



Frequently Asked Questions

What is the EITI?

EITI is a voluntary, international standard for transparency in reporting revenues paid and received for natural resource extraction. There are 28 countries which comply with all the EITI standards and 17 countries that are in the candidate stage (including the United States).

The design of each EITI framework is country-specific, and is developed through a multi-year, consensus-based process by a multi-stakeholder group (MSG) composed of representatives from government, industry and civil society. The main product of the USEITI will be annual reports.

What are the domestic benefits to the U.S. of adopting EITI?

EITI is beneficial to the United States domestically because:

- It will highlight industry's financial contributions to the U.S. Government, including the revenues generated by royalties, rents, bonuses and taxes.
- It strengthens relationships among the U.S. government, industry and civil society.
- It provides access to reliable information that can be used to hold the government and [industry] to account.
- EITI strengthens governance by improving transparency and accountability in the extractive sector.
- Increased transparency can help governments in the tax collection process and create enhanced trust.
- Increases the public's awareness and understanding of how extractive revenues are collected and disbursed.
- By enhancing accountability, it facilitates the full and fair return to the American people for the use of their public resources.
- Gathering information on regulatory frameworks can strengthen benchmarking capabilities, allowing governments to better compare their programs to one another.

What are the international benefits to the U.S. of adopting EITI?

EITI is beneficial to the United States internationally, because it:

- Supports our diplomatic open government and global energy governance and security agendas.
- Allows the U.S. to be a leader in global extractive sector transparency initiatives to help resource-rich countries meet the goal of increasing transparency in extractive industry payments, leading to improved conditions for their citizens, better investment climates

for industry and the participating country, and a more level playing field for U.S. companies.

- Encourages others, particularly OECD and G20 countries, to join.

How much does the government gain in revenue from the extractive industries?

The U.S. is a major developer of natural resources. The Department of Interior collects on average approximately \$10 to \$12 billion in annual revenues from the development of oil, gas and minerals on Federal lands and offshore in the Outer Continental Shelf. The bulk of these revenues are disbursed to the U.S. Treasury, with smaller portions distributed to five Federal agencies, more than 30 states, 41 American Indian tribes, and approximately 30,000 individual mineral owners. In addition, the U.S. receives federal taxes related to resource extraction.

What Federal agencies are involved in EITI?

The USEITI interagency team is composed of representatives from the White House and the Departments of Interior, State, Treasury, Energy and Commerce.

Why is DOI the lead?

Given the significant role that the Department of the Interior plays in collecting revenue for resource extraction on Federal lands through the Office of Natural Resources Revenue and other DOI Bureaus, the President named the Secretary of the Interior as the U.S. senior official responsible for implementing the USEITI.

What is the Multi-Stakeholder Group (MSG) and its role?

The MSG is comprised of representatives from government, industry and civil society. It oversees the design and implementation of the US EITI effort.

Where are we in the process to implement EITI?

The U.S. government has successfully completed the initial requirements for EITI candidate status and the Candidacy application has been accepted by the International EITI. The next step is to appoint an Independent Administrator, an independent third party, to gather relevant data, reconcile industry payments and government receipts and prepare the USEITI reports. The Independent Administrator will likely be appointed in September 2014.

What is an EITI Report?

To comply with the EITI Standard, an EITI implementing country must publish annual reports, produced by an Independent Administrator and approved by the MSG. The EITI Report documents the parallel reporting and reconciliation of revenues paid by the extractives industry to government and the revenues received and disbursed by the government. The EITI Report is also a compilation of publicly available contextual, legal, and current fiscal information about the extractives industries.

When will USEITI reports be issued?

The first report will be issued in December 2015 and the second in December 2016.

How are the States affected by EITI?

The EITI Standard requires reporting of sub-national revenues. Due to the significant practical barriers resulting from the size and complexity of the state extractive sector, USEITI reporting will implement this requirement in two phases. In the first phase, publically-available information about state extractives revenue collection will be included in USEITI reports, as well as information about transfers from the federal government to the states. In the second phase, the MSG will encourage states to fully participate in USEITI through a voluntary “opt-in” process.

How are Tribal nations affected by EITI? Will USEITI have Tribal consultations?

ONRR collects some revenues on behalf of American Indian Tribes and individual Indian mineral owners, which are currently part of the overall reporting system. Companies in the extractive sector may also have direct relationships with Tribes on issues of leasing, reporting and other activities. Tribal engagement in USEITI will be a matter of ongoing Tribal outreach and information sharing, as well as consultation with Tribes as Sovereign Nations to determine whether and how they would like to participate.

Whom does the USEITI MSG consider to be stakeholders of USEITI?

USEITI stakeholders include members of industry, civil society, federal government agencies, state and local governments, investors, Tribes, and U.S. citizens.

How does USEITI differ from Dodd-Frank 1504?

EITI is a voluntary, consensus-based decision-making process that includes company and government disclosure, whereas Section 1504 of the Dodd-Frank Wall Street Reform and Consumer Protection Act is mandatory national legislation and only requires disclosure by companies subject to SEC regulation.

Reporting under USEITI applies only to domestic U.S. payments, while Dodd-Frank 1504 applies to payments to the U.S. and foreign governments. In addition, USEITI applies to all extractive industries, while Dodd-Frank 1504 applies only to those in the oil, gas and mining sectors.

How can I learn more about the EITI?

The International EITI website is located at <http://eiti.org/>. The website contains information about the EITI Standard, participating countries, stakeholders, publications and international EITI news. The USEITI website is located at <http://www.doi.gov/eiti/>. This website contains information about MSG activities, news and opportunities for public engagement.