USEITI
The United States Extractive Industries Transparency Initiative

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The Extractive Industries Transparency Initiative (EITI) is a global standard to promote open and accountable management of natural resources. It seeks to strengthen government and company systems, inform public debate, and enhance trust.

In each implementing country it is supported by a coalition of governments, companies, and civil society working together.
Countries implement the EITI Standard by disclosing **taxes** and **other payments** made by oil, gas, and mining companies to governments, via an annual EITI Report.

This report **allows citizens to see for themselves** how much their government is receiving from their country’s natural resources.

Transparency can only lead to accountability if there is **understanding** of what the figures mean and **public debate** about how the country’s resource wealth should be managed. Therefore, the EITI Standard requires that EITI Reports are **comprehensible, actively promoted**, and contribute to public debate.
Who is in the EITI?

EITI Implementing countries:
20 Candidate vs. 31 Compliant
How Does EITI Work?

- Companies disclose payments
- Government discloses receipt of payments

**Independent verification of tax & royalty payments “EITI Report”**

- Award of licenses & contracts
- Regulation & monitoring of operations
- Revenue distribution & management
- Implementation of sustainable development policies

Oversight by a Multi-Stakeholder Group (MSG)

The EITI provides data that can inform public debate and ensure accountability.
EITI & Open Government

- January 2009 – President Obama issued the Transparency Memorandum and Directive
- September 2011 – Open Government Partnership (OGP) launch by the U.S. and 7 other countries
- September 2011 – As part of U.S. OGP National Action Plan, President Obama announced the U.S. commitment to implement EITI and designated the Secretary of the Interior as the senior government official responsible for oversight
USEITI Timeline

- **July 2012** – Secretary of the Interior establishes the USEITI Multi-Stakeholder Group (MSG) of government, industry, and civil society representatives committed to oversee implementation
- **February 2013** – Interior hosts the first of eight MSG public meetings in 2013, bringing together representatives who continue to meet
- **December 2013** – On behalf of the MSG, Secretary of the Interior Sally Jewell submits USEITI Candidacy Application
- **March 2014** – The EITI Board approves the application and admits U.S. as a Candidate Country
- **December 2014** – Interior launches the Natural Resources Data Portal where government first discloses 100% of revenues by company, commodity, and revenue type a year ahead of schedule
- **Summer 2015** – Independent Administrator reconciles company payments with government revenues revealing zero unexplained variances
- **December 2015** – 1st USEITI Annual Report published on the Data Portal as the first ever fully online EITI Report, using open source software and open data
- **Fall 2016** – 2nd USEITI Report to be published
Who is on the MSG?

21 primary and 17 alternate members, representing a broad range of organizations and a diverse set of stakeholders, serve on the USEITI MSG.

**CIVIL SOCIETY**
- Project On Government Oversight
- Center for Science in Public Participation
- Earthworks
- First Peoples Worldwide
- George Washington University
- Global Witness
- The Lugar Center
- Natural Resource Governance Institute
- North Star Group
- Oceana
- Oxfam America
- Pipeline Safety Coalition
- Public Citizen
- Publish What You Pay
- United Mine Workers of America
- United Steelworkers
- Virginia Polytechnic Institute and State University

**GOVERNMENT**
- Department of the Interior
- Department of Treasury
- California State Lands Commission
- State of Wyoming, Department of Audit
- Interstate Oil and Gas Compact Commission
- Blackfeet Nation
- Choctaw Nation
- Shoshone Arapaho Tribe

**INDUSTRY**
- National Mining Association
- American Petroleum Institute
- Anadarko Petroleum
- BHP Billiton Petroleum
- Chevron
- Exxon Mobil Corporation
- Freeport-McMoRan Copper & Gold, Inc.
- Freeport-McMoRan Oil & Gas, Inc.
- Independent Petroleum Association of America
- Newmont Mining
- Noble Energy Inc.
- Peabody Energy
- Rio Tinto
- Shell Oil Company
State and tribal governments may “opt in” to USEITI if they choose.

The Independent Administrator reconciled company payments (for companies meeting the threshold) with DOI receipts.

DOI unilaterally discloses online all reported revenues to the extent allowable by law.

