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Foreign Direct Investment (FDI) in U.S. Energy 2005

This report provides an assessment of foreign ownership of energy assets in the United States. Section 657, Subpart 8 of the U.S. Department of Energy Organization Act (Public Law 95-91) requires an annual report to Congress which presents: "a summary of activities in the United States by companies which are foreign owned or controlled and which own or control United States energy sources and supplies …." The Energy Information Administration intends the information in this report for use by the U.S. Congress, U.S. Government agencies, industry analysts, and the general public.

Findings

- Natural gas production and, especially, crude oil and natural gas liquids production in the United States by FDI-affiliate companies declined in 2005, in part because production in the Gulf of Mexico by the two largest FDI-affiliate producers suffered from the effects of two particularly destructive hurricanes.

- U.S. crude oil distillation capacity owned by FDI affiliates increased in 2005, largely because two FDI affiliates each acquired a refinery for the first time, and one completed a substantial addition to capacity. In addition, one FDI-affiliate's refinery was sold.

- The volume of gasoline sold by and, in particular, the number of branded retail outlets associated with FDI affiliates in the United States fell in 2005, with two of the three largest FDI-affiliate retail networks shedding a large number of stations.

- The electric power generation capacity owned by FDI affiliates rose, especially at five FDI affiliates that either completed construction or acquired notable amounts of U.S. generating capacity in 2005.

- Net capital flows from foreign direct investors into the petroleum and natural gas sector of the U.S. energy industry increased markedly in 2005, while flows to the electric power generation sector remained small.

Background and Definitions

Foreign direct investment in the United States is defined as the ownership or control, directly or indirectly, by one foreign investor of 10 percent or more of the voting securities of an incorporated U.S. business enterprise or the equivalent interest in an unincorporated U.S. business enterprise (or asset). Ownership or control of less than 10 percent of the voting securities of a business is not considered to be direct investment. In this report, an FDI-affiliate company or FDI affiliate is a U.S. business in which there is foreign direct investment.[1] All of the information in this report is from publicly available sources. This report describes the role of direct foreign ownership of U.S. energy enterprises with respect to their energy operations, capital investments, and net foreign

[1] The FDI-affiliate companies included in this report include all of the U.S. energy companies that could be determined to be FDI affiliates from publicly available information by the Energy Information Administration.

investment flows (including net loans). For a discussion of acquisitions and divestitures of U.S. energy assets by foreign investors in 2005, see "Acquisitions and Divestitures by Foreign Direct Investors in U.S. Energy 2005."[2]

FDI is one measure of the continuing influence or control of foreign companies or individuals over the management and disposition of U.S. assets of production.[3] However, determining influence or control of a company is often a complex and subjective process in which many factors other than the percentage of voting rights or ownership must be considered. While holding 10 percent or more of a company's voting rights suggests control of that company, it does not guarantee it.[4]

Oil and Gas Production

The production of natural gas and, in particular, crude oil and natural gas liquids (oil) in the United States by affiliates of foreign direct investors declined faster than the total U.S. production of both oil and natural gas in 2005, resulting in declining U.S. oil and gas production shares for FDI affiliates (Table 1). The largest contributors to the declines were the U.S. subsidiaries of BP (England and Wales) and Royal Dutch Shell (England and Wales), the two FDI affiliates with the most U.S. production. The effects of hurricanes Katrina and Rita were instrumental in the declines for both companies, plus Shell also cited field declines as another cause. No FDI affiliate had a notable increase in oil production, and the only notable increase in natural gas production was accomplished by affiliates of EnCana (Canada), in part because its four key natural gas resource plays in the United States all are in the early to middle stages of primary development, when production is usually growing at its highest rate, and in part as a result of EnCana's acquisition of gas-producing properties from Progress Energy in 2005.[5]

Petroleum Refining

The petroleum refining capacity owned by FDI affiliates in the United States increased in 2005, while total U.S. refining capacity rose proportionately less (Table 2). The largest contributions to the increase were by FDI affiliates of Compagnie Nationale à Portefeuille / Nationale PortefeuilleMaatschappij (Belgium) and Petróleos de Venezuela. The former entered U.S. crude oil refining by purchasing a Pasadena, Texas, refinery from Crown Central Petroleum, while the latter completed an expansion, including the addition of a crude vacuum distillation tower, at its Lake Charles, Louisiana, refinery. Crown Central also sold a smaller refinery in Texas to an affiliate of FDI refining newcomer Delek (Israel). In contrast, an FDI affiliate of Royal Dutch Shell sold its Bakersfield, California, refinery to Flying J.

