulations.

D. Implementation Subcommittee Updates and Discussion
The MSG considered a proposed approach for company revenue reporting and reconciliation for the 2017 report brought forward by the Implementation Subcommittee.

1. Reporting and Reconciliation of Company Revenues
Judy Wilson and Bob Kronebusch of ONRR presented information about the work of the Reporting Improvement Workgroup. Ms. Wilson focused her comments on a day-long workshop that the workgroup held on January 11 in Denver, Colorado. Ms. Wilson reviewed the workshop participants, objectives, and agenda, and presented the workgroup’s recommendations to the MSG about how to proceed with company revenue reporting and reconciliation in 2017 and beyond. Additional detail about the workshop is available at: https://www.doi.gov/sites/doi.gov/files/uploads/improving_reporting_workshop_1_11_2017_final.pdf.

Additionally, Bob Kronebusch, ONRR, provided an update on the workgroup’s analysis of the gaps between existing controls and verification of extractives industries revenue payments to the US federal government and EITI requirements for reconciliation. Mr. Kronebusch reviewed the approach taken by the workgroup, the gaps identified, and the ways in which federal and company audit and assurance standards surpass EITI standards. Additional detail about the workgroup’s work is available at: https://www.doi.gov/sites/doi.gov/files/uploads/rptg_imp._wg_presentation_final_1-30-17.pdf.

Following the presentations, Dan Dudis, Public Citizen, thanked Ms. Wilson and expressed support for the workgroup’s proposed approach of conducting reconciliation via “mainstreaming of EITI reporting” rather than performing an independent reconciliation of revenues for USEITI by the Independent Administrator as this would avoid duplication of work. Mike Matthews, State of Wyoming, noted that states and
tribes also conduct compliance reviews in addition to the federal and company audits and reviews surveyed by the workgroup.

In response to a question from Aaron Padilla, American Petroleum Institute, Mr. Kronebusch suggested that the gaps identified by the workgroup are likely a combination of procedural gaps and more substantive gaps in the controls.

David Romig, Freeport-McMoRan Oil & Gas, and Paul Bugala, George Washington University, noted that Section 4.9 of the EITI Standard specifies that auditing and reconciliation must either be performed by the independent administrator or the independent administrator must be convinced that the process is sufficiently robust. They suggested that the trustworthiness of the auditing processes undertaken by governments and companies will need to be demonstrated to the EITI Board for these to meet the EITI Standard.

Mr. Padilla suggested that USEITI also compare US auditing processes to emerging standards from the International Monetary Fund (IMF) and other similar standards.

The MSG decided to move forward with the Reporting Improvement Workgroup’s and Implementation Subcommittee’s recommendation to forego independent reconciliation of revenues by the Independent Administrator for the 2017 USEITI Report.

- Decisions: The MSG decided to forego independent reconciliation of revenues by the Independent Administrator for the 2017 USEITI Report to avoid duplication and increase efficiency.

E. Independent Administrator’s Updates
Members of the Independent Administrator (IA) team from Deloitte provided updates on the reporting template for the 2017 USEITI Report and on the topics that could be included as visualizations in the 2017 report.

These updates and accompanying MSG discussions are summarized below.

1. Reporting Template for 2017 USEITI Report
Veronika Kohler, National Mining Association and Industry Sector Co-Chair, noted that the MSG has already approved a roadmap for disclosing information about beneficial ownership of publicly traded companies and inquired as to how this would be reported by companies. Mr. Gould suggested that the reporting template around beneficial ownership be included in the main reporting form even though it would only apply to publicly traded companies.

In response to a question from Mr. Matthews, Mr. Klepacz clarified that the reporting template would also ask companies to report payor codes, as they have in previous years of USEITI.

Mr. Padilla commented that the industry sector anticipates that there may be a high degree of variability in companies’ approach to reporting for the 2017 report in terms of the degree to which companies aggregate or break out information and classify revenue streams. Some companies may provide very detailed information due to having compiled it for other reporting requirements, such as the EU directive.

The MSG approved the proposed reporting template for 2017.

- **Decisions:** The MSG approved the proposed reporting template for 2017.