Revenues from rents, royalties, bonuses, fees, and taxes.

Contextual background information about U.S. extractive industries.

Online data on oil, gas, coal, other leasable minerals, non-fuel minerals, geothermal, solar, and wind.
2015 - 1st USEITI Report

2015 United States Extractive Industries Transparency Initiative (USEITI)
Report by the Numbers

USEITI Unique Aspects

100% of DOI in-scope revenue unilaterally disclosed by DOI in online report

12 extractive industries local community case studies

Publicly available data from 18 states with significant extractive industries

5 Multi-Stakeholder Group members representing Indian tribes and interests from civil society and government

Over 70 cross-sector collaboration meetings in 2015

Company Participation, Reporting, and Reconciliation Results

45 companies asked to report

31 companies out of those 45 reported and reconciled $8.5 billion in DOI revenue

12 out of a maximum of 41 applicable companies reported $190 million in corporate income taxes

100% of 17 material variances have been explained

Extractive Industries’ Revenue in the United States

1st USEITI Report

In 2013, $12.64 billion Department of the Interior (DOI) revenue for extraction on federal lands

In 2013, $11.8 billion* in corporate income tax receipts from Mining and Petroleum and Coal Products Manufacturing industries

*Sample-based calculation from US Internal Revenue Service Statistics of Income, “Tax Stats — Returns of Active Corporations — Table 1,” access the historical data here: https://www.irs.gov/uac/SOI-Tax-Stats-Returns-of-Active-Corporations-Table-1
2015 Executive Summary

Executive Summary Contents

- Natural Resources in the United States
- Governance of U.S. Natural Resource Extraction
- How Natural Resources Result in Federal Revenue
- State Natural Resource Extraction Governance
- Tribal Natural Resource Extraction Governance
- Extractive Industries Impacts
- Revenue Payment Data Reporting and Reconciliation
- Independent Administrator Recommendations

Extractive Revenue Appendices

- Appendix A: Revenue Reporting Considerations
- Appendix B: In-Scope Revenue Streams
- Appendix C: Reporting and Reconciliation Results Detail
• Interactive elements
• Capacity building
• Open source
• Open data
Single Source for Federal Government Data and Information

How it works:

Onshore Oil & Gas

The Federal Land Policy and Management Act of 1976 and the Mineral Leasing Act of 1920 grant the Bureau of Land Management (BLM) the authority to manage federal lands, including leasing certain lands for oil and gas development. The Oil and Gas Management Program includes over 63,000 onshore oil and gas wells on federal lands.

1. Plan
   BLM field offices prepare comprehensive Resource Management Plans (RMPs) to guide leasing decisions on federal lands, including which lands are open to leases. Currently, 8% of all available for extraction RMPs in line with engaging the public.

2. Lease
   BLM field offices award leases for oil and gas resources on federal lands.

3. Explore
   The lease holder must file an Application for Permit to Drill (APD) with the BLM field office in order to explore the leased land for oil and gas deposits. To apply for an APD, lease holders must submit an Exploration Plan that includes information about drilling locations, anticipated equipment, and associated rights of way.

4. Develop
   The APD is one of many permits a lease holder must obtain to move from exploration to development and production. Once operators and lease holders obtain all needed permits and licenses, companies build their operations.

5. Decommission and reclaim
   Even before the close of an oil and gas operation, operators and lease holders must begin reclaiming. After the start of an operation, the operator includes a Reclamation Plan in the Surface Use Plan that must be approved by BLM before construction can start.

Revenue collected by BLM and ONRR

- **Bonus**: The amount the highest bidder pays for a natural resource lease.
  - $1.50 per acre for five years
  - $2.00 per acre thereafter

- **Rent**: Royalty
  - 12.5%
Company Level Payment Disclosure

- Download data
- Filter and sort by year, company, revenue type, or commodity
- Analyze
## What are the Revenues?