Branded Retail Outlets and Gasoline Sales

The volume of gasoline sales by and, especially, the number of branded retail outlets associated with FDI-affiliate companies in the United States both declined in 2005 (Table 3). The decrease in branded outlets was largely due to the continued reduction of outlets by subsidiaries of BP and Royal Dutch Shell. (The latter may also include

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[2] Energy Information Administration, (Washington, DC, May 23, 2007).

[3] The U.S. International Investment and Trade in Services Survey Act stipulates that "ownership or control of 10 percent or more of an enterprise's voting securities is considered evidence of a lasting interest in or a degree of influence over [the enterprise's] management sufficient to constitute direct investment." Alicia M. Quijano, "A Guide to BEA Statistics on Foreign Direct Investment in the United States," *Survey of Current Business* (Washington, DC, February 1990), p. 29.

[4] The percentage amount is, of necessity, arbitrary, because no exact percentage of ownership is necessary to achieve control of a company. Even ownership of greater than 50 percent of a company may not be sufficient for control, because the approval of more than a majority of owners may be required for some actions to be taken. For further discussion and a comprehensive analysis of FDI in the United States, see Edward M. Graham and Paul R. Krugman, *Foreign Direct Investment in the United States*, 3rd ed., (Washington, DC: Peter G. Peterson Institute for International Economics, 1995).

[5] "Acquisitions and Divestitures by Foreign Direct Investors in U.S. Energy 2005," Energy Information Administration, (Washington, DC, May 23, 2007).

outlets of an FDI affiliate owned jointly by Shell and Saudi Arabian Oil.) No FDI affiliate increased its number of retail outlets in 2005. In addition, FDI affiliates of Alon (Israel), Lukoil (Russia), and Alimentation Couche-Tard (Canada) had smaller but notable declines in their number of outlets. The volume of gasoline sales by FDI-affiliate outlets fell, counter to the increase in total U.S. gasoline. However, the sales decline was less than the reduction of FDI outlets, as affiliates terminated, closed, or sold their less productive stations.

Costs Incurred and Capital Expenditures

Upstream (oil and gas production) costs incurred[6] (a good proxy for upstream capital expenditures) by FDI affiliates in the United States decreased in 2005 while downstream (refining and marketing) capital expenditures by FDI affiliates increased slightly (Table 4). EnCana contributed the most to the fall in costs incurred largely because it did not make a multi-billion dollar acquisition in 2005, as it had in 2004. The only increase in downstream capital expenditures was by an FDI affiliate of Petróleos de Venezuela, which added capacity to its Louisiana refinery.

Electric Power Generation Capacity

Electric power generation capacity owned by FDI-affiliate companies increased in 2005, with FDI affiliates of five companies adding substantial capacity, although affiliates of two companies reduced capacity (Table 5). Affiliates of EPCOR Utilities (Canada) had the largest increase in generating capacity, all of which stemmed from its purchase of a controlling interest in TransCanada Power, a limited partnership renamed EPCOR Power, from TransCanada. Brookfield Asset Management (Canada) acquired four hydroelectric generating stations in the United States, and, along with Emera (Canada), a pumped storage hydroelectric generating station in Massachusetts, while affiliates of SUEZ (France) brought online the first of two planned units of a 746-megawatt natural-gas-fired plant in Hot Springs, Arkansas. TransCanada, although it sold its controlling interest in TransCanada Power, increased its U.S. capacity by buying 567 megawatts of hydroelectric generating capacity in New England from National Energy & Gas Transmission.[7] The largest decline in capacity was at a non-regulated affiliate of E.On (Germany), which sold its share of a generating plant in Texas, as E.On affiliates began exiting the non-regulated generation businesses in the United States.

Uranium Production

The production of uranium concentrate in the United States by FDI affiliates increased slightly in 2005 as a result of a production increase by affiliates of Cameco (Canada), the only FDI-affiliate producers in 2004, and the resumption of uranium production by FDI affiliates of International Uranium (Canada) at a mill near Blanding, Utah, that had been on standby for all of 2004 (Table 6).

Coal Production

Coal production in the United States by FDI-affiliates increased slightly in 2005 (Table 7). Affiliates of Rio Tinto (England and Wales, and Australia) and BHP Billiton (Australia, and England and Wales) had small offsetting changes in production while affiliates of Scottish Power (Scotland) had a very small increase.