2. **2017 Topics and Visualizations**


Responding to questions from MSG members, Ms. Wilson explained that USEITI has included three additional visualizations in its scope of work with the Independent Administrator for 2017. Based on the MSG’s prior discussions, the Independent Administrator is anticipating that one visualization will focus on employment by commodity, a second on US audit and assurance procedures, and a third topic is to be determined by the MSG. These additional visualizations would be included in the report in 2017 and in future years. Ms. Kohler added that the Co-Chairs had proposed adding a “special highlight,” either on forestry or on renewable energy, based on past MSG discussions.

MSG members discussed the criteria by which to make a decision about which topics and visualizations to add to the 2017 report. John Cassidy, IA team member from Deloitte, noted that the two criteria that the IA has been considering are: 1) increasing public engagement and interest in USEITI and 2) strengthening the case for USEITI validation with the International EITI Board. Ms. Kohler cautioned that the MSG does
not have a strong sense of what would interest the public since there has been limited public engagement with USEITI.

Following Mr. Hawbaker’s presentation, the MSG discussed a variety of different options for additional content to include in the 2017 Report. The MSG’s discussion is summarized below and organized by the different options considered with a final section focusing on the decisions made by the MSG to move forward.

a) Employment by Commodity
In response to requests by Mr. Hawbaker and Sarah Platts, Independent Administrator team member from Deloitte, to decide on whether to use data sets from the Bureau of Labor Statistics or from the US Census Bureau to present information about employment by commodity, Ms. Brian thanked Deloitte for their work and requested that CSO sector member Betsy Taylor be given more time to examine both data sets. Mr. Padilla requested that a note be included in the report indicating that the employment data only includes salaried and hourly employees not pass-through entities, sole proprietorships, and others.

The MSG opted to move forward with Mr. Gould’s suggestion that the Implementation Committee consider and decide on which dataset to use to provide information for employment by commodity.

- Approval: The MSG approved the motion to have the Implementation Committee decide on which dataset to use to provide information for employment by commodity.

b) Audit & Assurances
Mr. Hawbaker provided an overview of existing content about the US audit and assurance process and of potential new content that could be added with the intention of strengthening USEITI's case for mainstreaming and foregoing independent reconciliation by the Independent Administrator. Mr. Bugala suggested that USEITI use an alternate term for “foregoing reconciliation,” such as “not reconciling twice.”

Ms. Brian raised the possibility of including the information that Mr. Kronebusch has developed about US audit and assurance processes in lieu of having the Independent Administrator create new content about this topic. Mr. Cassidy asked whether Mr. Kronebusch’s material may be too complex for many members of the public to understand. In response, Ms. Brian suggested that information about audit and assurance procedures would likely be difficult for many members of the public to understand in any format.

Ms. Kohler suggested that including clear information about the US audit and assurance process in the USEITI report would also help to give the public more confidence in the audit process. Ms. Brian and Mr. Gould raised a concern that a visualization about the
audit and assurance process would not prove to be useful to the general public while also not providing the detailed information that well-informed parties would need to develop that additional confidence in the audit process.

Mr. Gould suggested that the USEITI Secretariat could put together information explaining US audit and assurance procedures for making the case to the EITI Board that USEITI does not need to reconcile revenues separately and redundantly through an Independent Administrator. Pursuing this path, the IA would not need to create additional content about this topic for the USEITI report nor a separate visualization from the one that was created last year.

c) Additional Metals
Keith Romig, United Steelworkers, suggested adding a “special highlight on additional metals” (such as silver, aluminum, lead, and zinc) because some MSG members are already knowledgeable about these commodities, in contrast to two other proposed “special highlights” – on forestry and on renewable energy. He also suggested that USEITI would likely need to expand its scope over time to include these additional metals, and possibly non-metal minerals.

Mr. Matthews suggested adding other commodities, such as trona, that are subject to federal royalty payments.

d) The Life of a Lease
Mr. Bugala suggested that additional information about the “life of a lease” be added to the contextual narrative, either in the form of a new visualization created by the Independent Administrator or by including material created by Mr. Kronebusch about federal leasing.