### Select Federal Revenue Streams and Statutory and Regulatory Rates

<table>
<thead>
<tr>
<th>Natural Resource</th>
<th>DOI Revenue Streams and Rates During Extraction on Federal Lands and Waters</th>
<th>Additional Federal Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category</td>
<td>Securing a Lease or Claim</td>
<td>Pre-Production</td>
</tr>
<tr>
<td>Category</td>
<td>Bonuses and Royalties</td>
<td>Percentages</td>
</tr>
<tr>
<td>Fossil Fuels</td>
<td>Onshore</td>
<td>Bonus: amount paid for the lease by the highest bidder</td>
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<tr>
<td></td>
<td>Offshore</td>
<td>Bonus: amount paid for the lease by the highest bidder</td>
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<tr>
<td></td>
<td>Surface</td>
<td>Bonus: amount paid for the lease by the highest bidder</td>
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<tr>
<td></td>
<td>Subsurface</td>
<td>Bonus: amount paid for the lease by the highest bidder</td>
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<tr>
<td></td>
<td>Public Domain Lands</td>
<td>$20 Processing Fee</td>
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<td></td>
<td>Nonenergy Minerals</td>
<td>$37 Location fee</td>
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<tr>
<td></td>
<td>Hardrock Minerals</td>
<td>$564 Prospecting Permit Fee</td>
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<td></td>
<td>Renewable Energy</td>
<td>Onshore (solar and wind)</td>
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<td>Offshore (wind)</td>
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1. Though these rates are determined by statute or regulations developed by the DOI, companies may pay lower effective rates due to tax expenditures or discretionary adjustments by DOI bureaus.
2. For coal, companies take one-fifth of the bonus amount immediately when granted a lease. Companies pay each of the remaining fourths in each of the following four years.
3. If the gross value per ton of the coal removed is less than 10 times the rate of the fee, the Abandoned Mine Lands Fee operates at an ad valorem rate of 30% of the gross value of the coal mined per ton.
4. Mining non-coal hardrock minerals falls under the General Mining Act of 1872 which does not require royalty payments.
5. Mining hardrock minerals on acquired lands is exempt from minimum production and minimum royalty requirements under Title 43 in the Code of Federal Regulations.
6. For wind energy, proposed fee of $6.204 per MW.
7. For solar energy, proposed fee ranging from $3.548–$5.322 per MW.
Where does the revenue go?

Federal budget process

Once revenue is collected by the federal government, it passes through a series of budgetary gateways before ultimately funding public services and community development. These gateways are described below, and you can explore disbursement data here.

- **Statute**
  Federal statutes determine the maximum amount of funds that can be appropriated

- **Appropriation**
  Congress determines the amount that a given entity or agency will receive

- **Grant**
  Recipient entities determine how much the funding will be allocated for use in their budgets

- **Disbursement**
  Recipient entities disburse funds over the course of fiscal year for budgeted purposes

Federal revenue disbursements by fund (2013)

- $7.78b U.S. Treasury
- $0.47b U.S. Treasury
- $0.93b American Indian tribes
- $1.59b Reclamation
- $0.9b Land & Water Conservation Fund
- $0.22b Other funds
- $0.18b Other
- $0.04b States
- $0.9b Historic Preservation Fund
- $1.96b States

Offshore

Onshore
Contextual Narrative: Sub-National Extractive Data

County Case Studies

Natural Gas

**Tarrant and Johnson Counties, Texas**

Texas leads the country in natural gas production, generating more gas on an annual basis than the next three highest producing states combined (Louisiana, Oklahoma, and Wyoming). Tarrant and Johnson Counties contribute significantly to natural gas production due to their geographic positioning atop the rich reserves of the Barnett Shale field in the Bend Arch-Fort Worth Basin.

Geology and History

The Barnett Shale reserve spans approximately 5,000 square miles of sedimentary clay...
EITI Reports provide contextual information at the federal level and for selected states and tribes with high extractive industry activity.

The contextual information is from publicly available government sources, which are dispersed and often hard for the public to find, such as:

- Legal frameworks and fiscal regimes, including land ownership structure and mineral rights
- Exploration activities and geography of production
- Contribution of the extractive industries to the economy, e.g., % GDP, public revenue, employment, and exports
- Production volumes over 10 years
- Links to online archives of permits and other licenses for extraction

USEITI is the first to include local community case studies that focus on employment, public revenues, and fiscal impacts related to public services and infrastructure (transportation/roads, water, reclamation, emergency services, etc.)
https://useiti.doi.gov
Contact Us

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