[6] Includes costs incurred in oil and gas property acquisition, exploration, and development.
[7] "Acquisitions and Divestitures by Foreign Direct Investors in U.S. Energy 2005," Energy Information Administration, (Washington, DC, May 23, 2007).

Shares of U.S. Totals

The proportional involvement of FDI-affiliate companies in U.S. uranium concentrate production fell considerably in 2005 as total U.S. production of uranium, which began increasing in 2004 partially in response to increasing uranium prices, grew faster than production by FDI affiliates (Figure 1). FDI-affiliates' share of U.S. crude oil and natural gas liquids production fell slightly, while their share of U.S. petroleum refining capacity increased slightly. The affiliates' shares of U.S. natural gas production, electric power generation capacity, and coal production were little changed in 2005.

Net FDI Capital Flows

Net FDI capital flows into the United States are the net inflows of capital to FDI affiliates in the United States from foreign direct investors.[8] FDI capital inflows include capital contributions to new and existing FDI affiliates, net earnings reinvested in FDI affiliates, and net loans to FDI affiliates.[9] The flow of capital is recorded on a net basis, specifically, the gross inflow of FDI to the United States from foreign investors minus the gross outflow of FDI from the United States that was returned to foreign investors.

The net flow of FDI capital into the U.S. petroleum and natural gas sector of the U.S. energy industry increased to $9.1 billion in 2005, from a minimal amount the year before, allowing the petroleum and natural gas sector to regain its leading FDI capital flows position in the energy industry (Figure 2). The net flow into the electric power sector decreased to $1.4 billion, while the net flow into the coal mining sector was not reported.[10] One of the largest contributors to the increase in FDI inflow to petroleum and natural gas was Norsk Hydro's (Norway) acquisition of Spinaker Exploration, an independent oil and gas exploration and production company focusing on the Gulf of Mexico, for $2.5 billion. One of the largest contributions to the increased inflow to electric power was TransCanada's purchase of hydroelectric generation facilities in New England for $503 million.[11] Petroleum and natural gas had the largest net FDI capital inflows in seven of the eight years from 1998 through 2005, electric power had the largest in one of the years, and the inflows coal mining were either withheld or less than zero for all of the years.[12]

The share of total FDI capital flows into the United States accounted for by the petroleum and natural gas sector increased to 9.0 percent in 2005, from 0.2 percent in 2004, while the share of inflows to the electric power sector decreased to 1.4 percent (Figure 3). The petroleum and natural gas sector has accounted for 9 percent or more of the total foreign direct investment capital inflow to the United States for six of the eight years during the period 1998 through 2005. The only relatively large share of inflows to the electric power sector was 8.7 percent in 2002, while the coal mining sector's shares of inflows were negligible during the period.

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[8] An alternative measure is the FDI position, which is the "value of [foreign] direct investors' equity [including retained earnings] in, and net outstanding loans to, their [FDI] affiliates." See Maria Borga and Daniel R. Yorgason, "Direct Investment Positions for 2001, Country and Industry Detail," Survey of Current Business (July 2002), p. 26. FDI capital inflow is discussed in this report because the FDI position data that are available by industry are assessed at book values. Book value is the value of an asset when it was initially recorded in a company's books. Since asset values may change over time, while book values do not, the book value of an asset does not necessarily represent the value of that asset at a time other than when it was booked.

[9] Net FDI capital flows are limited to annual net international capital flows. They do not include the FDI affiliate's operating expenditures, allowance for depreciation, or changes in the value of capital owned.

[10] Net FDI capital flows are not reported when doing so might jeopardize the confidentially of the data for individual reporting companies. In these instances for the analysis presented here, these flows are assumed to be zero.

[11] "Acquisitions and Divestitures by Foreign Direct Investors in U.S. Energy 2005," Energy Information Administration, (Washington, DC, May 23, 2007).

[12] Data for the electric power sector are only available beginning in 1998, when the published aggregation categories of FDI flows were revised, while data for the petroleum and natural gas and coal mining sectors are available for earlier years.

