

OSDU Sustainability Fee (Jan. 11, 2021)

Background

As the OSDU Forum matures there are several critical OSDU Forum activities that are not covered by The Open Group Membership fees. These activities include objectives, such as but not limited to, the development of the marketing site, creation of open source training materials, and maintaining reference installations of the different OSDU Data Platform implementations (both production and pre-release). The Open Group is not a beneficiary of these fees and only serves to manage the distribution of the fees to competitively selected suppliers of the sustainability goods and services.

The calendar year Sustainability Fee is separate from The Open Group OSDU Forum annual membership fee. However, it will be billed as a separate item on the same invoice at the same time that Member OSDU Forum membership renewal is due. For new members, it will be listed on the first OSDU Forum membership fee invoice.

Approval

The OSDU Management Committee (OMC) recognized the need for additional funding to support the creation and sustainment of the OSDU Data Platform. The OMC proposed a Sustainability Fee for consideration and ballot approval by the Focal Point Committee. The Focal Point committee is the voting body that represents all members in the OSDU Forum. A formal ballot to approve / disapprove the OSDU Sustainability Fee Proposal was conducted in December 2020. On Dec 17, 2020, the following 2021 Sustainability Fee schedule was approved by an overwhelming majority of votes cast:

2021 fees for Operators:

Daily Production (2019 based)	Fee
Under 0.3 MMboed	US\$ 10,000
0.3 - 2 MMboed	US\$ 20,000
2 - 3 MMboed	US\$ 30,000
Over 3 MMboed	US\$ 40,000

Note: MMboed means Million Barrels of Oil Equivalent per Day (self-declared)

2021 fees for all other member categories:

Annual Revenues (2019 based US\$)	Fee
Under \$1 Million	US\$ 0
Between \$1 and \$10 million	US\$ 0
Between \$10 and \$100 million	US\$ 500
Between \$100 and \$1000 million	US\$ 2,000
Over \$1 billion	US\$ 5,000

Note: Reported annual revenue will be the base.

Frequently Asked Questions:

Why are we doing this?

- We want to make sure that the OSDU Forum can provide all necessary services to be sustainable into the future
- So that important services are provided to all OSDU Forum Members and charged out in a fair, transparent way
- To make sure that sustainability is carried out in an open and transparent way

What is in it for members?

- It is essential that Members have confidence in the on-going sustainability of the OSDU Data Platform and that common and critical services for sustainability are provided in an effective, reliable and transparent way.

How do forum members know the funds are well spent?

- Every commitment must be approved by the OSDU Management Committee (OMC); OSDU Forum members have full access to the OMC minutes
- OMC, in conjunction with The Open Group, has developed a transparent sourcing/procurement policy to include tendering where appropriate
- The Open Group oversees all sourcing and is responsible for procurement and contract management as well as providing full transparency and reporting as to how funds are spent

How is the Sustainability Fee determined and fairly shared?

The OMC, in conjunction with The Open Group Management and staff, determine the target sustainability funding required for the succeeding calendar year. The amount to be raised to meet that target may rise or fall from the previous year, conservatively taking into consideration any unused funds from the previous year that may be carried forward as well as the changes to the membership base (allowing for new members and member resignations). Planned changes to the sustainability fees will be ratified and will be communicated well in advance of each new calendar year.

In order to apportion this fee fairly among the membership, the OMC developed the fee schedule using this set of principles as guidance:

- Place a greater sustainability burden on those who benefit most
 - For Operators: highest fees since they benefit the most, based on Million Barrels of Oil Equivalent per Day

- For all Other member categories: higher fees for larger companies and keep fees very low (if at all) for small(er) companies.
 - Academia / Non-Profits / Regulators are exempt from the sustainability fee.
- No exclusions to paying the Sustainability Fee

How is this being implemented?

As the Sustainability Fee is an additional OSDU membership requirement, Members will be required to execute a one-time OSDU Sustainability Fee Agreement wherein they will self-declare their production level (for Operators) and annual revenue level (for all Other member categories) upon which the 2021 Sustainability Fee will be based according to the above fee schedule. In subsequent years, when a new Sustainability Fee schedule is ratified, Member self-declarations and fee confirmation will be by email prior to the membership renewal date for invoicing.

The Sustainability Fee will be charged to existing members on their membership renewal date (following a 90-day notice of the additional membership requirement which is being provided on 1-11-2021). New members signing membership agreements after April 11, 2021 will be invoiced this fee upon signing their membership. The Sustainability Fee will be a separate line item in the new or renewal membership invoice.

If you have questions about the sustainability fee and how it impacts your renewal, please e-mail us at: osdu-renewal@opengroup.org.