Ms. Wilson stated that the USEITI Secretariat and GSA 18F can try to include information about leasing in the 2017 Report but that this may be a challenge given limited time and resources. Mr. Bugala responded that if the Secretariat could make a good faith effort to include information about leasing in the 2017 Report then he does not need this topic to be considered for inclusion as an IA-produced visualization.

e) Forestry
Mr. Gould observed that USEITI has been discussing forestry for some time and has had challenges adding forestry representatives to the MSG. He suggested that adding a special highlight on forestry could provide information about forestry for relatively little effort while also stoking interest in including forestry in the scope of USEITI in a fuller way in the future.

f) Renewable Energy
Ms. Brian suggested that there exists much interest in the general public about renewable energy and the jobs being created in that industry, and so it may be beneficial to add a special highlight on renewable energy to the 2017 USEITI Report.
g) The MSG’s Decision-Making About Topics and Visualizations to Include

Given the wide range of discussion and many topics under consideration for inclusion in the 2017 report, Ms. Kohler emphasized that rational criteria should be used to determine which topics would be included and that, if topics such as “additional metals” or the “life of a lease” are included, then the MSG would need to understand better what these topics would entail, as they have not been discussed much by the MSG in the past.

Mr. Bugala noted that having the Implementation Subcommittee consider issues of this nature before they come to the full MSG could streamline discussions during MSG meetings.

The MSG agreed to have the USEITI Secretariat work with GSA 18F to add material for the 2017 USEITI Report about the US audit and assurance procedures and for the USEITI Secretariat to make a “good faith effort” to include information about “the life of a lease” in the 2017 USEITI Report.

Mr. Cassidy suggested that the IA could further flesh out the contours of the following topics: additional metals, forestry, and renewable energy, and present these to the Implementation Subcommittee for decision-making.

- Decision: The MSG decided to have the USEITI Secretariat work with GSA 18F to add material for the 2017 USEITI Report about US audit and assurance procedures and for the USEITI Secretariat to make a “good faith effort” to include information about “the life of a lease” in the 2017 USEITI Report.

- Approval: The MSG approved the motion to have the Implementation Committee decide on which two additional visualizations (between additional metals, forestry, and renewable energy) to include in the 2017 USEITI Report, along with a visualization about employment by commodity.

F. Project Level Reporting

Mr. Kronebusch and Nathan Brannberg, DOI, presented information about project-level data disclosure and the process of requesting project-level data from the US Office of Natural Resources Revenue (ONRR). They also presented about the types of data requested received by ONRR during FY2016. Additional information is available in Mr. Kronebusch’s and Mr. Brannberg’s presentation, available at: https://www.doi.gov/sites/doi.gov/files/uploads/obtaining_project_level_info_from_onrr_final_1-30-17.pdf.

In response to their presentation, an MSG member from the CSO sector pushed back on the assertion from Mr. Kronebusch and Mr. Brannberg that not many members of the public are interested in detailed data. She suggested, instead, that the public has lost
faith in the Freedom of Information Act (FOIA) process and the difficulty in obtaining information.

IV. Public Comments

Public comments were accepted in written form for this MSG meeting, as described in the “Adjustment of Meeting Schedule and Agenda” section, on page 6 of this summary. Written public comments received are provided below.

Nancy Harkins  
West Chester, PA  
nancyharkins651@gmail.com

The resource extraction transparency rule is critical to ensuring an informed and empowered electorate that is what President Trump has pledged to deliver. This cannot happen if we do not have this rule and we do not have a transparent government that does not marginalize individual voters in favor of the oil and gas industry.

If Trump is serious about giving power back to the people, then he must stop doing the bidding of the Chamber I oppose Republican efforts to undo critical rules protecting the environment and public welfare. In his inaugural address, Trump famously declared that alleged “American carnage stops right here and right now.” The resource extraction transparency rule would be of significant aid in stopping the all too real carnage taking place in countries afflicted by the resource curse, countries like Nigeria, the Democratic Republic of the Congo and Afghanistan. It’s time that Trump gets serious about putting people – all people – first, and corporate special interests like the Chamber, API and Big Oil companies second.