Table 1. Production of Oil and Gas in the United States by FDI-Affiliate Companies, 2003 - 2005								
Foreign Parent - FDI Affiliate	Crude Oil and Natural Gas Liquids (Million Barrels)				Dry Natural Gas (Billion Cubic Feet)			
	2003	2004	2005	2004 - 2005 Percent Change	2003	2004	2005	2004 - 2005 Percent Change
BP - BP America[a]	237	217	200	-7.8	1,224	1,097	1,006	-8.3
Royal Dutch/Shell - Aera Energy, Meridian Resource,[b] Shell Oil	152	138	122	-11.6	578	488	420	-13.9
Nexen - Nexen Petroleum USA	9	10	7	-26.2	45	46	36	-21.6
Eni - Eni Petroleum & Agip Exploration	9	9	7	-24.2	47	39	29	-26.5
(Americas)[c]	5	7	6	-12.1	18	19	15	-20.6
EnCana - EnCana Oil & Gas (USA)	3	5	5	6.4	215	318	400	25.8
Total - Total Exploration Production USA	1	6	3	-43.9	107	88	64	-28.0
Petrobras - Petrobras America	*	*	1	36.7	11	8	6	-26.3
Santos - Santos USA	*	*	*	2.8	11	9	10	15.2
Norsk Hydro - Norsk Hydro Americas	- -	- -	*	NM	- -	- -	1	NM
Talisman Energy - Fortuna Energy	0	0	0	0.0	19	28	33	16.6
RWE - Consol Energy	0	- -	- -	NM	44	- -	- -	NM
Nuon - North Coast Energy	*	- -	- -	NM	11	- -	- -	NM
Total FDI-Affiliate Companies	419	392	351	-10.4	2,331	2,140	2,019	-5.7
Total United States	2,701	2,645	2,524	-4.6	19,099	18,757	18,244	-2.7
Percent FDI-Affiliate Companies	15.5	14.8	13.9	- -	12.2	11.4	11.1	- -

[a]Excludes NGLs from processing plants; includes natural gas consumed in Alaska operations.

[b]Royal Dutch/Shell sold its FDI interest in Meridian Resource in 2004.

[c]For years ending June 30, 2003-2005.

*Number less than 0.5 rounded to zero.

Note: - = No data reported. - - = Not applicable. NM = Not meaningful. R = Revised data. Values at fiscal year end. Components may not add to totals because of independent rounding. Calculations performed with unrounded data.

Sources: **Companies:** Company documents. **U.S. Totals:** Energy Information Administration, *Monthly Energy Review,* DOE/EIA-0035(2007/03) (Washington, DC, March 27, 2007), Tables 3.1a and 4.1.

Table 2. Number of Refineries and Refining Capacity in the United States of FDI-Affiliate Companies, 2003 - 2005							
	Number of Refineries			Total Crude Oil Distillation Capacity (Thousand Barrels per day)			
Foreign Parent - FDI Affiliate	2003	2004	2005	2003	2004	2005	2004 - 2005 Percent Change
BP - BP America	6	6	6	1,505	1,505	1,476	-1.9
Petróleos de Venezuela (PDV) - PDV America, LYONDELL-CITGO Refining[a], Chalmette Refining[b]	7	7	7	1,171	1,177	1,271	8.0
Royal Dutch/Shell & Saudi Aramco - Motiva Enterprises	4	3	3	887	747	747	0.0
Royal Dutch/Shell - Shell Oil[c]	6	6	5	599	597	534	-10.6
Royal Dutch/Shell & Petróleos Mexicanos - Deer Park Refining	1	1	1	334	334	334	0.0
Total - Total Petrochemicals	1	1	1	175	234	232	-0.6
Compagnie Nationale à Portefeuille / Nationale PortefeuilleMaatschappij (NPM/CNP) - Astra Holdings USA	- -	- -	1	- -	- -	100	NM
Alon - Alon USA Energy	1	1	1	61	61	67	9.8
Delek - Delek Refining	- -	- -	1	- -	- -	58	NM
Transworld Oil - Calcasieu Refining	1	1	1	30	30	30	0.0
Total FDI-Affiliate Companies	27	26	27	4,761	4,683	4,848	3.5
Total United States	145	145	144	16,894	17,125	17,339	1.2
Percent FDI-Affiliate Companies	18.6	17.9	18.8	28.2	27.3	28.0	- -

[a]Joint venture with Lyondell Chemical.

[b]Joint venture with Exxon Mobil.

[c]Includes two refineries owned by Shell Chemical, a subsidiary of Shell Oil.

*Number less than 0.5 rounded to zero.

Notes: - = No data reported. - - = Not applicable. E = Estimated data. NM = Not meaningful, R = Revised data. Values at year end. Components may not add to totals because of independent rounding. Calculations performed with unrounded data.

