



## SOCIAL AND ECONOMIC CONSIDERATIONS FOR AN OIL SHALE INDUSTRY WHITE PAPER

### **Background**

Large U.S. oil shale resources are located in Colorado, Utah, and Wyoming. It is an area rural in character with a small population in and around a few small communities that has seen mining, agriculture, oil and gas and tourism as its main sources of employment and tax revenues. The oil and natural gas business, and kerogen oil shale (called oil shale in this white paper) exploration, brought people to the region beginning in the early 1900's. Resource-based businesses like mining and petroleum have often experienced workforce and economic fluctuations (termed booms and busts in the extreme) due to changes in commodity prices, regulation, and the status of the overall economy. The net effect upon local communities has been both positive and negative.

### **Regional Social Benefits**

The social benefits of a future oil shale industry are significant. A typical oil shale project would have a life expectancy of 25-years. It would generate high paying, stable employment for thousands of direct employees and work for employees in satellite businesses.

In addition to jobs, an oil shale project would provide public sector revenue distribution in the form of taxes, fees and royalties; economic expansion and diversification for the region; educational growth and skill development for a sustainable workforce; increased opportunities for existing and new local businesses; and fiscal support for public sector infrastructure.

### **Regional Social Impacts**

The social impacts, both good and bad, of a future oil shale industry may or may not be significant depending upon what other industries are active in the region at the time.

The key potential negative impacts include a shortage of public facilities and services to deal with a population increase; a lack of funding for infrastructure improvements because of a lag in operational tax revenues during the construction phase; inadequate sharing of Federal and State tax and royalty revenues with local communities; and an effect on real estate prices, positive or negative, depending upon the location.

### **National Energy Benefits**

The potential benefits to the nation as a whole are significant. Oil shale deposits in the United States are estimated to contain over 1-trillion barrels of oil. The three states of Colorado, Utah, and Wyoming alone contain an amount of oil contained in oil shale that is comparable with the conventional oil reserves in the Middle East. The principal benefits of future oil shale production are its value as a secure source of fuel for the U.S. military and its contribution to providing a future domestic supply of energy not reliant upon a potentially hostile foreign sources and a vulnerable supply chain.

### **Bottom line**

Balancing social benefits and negative impacts is the key. Industry leaders will work closely with government entities, interested organizations, and the public to assure that sustainable projects will be an asset to the communities they serve.