Thank you for making my comment part of the record.

Jennifer Krill, Earthworks

Extractive Industries Transparency should mean what it says. Unfortunately, by supporting the elimination of section 1504 of the Dodd Frank Act, even as it is being discussed over in the House of Representatives today, it is clear the MSG does not universally share the value of using financial transparency to eliminate corruption and promote best practices.

API's lobbying in support of 1504's repeal is a clear violation of our Terms of Reference. I want to express support for the statement made by CSO co-chair this morning calling for the removal of API from USEITI, a view we would hold with regard to any MSG members who oppose Section 1504. Any member company of API that has not publicly broken with API's position on 1504 should also not be part of USEITI.

Finally, it is inappropriate and disappointing to cancel public comments and unhealthy to limit public debate at today's MSG meeting.
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. Decisions will be recorded in an updated MSG Decision Matrix by the USEITI Secretariat.

Keith Romig asked to read out a statement on behalf of the CSO sector. The facilitator noted that the co-chairs had determined to move forward beyond the 1504 discussion the late morning. Mr. Romig read the note expressing disappointment about the MSG eliminating the verbal public comment period during the MSG meeting and also about the inappropriateness of the American Petroleum Institute’s participation on the USEITI MSG. The text of Romig’s comments are provided in Appendix B, available on page 20 of this meeting summary.

Following Mr. Romig’s comments, Ms. Kohler stated that the public comment period was not eliminated and requested that the DFO adhere strictly to FACA protocols in the future. She suggested that the MSG had been too easy going in allowing people to speak on behalf of MSG members, allowing for interruptions, and the like, but that this approach was being abused by certain sectors. In response, the Acting DFO offered to review the MSG terms of reference and adhere to those.

Several members of the CSO sector raised their placards and requested to respond to Ms. Kohler’s comments. The Acting DFO adjourned the meeting at this time.

VI. Meeting Participants

The following is a list of attendees from the February 1, 2017 USEITI MSG meeting.

Chaired by Judy Wilson, Acting Designated Federal Officer, for the USEITI Advisory Committee, US Department of the Interior.

A. Participating Primary Committee Members

Civil Society
Danielle Brian, Project on Government Oversight, USEITI MSG Advisory Committee Co-Chair
Paul Bugala, American University
Lynda Farrell, Pipeline Safety Coalition
Keith Romig Jr., United Steelworkers
Veronica Slajer, North Star Group

Government
Curtis Carlson, Department of the Treasury
Greg Gould, Department of the Interior, USEITI MSG Advisory Committee Co-Chair
Mike Matthews, State of Wyoming - Department of Audit/Mineral Audit Division
Mike Smith, Interstate Oil and Gas Compact Commission
Industry
Stella Alvarado, Anadarko Petroleum
Michael Blank, Peabody Energy
Susan Ginsberg, Independent Petroleum Association of America
Veronika Kohler, National Mining Association, USEITI MSG Advisory Committee Co-Chair
Johanna Nesseth, Chevron

B. Committee Alternates in Attendance
Civil Society
Daniel Dudis, Public Citizen
Zorka Milin, Global Witness

Government
Jim Steward, Department of the Interior

Industry
Aaron Padilla, American Petroleum Institute
David Romig, Freeport-McMoRan Oil & Gas
Nick Welch, Noble Energy Inc.

C. Members of the Independent Administrator Team in Attendance
John Cassidy, Deloitte
Luke Hawbaker, Deloitte
Alex Klepacz, Deloitte
Sarah Platts, Deloitte

D. Government, MSG Members or Alternates via Phone, and Members of the Public in Attendance
Rebecca Adamson, First Peoples Worldwide
Avery, Concerned Citizen
Joyce Aober, USGS
Sam Bartlett, EITI
Neil Brown, Lugar Center
David Chambers, Center for Science in Public Participation
Spencer King
Jennifer Krill, Earthworks
Mike LeVine, Oceana
Nicole Levine, Oceana
Laura Logan
Julie Maldanado, Livelihoods Knowledge Exchange Networks
Waseem Mardini, Publish What You Pay US
Aaron Mintzes, Earthworks
Sara Porter, Private Citizen
P. Rucker
Rosalie Satta, University of CA Santa Barbara
Mia Steine, Project on Government Oversight
Betsy Taylor, Virginia Polytechnic Institute and State University
Catherine Traywick, Bloomberg News
Micah Watson, Department of State
Claire Ware, Eastern Shoshone & Northern Arapaho Tribes
Joseph Williams, Metro Resource Governance Institute