Sources: Energy Information Administration, "Refinery Capacity Report," (Washington, DC, June 2006), Table 5, and previous issues.

Table 3. Branded Retail Outlets and Total Gasoline Sales in the United States by FDI-Affiliate Companies, 2003 - 2005

Foreign Parent - FDI Affiliate	2003	2004	2005	2004 - 2005 Percent Change
	Number of Outlets[a]			
Petróleos de Venezuela (PDV) - CITGO Petroleum	13,844	13,694	13,682	-0.1
Royal Dutch/Shell & Saudi Arabian Oil - Motiva Enterprises[b] Royal Dutch/Shell - Shell Oil Products US[b]	18,279	15,821	13,500	-14.7
BP - BP America	14,700	14,200	12,800	-9.9
Ito-Yokado & Seven-Eleven Japan - 7-Eleven	E2,100	E2,100	E2,100	0.0
Lukoil - Getty Petroleum Marketing	R1,313	R2,055	1,965	-4.4
Alimentation Couche-Tard - various[c]	441	1,865	1,775	-4.8
Alon - Alon USA Energy	1,375	1,300	1,200	-7.7
Delek - Delek US Holdings	243	415	399	-3.9
Suncor Energy - Suncor Energy (U.S.A.)	207	207	207	0.0
Total FDI-Affiliate Companies	R52,502	R51,657	47,628	-7.8
Total United States	167,346	168,987	167,476	-0.9
Percent FDI-Affiliate Companies	31.4	30.6	28.4	- -
	Total Gasoline Sales (Thousand Barrels per Day)			
Total FDI-Affiliate Companies	2,914	2,900	2,845	-1.9
Total United States	8,832	8,865	9,011	1.7
Percent FDI-Affiliate Companies	33.0	32.7	31.6	- -

[a]Includes company-owned and independent-dealer (jobbers) branded outlets.

[b]Station count of Motiva Enterprises and Shell Oil Products US reported together.

[c]During April 2003 - 2005.

The U.S. total number of outlets includes all establishments selling gasoline at retail. Total gasoline sales are by "Prime Suppliers." Components may not add to totals because of independent rounding. Calculations performed with unrounded data.

Sources: Company Station Counts and U. S. Total Stations: National Petroleum News, Market Facts 2005 (Mid-July 2005), and previous issues, and company documents. FDI-Affiliate Sales: Energy Information Administration, Form EIA-782C, "Monthly Report of Prime Supplier Sales of Petroleum Products Sold for Local Consumption." U.S. Total Sales: Energy Information Administration, Petroleum Marketing Annual 2005, DOE/EIA-0487(2005) (Washington, DC, August 2006), Table 48, and previous issues.

Table 4. Costs Incurred and Capital Expenditures by FDI-Affiliate Petroleum and Natural Gas Companies in the United States, 2003 - 2005
(Million Dollars)

Foreign Parent - FDI-Affiliate	Upstream Costs Incurred[a]				Refining and Marketing Capital Expenditures[b]			
	2003	2004	2005	2004 - 2005 Percent Change	2003	2004	2005	2004 - 2005 Percent Change
BP - BP America	3,764	3,728	3,600	-3.4	R1,401	1,314	1,226	-6.7
Royal Dutch/Shell - Meridian Resource & Shell Oil[c]	2,031	R1,352	1,396	3.3	722	R498	449	-9.8
EnCana - EnCana Oil & Gas USA	974	4,272	2,400	-43.8	0	0	0	0.0
BHP Billiton - BHP Billiton Petroleum (Americas)[e]	488	695	963	38.6	0	0	0	0.0
Total - various[d]	325	378	492	30.4	-	-	-	- -
Nexen - various	444	333	356	6.9	0	0	0	0.0
RWE - CONSOL Energy	37	- -	- -	- -	0	- -	- -	- -
Petróleos de Venezuela (PDV) - CITGO Petroleum	0	0	0	0.0	414	341	515	51.0
Total	8,063	R10,757	9,207	-14.4	R2,537	R2,153	2,190	1.7

[a]Costs incurred in oil and gas property acquisition, exploration, and development.

[b]Capital expenditures in petroleum refining and marketing; may include some capital expenditures for other midstream activities.

[c]Does not include Royal Dutch/Shell's capital expenditures at facilities owned by Motiva Enterprises or operated by its Chemicals Division. Royal Dutch/Shell sold its interest in Meridian Resource in 2004.

[d]U.S. affiliates include Total Exploration Production USA and Atofina Petrochemicals. May include small amounts in Canada.

