OIL SHALE CAN PROVIDE JOBS FOR THE FUTURE

Developing America’s abundant oil shale resources will create tens of thousands of new American jobs, and generate new revenue to help pay for infrastructure improvements, thereby creating even more jobs. Good paying jobs and infrastructure go hand in hand. As oil shale is commercialized, there will be a need for updated infrastructure to support the communities where workers will live and bring up their families. Local sales and property taxes, royalties and severance tax revenues from oil shale projects will support those communities. And, upfront payments by industry for improvements that are needed before tax revenues begin during construction of the projects - will be made if the cost of those improvements can be credited against future tax, severance and/or royalty payments.

At the present time jobs are being created for ongoing oil shale research, development and demonstration (R,D&D) programs. But many more jobs are needed to make up for the jobs lost during this recession. It is estimated that firms conducting these R,D&D programs are employing about 300 people in Colorado and Utah, and an additional 100 jobs outside the region. This does not include the indirect jobs created by these activities. Employment opportunities are expected to increase over the next few years as more of these programs move from the laboratory to field demonstrations.

Commercial scale projects are expected to develop in a phased manner and not bring unbridled instantaneous population growth to communities in the West. It is estimated that an oil shale industry of .5 to 2 million barrels per day of crude oil production could happen over a 20 to 50 year time frame, beginning 5 to 10 years from now, if economic and political factors are favorable. The huge size of the oil shale resource makes it possible to have a sustainable industry for many decades without the past booms and busts experienced in this region. Commercial scale plants are estimated to produce from 10,000 to 50,000 barrels of crude oil per day. Depending upon the technology and capacity, each of these plants would create between 500 and 2000 good paying jobs. It is uncertain how large an oil shale industry may evolve, but over the coming decades it could provide a sizeable tax base for local communities and opportunities for employment and local businesses.

What kind of jobs would be available in an oil shale industry? They would include highly technical positions like engineers and technicians, clerical and administrative staff, process operators and maintenance personnel, and environmental and safety compliance staff. In addition local contractors would be utilized for construction and other services.

Our nation needs the new jobs and the crude oil that would be produced from this important domestic resource. Oil shale can serve as a bridge fuel for our cars, trucks, planes and trains during a period when the nation is moving toward less reliance upon our current sources of transportation fuels - which come predominantly from crude oil imported from outside our borders.

So what is standing in the way of companies moving forward with commercializing oil shale projects and beginning to employ thousands of workers throughout the nation? It is a complex question involving factors such as technological advancement, resource availability, economics and politics. But the major factor today lies in the political and policy arena. For instance, leasing of oil shale from the Federal government is on hold. The Bureau of Land Management (BLM) controls about 80% of the western U.S. oil shale resource. Industry is able to lease other resources such as coal, oil and gas and uranium. But oil shale leasing has been stopped and the BLM has begun a series of planning studies that will delay the leasing process established by the last Administration in 2007. The flip flops in federal oil shale policy have placed a damper on the willingness of companies to aggressively invest in the technological advancement of oil shale processing that is needed to make it a viable source of energy for our nation’s future.