E. Facilitation Team
Patrick Field, Consensus Building Institute
Tushar Kansal, Consensus Building Institute

F. DOI MSG Support Team
Nathan Brannberg, Office of Natural Resources Revenue
A. Evans, Office of Natural Resources Revenue
Jerry Gidner, Office of Natural Resources Revenue
Jennifer Goldblatt, Office of Natural Resources Revenue
Robert Kronebusch, Office of Natural Resources Revenue
Darrel Redford, Office of Natural Resources Revenue
Judy Wilson, Office of Natural Resources Revenue

VII. Documents Distributed
Agenda (PDF)
November MSG Meeting Summary (PDF)
Meeting Notes from January 11th Improving Reporting Workshop (PDF)
Draft Reporting Template (XLS)
Draft Reporting Guidelines (PDF)
Template EITI Beneficial Ownership Declaration Form (XLS)
Communications Plan (PDF)
VIII. Appendix A

Opening comments provided by Daniel Brian on behalf of the CSO sector:

*Today the House and possibly the Senate are preparing to vote on whether to disapprove the Cardin-Lugar 1504 rule. As all of you who have been working on USEITI know, we have been waiting for months, years, for that rule to be finalized so that we could move forward with our work. 1504 is the cornerstone of USEITI and civil society vociferously objects to its gutting.*

*During these past years we have been told repeatedly that industry will not voluntarily disclose more than what is required of them by law. To be fair, despite that, several companies have honored the spirit of EITI and have gone beyond what was already legally required and disclosed their tax payments even before 1504 was implemented. And we thanked those companies by name in the last report. And we have been punting on the basic EITI requirements of tax disclosure and project level reporting because we were told we had to wait for the rule before we could do more.*

*I now ask our government and industry colleagues to please join me in expressing our opposition to the misguided effort to disapprove the rule. If any of the companies who have already supported the disclosure of taxes and project level reporting are willing to make their voices heard now, before the House and Senate vote, we might be able to prevent the loss of this anti-corruption measure.*

*We in civil society believe that the lobbying effort by the American Petroleum Institute to kill the 1504 rule is particularly galling, in that in their fact sheets, API uses their participation in USEITI as evidence that they believe in transparency. In those same documents API claims the disclosures required by 1504- which are complementary to EITI standards - are anti-competitive- even though their competitors are held to the same standards through the EU and Canadian rules. In other words, they never intended to support disclosure of taxes by company or project level reporting of other revenue streams.*

*We know that Aaron has been working hard on USEITI and he is not personally responsible for the positions of his employer, but it is simply unacceptable for API to continue to benefit from the goodwill generated from their boasting of their participation in USEITI while at the same time actively working to directly undermine our success. As a result, civil society is formally requesting that the DFO remove API from the MSG.*
IX. Appendix B
Comment made by Keith Romig:

*Just before I do [make a comment on behalf of the CSO sector] I’m going to make a statement on my own behalf as it’s a shame that we ended up eliminating the verbal public comment period and the irony of that is that quite often when we open up the microphones for public comment there’s a dead silence for ten minutes. This is one of the very few when we might’ve had fairly extensive public comment and it’s a shame we didn’t get to hear it. But that’s just my statement, my personal statement. The formal statement follows.*

*Written statements are being submitted by CSOs and by this I mean, among others, members of this committee not able to be present including Neil Brown, Michael Levine, Betsy Taylor, Jennifer Krill and several others expressing concern, frustration and protest about the elimination of public comment at today’s meeting. Many of CSOs are sending separate written messages expressing the inappropriateness of the American Petroleum Institute's participation in EITI while lobbying against 1504.*