[e]For years ending June 30, 2003 - 2005. Includes some costs in Trinidad and Tobago, Bolivia, and Brazil.

Notes: - = No data reported. - - = Not applicable. E = Estimated. NM = Not meaningful. R = Revised data. Components may not add to totals because of independent rounding. Calculations performed with unrounded data.

Sources: Company documents.

Table 5. Electric Power Generation Capacity in the United States of FDI-Affiliate Companies, 2003 - 2005
(Megawatts)

Foreign Parent - FDI-Affiliate	2003	2004	2005	2004 - 2005 Percent Change
Scottish Power - PacifiCorp & PPM Energy[a]	9,055	9,624	9,618	-0.1
E.ON - LG&E Energy	9,073	9,666	E9,391	-2.8
International Power - various[b]	4,418	4,601	4,601	0.0
SUEZ - Suez Energy North America[c]	RE4,418	R3,471	3,745	7.9
TransAlta - TransAlta USA	2,077	2,078	2,078	0.0
Brookfield Asset Management - various[d]	391	1,170	1,533	31.0
TransCanada - various	984	984	1,127	14.5
EPCOR Utilities - Frederickson Power & EPCOR Power	R125	R125	549	339.5
Emera - Emera Energy US	0	0	305	NM
Total FDI-Affiliate Companies	R30,541	R31,719	32,948	3.9
Total United States	948,446	962,942	978,020	1.6
Percent FDI-Affiliate Companies	3.2	3.3	3.4	- -

[a]Includes capacity owned or controlled on March 31, 2003 - 2005.

[b]2005 is as of March 6, 2006.

[c]Includes some capacity in Mexico.

[d]Brascan in 2003 and 2004.

Notes: - = No data reported. - - = Not applicable. E = Estimated. NM = Not meaningful. R = Revised data. Values at year end. Components may not add to totals because of independent rounding. Calculations performed with unrounded data.

Sources: **Companies:** Company documents. **U.S. Totals:** Energy Information Administration, *Electric Power Annual 2005* DOE/EIA-0348(2005) (Washington DC, November 2006), Table ES.

Table 6. Uranium Concentrate Production in the United States by FDI-Affiliate Companies, 2003 - 2005 (Million Pounds U_3O_8)				
Foreign Parent - FDI-Affiliate	2003	2004	2005	2004 - 2005 Percent Change
Cameco - various[a]	2.0	2.0	2.1	5.0
International Uranium - various[a]	NA	0	*	NM
Total FDI-Affiliate Companies	2.0	2.0	2.1	7.4
Total United States[b]	2.0	2.3	E2.7	17.8
Percent FDI-Affiliate Companies	NM	87.6	79.8	- -

[a]Names of FDI affiliate not reported in 2005.

[b]Production by milling operations or in situ leach processing. 2003 amount is approximate to avoid disclosure of individual company data.

Notes: * = number less than 0.05 rounded to zero. - = No data reported. - - = Not applicable. E = Estimated. NM = Not meaningful. R = Revised data. Components may not add to totals because of independent rounding. Calculations performed with unrounded data.

