

SOCIAL AND ECONOMIC BENEFITS

According to the Department of Energy (2004) “The national and public benefits resulting from commercialization of a domestic oil shale industry include:

- Reducing GDP impacts of higher oil prices by \$800 billion by 2020.
- Reduced balance-of-payments deficit, due to increased domestic fuel production, reduced imports, and lower world prices for crude oil and price of gasoline at the pump.
- Increasing direct federal and state revenues from taxes and royalties.
- Creation of tens of thousands of new jobs and associated economic growth.

The social benefits of an oil shale industry can be significant, and include the following:

- Economic expansion and diversification for the region.
- Educational growth, skill development, and opportunities to educate and train a sustainable workforce.
- Increased opportunities for existing local businesses and growth of opportunity for new business development.
- Fiscal support for public sector infrastructure including enhancements.
- Long-term employment opportunities including high paying jobs in the oil shale and supporting industries

Achieving a balance between the social benefits and social impacts of oil shale development is a key objective for industry, government and all stakeholders.

ENERGY AND NATIONAL SECURITY ENHANCEMENT

There are two important concerns related to energy and national security that stem from the nation’s over-reliance on imported petroleum.

- First, importing so much petroleum has made the United States vulnerable to geopolitical pressures, including the need to station military forces in hostile areas of the world.
- Second, the military requires a secure supply of petroleum products to fuel its ships, vehicles and planes.

The production of shale oil and other sources of domestic transportation fuels here in the United States can help to reduce the impacts of both energy and national security concerns.

Until about 50 years ago, the United States was self-sufficient in its supply of petroleum, and the price of the gasoline produced from it was stable year after year. However, as domestic supplies of conventional petroleum could no longer meet demand, the nation began to import petroleum from abroad. In the 1970’s, the Organization of Petroleum Exporting Countries (OPEC) cut off petroleum supplies to the United States. It resulted in gasoline shortages and long lines at gas stations. In recent years there have been dramatic swings in fuel prices when petroleum ranged from \$30 to \$140 per barrel and gasoline cost over \$5 per gallon in some parts of the U.S. Price volatility has become a constant factor in crude oil markets. The United States imports more than 50% of its petroleum. Around 20% comes from the OPEC, half of which comes from the Middle East.

Defense Readiness Concerns include:

- Dependence on foreign oil
- Dependence on foreign refined fuels

- Higher fuel costs

Many military operations have a mission of maintaining political stability in oil producing regions of the world or along the shipping lanes used by oil tankers headed to the U.S. The DOD has long recognized the vulnerability of the oil supplies, which, in reality, represent the lifeblood of both the U.S. military strength and the U.S. economy.

Deposits of oil shale, coal and tar sands are large enough to produce unconventional fuels in quantities sufficient to meet the needs of DOD and reduce the nation's reliance on imported oil for decades into the future.