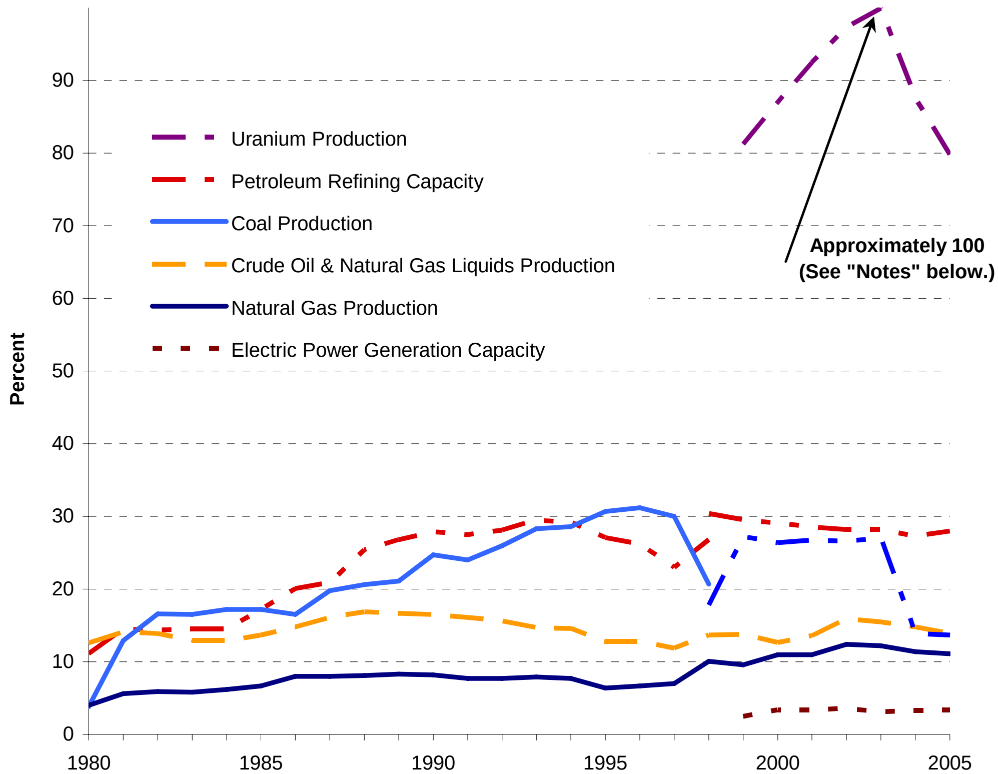
Sources: **Companies:** Company documents. **U.S. Totals:** Energy Information Administration, "Domestic Uranium Production Report," (Washington, DC, May 15, 2006), "U.S. Uranium Concentrate Production and Shipments, 2003-2005" table.

Table 7. Coal Production in the United States by FDI-Affiliate Companies, 2003 - 2005 (Million Short Tons)				
Foreign Parent - FDI-Affiliate	2003	2004	2005	2004 - 2005 Percent Change
Rio Tinto - Kennecott Energy	119.1	129.7	128.6	-0.8
BHP Billiton - BHP Minerals International	14.8	15.8	16.8	6.3
Scottish Power - Interwest Mining	9.4	9.0	9.4	4.4
RAG - RAG American Coal	9.4	- -	- -	NM
RWE - CONSOL Energy	60.4	- -	- -	NM
Itochu - Canyon Fuel	13.1	- -	- -	NM
Total FDI-Affiliate Companies	226.2	154.5	154.8	0.2
Total United States	1,071.8	1,112.1	1,131.5	1.7
Percent FDI-Affiliate Companies	21.1	13.9	13.7	- -

Notes: - - = Not applicable. NM = Not meaningful. Some company data may be sales, not production. Components may not add to totals because of independent rounding.

Sources: Companies: National Mining Association, "2004 Coal Producer Survey," (May 2005, Washington, DC) Table 1, and previous issues. Canyon Fuel: Arch Coal, 2003 Report to Securities and Exchange Commission on Form 10-KA1, and previous years. U.S. Totals: Energy Information Administration, Annual Coal Report 2004, DOE/EIA-0584(2003) (Washington, DC, October 2006), Table ES1, and previous issues.

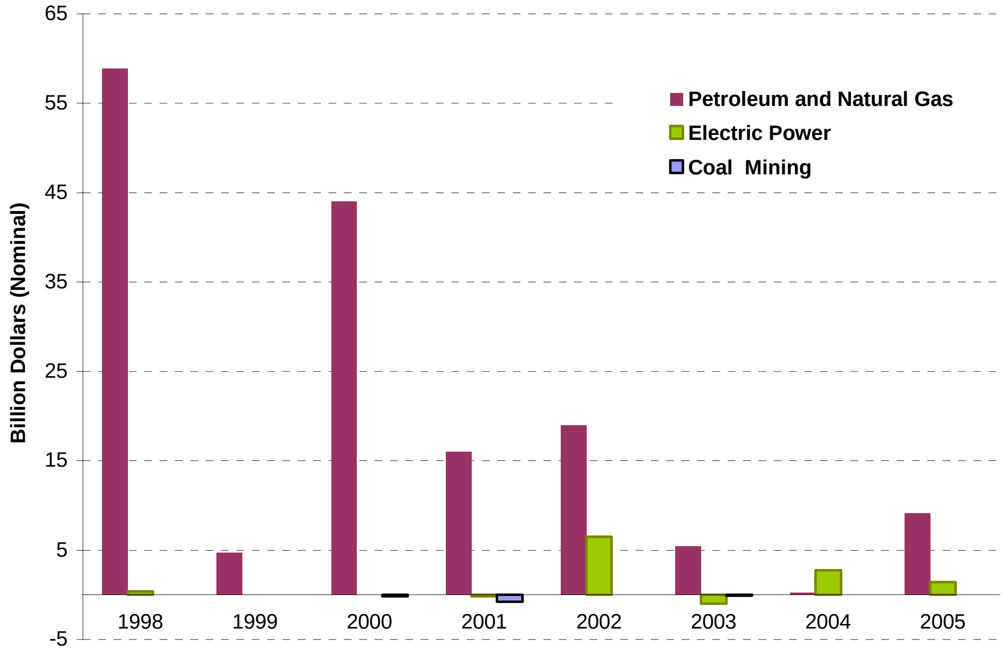
Figure 1. FDI-Affiliate Company Shares of U.S. Production of Oil and Gas, Coal, and Uranium and of U.S. Capacity for Petroleum Refining and Electricity Generation, 1980 - 2005



Notes: Total U.S. uranium production in 2003 was approximated by the Energy Information Administration (EIA) to avoid disclosure of individual company data. The U.S. production reported publicly by FDI affiliates that year slightly exceeded the total approximated by EIA. Sources for the data series for refining capacity and coal production changed in 1998.

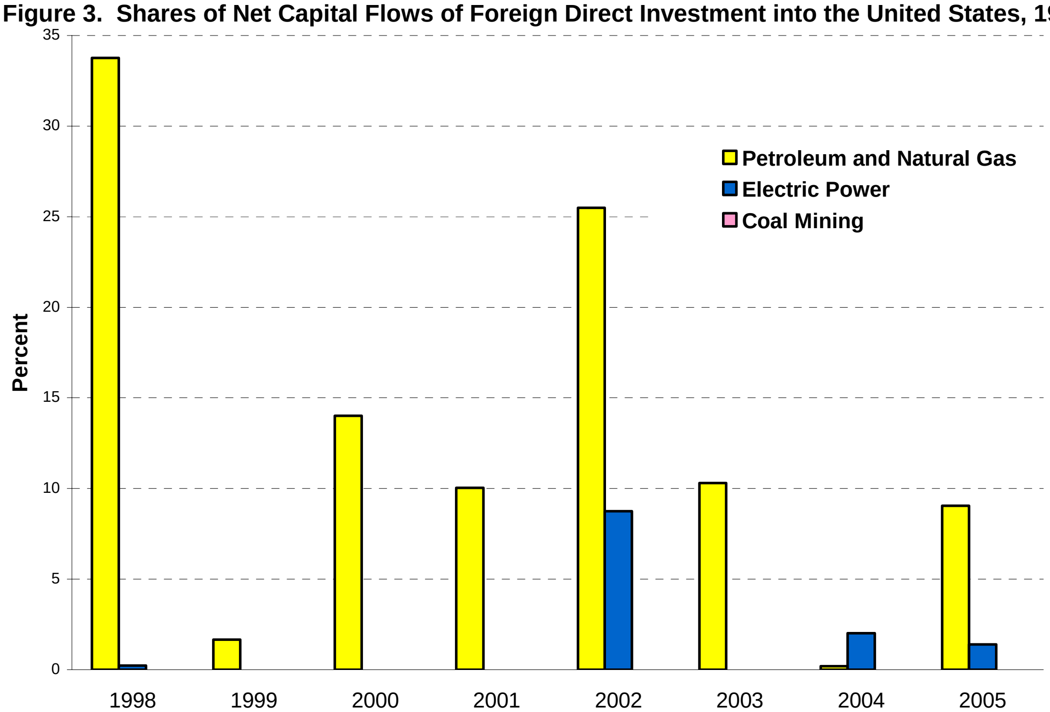
Sources: **2003-2005:** Tables 1-7 of this report. **1980-2002:** Energy Information Administration, "Foreign Direct Investment in U.S. Energy 2002," (Washington, DC, December 2004), Figure 1.

Figure 2. Net Capital Flows of Foreign Direct Investment into the United States, 1998 - 2005



Sources: Bureau of Economic Analysis, "Foreign Direct Investment in the United States," *Survey of Current Business* (Washington, DC, September 2007), Table 17, and preceding issues.

Figure 3. Shares of Net Capital Flows of Foreign Direct Investment into the United States, 1998-2005



Note: Shares that are not displayed are either negative or data withheld by the Bureau of Economic Analysis.
Sources: Bureau of Economic Analysis, "Foreign Direct Investment in the United States," *Survey of Current Business* (Washington, DC, September 2007), Table 17, and preceding issues.